
GLASGOW CITY COUNCIL

ANNUAL ACCOUNTS

For the year ended 31 March 2024

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Annual Accounts for the Year ended 31 March 2024

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❖ Management Commentary

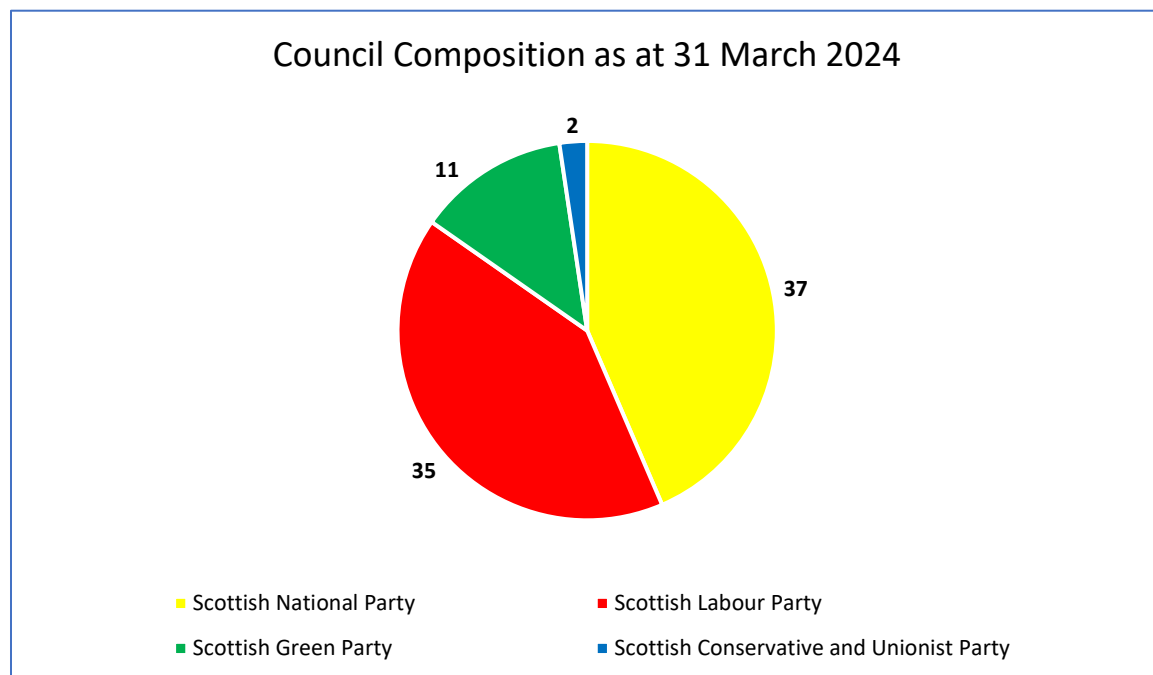
Introduction

Glasgow City Council is the main provider of services to the city's population of 622,820 residents and those who visit, work and do business in the city. Our resources are focused on the provision of Education, Social Work and other services, as well as supporting investment in the city's infrastructure.

This publication represents the Annual Accounts of both Glasgow City Council (the council) and its group for the year ended 31 March 2024, which have been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code). The Code is based on International Financial Reporting Standards (IFRS), with interpretation appropriate to the public sector.

Political Structure

The council is made up of 23 multi-member wards, electing 85 councillors. The make-up of the council as at 31 March 2024 is outlined below.



No formal coalition agreements are in place and the Scottish National Party has formed a minority administration.

Organisational Structure

The council is organised to deliver its services through direct service provision, arms-length external organisations (ALEOs) and various partnership arrangements. This structure reflects the most effective means of delivering services and is governed through the management structures of the council. The council refers to this structure as the "Council Family". The financial results of each material member of the council family are incorporated within the council's group accounts in line with proper accounting practice. The Council's management structure reflects the organisational structure with each service or ALEO led by an Executive

Director, Managing Director or Chief Executive. The key elements of the current organisational structure of the council are as follows.

The Council Family			
Service Departments	ALEOs	Joint Arrangements	Non-Material Interests
<ul style="list-style-type: none"> Chief Executives Education Services Financial Services Neighbourhoods Regeneration and Sustainability Social Work Services 	<p><u>Subsidiaries</u></p> <ul style="list-style-type: none"> Scottish Event Campus Ltd City Building (Contracts) LLP Glasgow Life City Property Glasgow (Investments) LLP City Property Glasgow (Operations SL1) LLP City Property Glasgow (Operations SL2) LLP City Property Glasgow (Operations SL3) LLP City Property Glasgow (Operations SL) Limited City Property Glasgow (Operations SL3) Limited Jobs and Business Glasgow <p><u>Associates</u></p> <ul style="list-style-type: none"> Strathclyde Partnership for Transport Strathclyde Concessionary Travel Scheme 	<ul style="list-style-type: none"> Glasgow City Integration Joint Board City Building (Glasgow) LLP 	<ul style="list-style-type: none"> GCC LLP Investments Limited City Property (Glasgow) LLP Other small bodies

Full details of the ALEOs, joint arrangements and non-material interests can be found in the council's group accounts on pages 86 to 116.

Council Strategic Plan

The Council Strategic Plan 2022-27 was agreed at Full Council on 27th October 2022.

In order to ensure that the Plan clearly articulates its purpose it has been structured into "Grand Challenges" and their supporting "Missions" as outlined below.



1. Reduce poverty and inequality in our communities

- End child poverty in our city using early intervention to support families
- Meet the learning and care needs of children and their families before and through school
- Improve the health and wellbeing of our local communities
- Support Glasgow to be a city that is active and culturally vibrant

2. Increase opportunity and prosperity for all our citizens

- Support Glasgow residents into sustainable and fair work
- Support the growth of an innovative, resilient and net zero carbon economy
- Raise attainment amongst Glasgow's children and young people

3. Fight the climate emergency in a just transition to a net zero Glasgow

- Deliver sustainable transport and travel aligned with the city region
- Become a net zero carbon city by 2030

4. Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities

- Create safe, clean and thriving neighbourhoods
- Run an open, well governed council in partnership with all our communities
- Enable staff to deliver a sustainable and innovative council structure that delivers value for money

These grand challenges and their missions are underpinned by commitments which services will undertake to work towards in order to deliver the goal of each mission.

Actions have been developed to support the delivery of each, or groups of commitments as appropriate; and these are scrutinised alongside the overall delivery of each mission and the four grand challenges. In the initial phase of the plan to November 2024, the grand challenges have been reported through a “cost of living” lens. However, this lens has been widened to include other emerging commitments, and the overall plan.

The Council has agreed that the Strategic Plan will be subject to an annual review to reflect the volatility of outside pressures and budget constraints. The [council strategic plan](#) was updated and approved by council on 31 October 2024 and will be subject to ongoing scrutiny through the reports to Operational Performance and Delivery Scrutiny Committee (OPDSC).

The [Glasgow Community Plan](#) sets out a renewed focus on poverty in line with grand challenge one. Poverty is an important cross cutting issue where we believe we can make a difference by acting with our partners. The Glasgow Community Plan continues to be integrated into the new Strategic Plan aligning its key focus areas to the grand challenges and missions. The Policy and Governance team are currently working with the Communities team to review and refresh their Performance Framework to ensure it's better integrated into the overall Council Family approach.

Performance Management

Our [Performance Manual](#) supports a Framework of performance management and key performance architecture that supports our approach to reporting on performance at both a corporate and service level to ensure that we can monitor and report progress against the council's commitments and programmes. The target audience for much of the reporting output is the City Administration Committee (CAC), Operational Performance and Delivery Scrutiny Committee (OPDSC), the Finance and Audit Scrutiny Committee (FASC) and the Council Management Team (CMT). Information is also provided to other committees and to the public, as part of our public performance reporting arrangements.

A number of reports form the core of the framework including the council's Strategic Plan, the Annual Performance Report (APR), Annual Business Plan (ABPs), the Glasgow Community Plan and associated performance reports, equality outcomes, equality monitoring reports and Local Government Benchmarking Framework Indicators and activity. Our performance information is hosted on a [performance page](#) on our website.

The latest iteration of the [performance manual](#) was considered by OPDSC on the 4 September 2024. The manual will be updated at least annually or sooner if there are significant additions or amendments that require notification.

- [Council Strategic Plan 2022-27](#)

The council concluded a review of our corporate performance management arrangements; both in response to [Internal Audit recommendations](#), consultation with elected members, and a debrief of the previous chair and vice chair of OPDSC. The last [committee effectiveness](#) assessment for OPDSC, noted that a “Question and Answer” paper should be added as a standing item to the agenda to facilitate more detailed feedback to members on areas of interest. The plan was reviewed with Services and elected member input during the summer of 2024; a review paper was then prepared and agreed at Full Council in [October 2024](#).

This is regularly monitored and scrutinised by the OPDSC; and the schedule of meetings and reports underpinning this was detailed in the APR paper to the Wellbeing Equalities, Communities, Culture and Engagement Committee in [March 2025](#).

In view of the focus on the Council Strategic Plan and the Council's response to the motion on the Cost of Living crisis, OPDSC agreed that the strategic plan was initially reported through a cost of living lens. This ensured that any new activity initiated or prioritised as a response to the cost of living crisis, was reflected in performance reporting and considered as part of the agreed review. Along with emerging cost of living responses, other emerging commitments have been identified and reported. These were incorporated within the updated Council Strategic Plan in October 2024.

A comprehensive workplan schedule is prepared and is reviewed by the chair and vice chair of OPDSC prior to each Committee to ensure all key strategic plan missions and commitments are reported appropriately, and any emerging areas of scrutiny interest can be brought to the attention of the Committee.

Best Value

In June 2021, Audit Scotland and the Accounts Commission published a revised Code of Audit Practice. The Code explains the revised arrangements for the audit of Best Value, this is now based on an annual thematic report. Ernst and Young (EY) were appointed by the Accounts Commission as external auditor of Glasgow City Council for financial years 2022/23 to 2026/27, this includes all Best Value Audits during this period.

For the 2022/23 financial year, EY completed the Best Value Audit on the theme of 'Leadership of the development of the new local strategic priorities by Councils following the local government elections in May 2022', the audit specifically focussed on:

- The clarity of the council's vision and priorities.
- How effectively community views have been reflected.
- The alignment of financial, workforce, asset and digital plans.
- How the priorities reflect the need to reduce inequalities and climate change.

The Council engaged fully with EY throughout with audit process.

This Best Value Thematic Report was reported to FASC on 22 May 2024. Management responses to the associated recommendations and action plan was agreed.

For the 2023/24 financial year, the theme for Best Value auditing is 'Workforce Innovation', specifically focussing on:

- How effectively the Council's workforce plans are integrated with its strategic plans and priorities.
- How effectively the council is using hybrid and remote working and other innovative working practices to achieve service and staff benefits.
- What innovative practices the council is using to develop its future workforce capacity.
- How effectively the council is measuring the impact of its workforce planning.

The council will fully engage with EY throughout the audit process.

Risk Management

The council continues to apply the Corporate Risk Management Policy and Framework as a core part of strategic planning, decision making, programme and project management, business continuity and Health and Safety. This document consists of a policy statement, which outlines the Council's approach to risk management (RM), and an operational framework which explains the processes, activities and roles and responsibilities required to successfully implement the policy. The document is available to all staff on the council intranet and is routinely subject to review and approval by CMT.

The Corporate Risk Register (CRR) is a live document that is maintained by Corporate Policy and Governance (CP&G) and kept under review, and informed by, the Corporate Risk Management Forum (RMF) and risk owners. The RMF is chaired by CP&G and comprised of representatives from across the Council Family who review existing risks and consider changes and any new or emerging areas of risk.

Risk continues to be assessed in accordance with the framework and the CRR includes 22 risks, each of which has been aligned to the four grand challenges within the council's strategic plan. There are 12 risks assessed as very high i.e., those with a risk score of 15 and over, as outlined below:

Risk Title	Residual Risk Score
Grand Challenge: Delivery of essential services	
Fiscal Uncertainty	20
ICT Security	20
Failure to successfully deliver Pay and Grading Scheme	20
Failure of key, large scale contractors / service providers	16
Major incident / service disruption	16
Significant industrial action	16
Failure to comply with Health and Safety regulations	16
Grand Challenge: Reduce poverty and inequality	
Poverty and Inequality	20
Impact of Historic Abuse Inquiry	20
Failure to fulfil duty of care to children and vulnerable adults	15
Grand Challenge: Increase opportunity and prosperity	
Impact of the rising cost of living	20
Educational Attainment	16

Individual services maintain and report their own risk registers to their management teams with the CRR reported to the CMT and thereafter to FASC. The latest [Half Yearly Corporate Risk Management Report](#) was considered by FASC on 20 November 2024.

The Financial Statements

A summary of the main financial statements is provided below:

- **Comprehensive Income and Expenditure Statement** - shows income and expenditure incurred in the year relating to the provision of council services, financing and investing activities, taxation and grant income, and other unrealised gains and losses. In total, this reflects the movement in the overall council reserves shown in the Balance Sheet but excludes the statutory adjustments to the General Fund balance.
- **Movement in Reserves Statement** - summarises the movement in the different reserves held by the council, analysed into Usable Reserves (that is, those that can be applied to fund expenditure or reduce local taxation) and Unusable Reserves, required by statute or regulation to adjust between proper accounting practice and the funding basis (these reserves are not available to fund expenditure or reduce local taxation). The 'Surplus or (Deficit) on the Provision of Services' line shows the true economic cost of providing the council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This is different from the statutory amounts required to be charged to the General Fund balance for Council Tax setting purposes. The main statutory adjustments to the General Fund balance relate to capital investment (which is accounted for as it is financed, rather than when the fixed assets are consumed) and retirement benefits (which are charged as amounts become payable to pension funds and pensioners, rather than as future benefits are earned). The 'Net Increase or (Decrease) before transfers to other statutory reserves' line shows the statutory General Fund balance before any discretionary transfers to or from statutory reserves undertaken by the council. The opening and closing reserves reflect the balances shown in the Balance Sheet.
- **Balance Sheet** - represents the value of the assets and liabilities of the council as at 31 March 2024. The Net Assets (assets less liabilities) are matched by the total Usable and Unusable Reserves. Usable Reserves are those that the council may use to fund expenditure or reduce local taxation, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Reserve Funds may only be used to fund capital expenditure or repay debt).

Unusable Reserves are those that the council is not able to use to provide services and include reserves that hold unrealised gains and losses (for example, the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences (for example, the Pension Reserve), where amounts will fall to be paid when they are due and not when they are earned. The effect of these reserves is shown in the 'Adjustments between accounting basis and funding basis under regulations' line within the Movement in Reserves Statement.

- **Cash Flow Statement** - details the changes in cash and cash equivalents of the council during the reporting period. The statement shows how the council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows from operating activities is a key indicator of the extent to which the operations of the council are funded by way of taxation and grant income, or from the recipients of services provided by the council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital to the council.

- **Other statements** - there are a number of other statements included in the Annual Accounts, which provide more detail behind the main statements outlined above.

Statement	Information provided
Council Tax Income Account	Council Tax collectable by the council and the basis on which it is levied.
Non-Domestic Rates Income Account	Non-Domestic Rates Income collectable by the council and the amount contributable to the national pool.
Common Good Fund	Funds held under statute for the people of Glasgow. Expenditure from the fund does not represent a charge to council tax payers and primarily meets the costs of civic ceremonies and hospitality for distinguished visitors to the city.
Sundry Trusts and Funds	The income and expenditure in respect of donations made by individuals and organisations. The Balance Sheet shows the balance on these funds as at 31 March 2024, represented by investments and other net assets.
Group Financial Statements	Consolidates the Financial Statements of the council and its subsidiaries, associates and joint boards. The Group Financial Statements comprise the same primary statements as the council: Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and Cash Flow Statement.

Financial Review

The financial review outlines some of the key financial issues affecting the council during the year and the overall financial position of the council, in line with the reporting requirements of the Code.

- **Council Services**

At the end of 2023/24, overspends were reported in Education Services, Financial Services and Neighbourhoods, Regeneration and Sustainability partly offset by an underspend in Chief Executives Office as outlined below.

- Education Services £8.658 million (1.3%) – Overspends in employee costs due to increasing school roles and additional staffing required to meet the complexity of needs within the Additional Support for Learning (ASL) sector, inflationary increases in transport costs and under recoveries in income from letting and school meal income. These are partly offset by an underspend in Early Years employee costs.
- Financial Services £2.494 million (1.4%) – Overspends due to inflationary increases in food costs and under recoveries in commercial catering income and overspends in housing benefits and Scottish Welfare Fund.
- Neighbourhoods, Regeneration and Sustainability £16.789 million (7.6%) – Overspends due to overtime and agency in relation to absence, higher transport costs due to fuel and maintenance costs and increased utility, rates and rents costs across the property estate.
- Related Companies, £1.603 million (1.3%) – Overspend in relation to the Royal Strathclyde Blindcraft Industries (RSBI) deficit within City Building Glasgow.
- Chief Executives Office, -£1.036 million (-0.9%) – Underspend in core employee cost budgets due to the application of grant administration funding.

Financial pressures across service budgets were closely monitored and corrective action was identified by Executive Directors to contain net expenditure within approved budgets as far as possible. This process was supported by the establishment of the probable outturn.

Services have spent between 99.1% and 107.6% of their final budget resulting in a net overspend in total net direct service expenditure of £28.508 million.

In light of the current financial position a review of prior year carry forwards was undertaken and £7.021 million was released.

- **Integration Joint Board**

The Glasgow City Integration Joint Board (IJB) assumed responsibility for the planning and commissioning of health and social care services within the city on 1 April 2016. While the financial position of Social Work Services continued to be monitored through the council's existing reporting structures the overall financial position is now the responsibility of the IJB.

The financial outturn for the IJB reflects an overspend of £4.485 million. This reflects an operational overspend of £18.778 million within the IJB related to pay awards higher than budget and increases in prescribing costs and volumes. This is offset by an underspend of £14.293 million relating to local and national priorities which will not be completed until future financial years. This relates to ring-fenced funding which has been received to meet specific commitments and must be carried forward to meet the conditions attached to the receipt of this funding.

- **Funding**

The principal sources of finance utilised by the council in 2023/24 were general revenue grant of £1,135.675 million, non-domestic rates of £358.472 million and capital grants and contributions of £78.170 million provided by the Scottish Government and council tax of £274.105 million raised from local taxpayers.

Council tax income is the only significant funding source within the council's control, albeit restricted by the Scottish Government's budget commitments in previous years. This funding represents only around 15% of total revenue funding, limiting the council's capacity to vary expenditure through raising council tax income.

In year collection levels for council tax amounted to 93.79% (2022/23 94.48%). The actual value of council tax income received was £274.105 million, £5.924 million more than budgeted (2022/23 £10.506 million more than budgeted).

The Scottish Government operates a pooling arrangement for the collection and re-distribution of non-domestic rates income, whereby the council acts as an agent, collecting income on its behalf. A 'pool' account is maintained and reported by the Scottish Government, outlining the amount collected on its behalf by councils and the amount re-distributed to councils. The amount re-distributed to councils reflects the amount raised within their local area. The balance of government funding is provided by amending the amount of general revenue grant received to meet the total government funding available.

The council received a total of £358.472 million in respect of non domestic rates in 2023/24. In year collection amounted to 91.55% (2022/23 92.34%).

• Related Companies

A number of the council's ALEOs generate surpluses which the council then incorporates within its overall budget. In 2023/24 the following surpluses were returned to the council:

- City Property returned £4.200 million, £0.235 million higher than budget.
- City Building returned the following:

	Return £ million	Budget £ million	Variance £ million
City Building Glasgow	(0.665)	(2.500)	1.835
City Building Contracts	4.848	(2.000)	6.848
Total	4.183	(4.500)	8.683

Both City Building companies have been affected by rising labour and material cost inflation which has significantly impacted profit margins. City Building Contracts has also seen its planned turnover reduced following delays in placing work from the council due to the above inflationary pressures.

Taken together with the overspend highlighted in related companies above the total impact of City Building activities is £10.286 million.

• Financing Costs

Financing costs (see note 1.10 on page 25) associated with the council's debt portfolio were underspent by £14.830 million. This reflects the application of capital receipts from asset sales (£5.856 million), a lower level of capital expenditure than anticipated and higher than budgeted interest on balances (£8.974 million). The capital interest rate charged by the council's Loans Fund in the year was 3.92%. This underspend will support contributions to the Culture and Recreational Fund (£5.000 million) for ongoing cultural activities and the Insurance Fund (£2.856 million) to meet potential future insurance liabilities.

• Covid-19

The council's general fund included £14.639 million of earmarked reserves to offset the ongoing impact of Covid-19. During 2023/24 the council has continued to witness shortfalls mainly in sports and cultural income and parking income of £14.639 million. The council has therefore applied all of these funds to offset these shortfalls. This fully extinguishes the earmarked reserve for the ongoing impact of Covid-19.

• Equal Pay

The council reached a settlement with the main claimant groups in respect of all outstanding liabilities to 31 October 2023 when a new pay and gradings system will become effective. As at 31 March 2024, over 98% of these claims have been settled, with an appropriate provision retained for the remainder.

• Budget Support Fund

In 2022/23 the council established a budget support fund to support a number of budget options with implementation costs primarily around severance and also to support cashflow around the implementation of these options in 2023/24 and future years budgets.

During 2023/24 costs of £28.531 million were charged to the fund, primarily relating to voluntary severance/early retirement costs and to support the phasing of budget options. In addition, in line with the position reported at

probable outturn £23.317 million will be utilised to support the 2023/24 outturn position. This results in a closing balance of £53.591 million. This balance will be carried forward as an earmarked element of the general fund (see note 6.1.1 on page 39).

- **Comprehensive Income and Expenditure Statement**

The Comprehensive Income and Expenditure Statement records an accounting net expenditure of £523.712 million. This is represented by a decrease in Unusable Reserves of £174.047 million and in Usable Reserves of £349.665 million (as shown in the Movement in Reserves Statement and detailed in note 6, page 39 to 43).

The Financial Statements show a decrease in the General Fund Reserve balance of £136.201 million for the year. This results in a total General Fund Reserve balance of £141.155 million. Having accounted for earmarked reserves of £114.905 million, General Fund unearmarked reserves total £26.250 million, which represents 1.3% of the net budgeted expenditure. The council's policy remains to maintain balances at 2% of the net budgeted expenditure over the medium term. The position in relation to unearmarked reserves will be subject to review as part of each year's annual budget process.

- **Balance Sheet**

The council's Balance Sheet shows Net Assets of £2,320.200 million as at 31 March 2024 (2022/23 £2,843.912 million).

Long-term assets amount to £5,219.527 million as at 31 March 2024 (2022/23 £5,660.063 million) and mainly reflect Property, Plant and Equipment and Heritage assets.

The Financial Statements reflect provisions for anticipated future liabilities including the estimated costs of former landfill site decommissioning, equal pay settlements and the council's schools PPP scheme. Council tax debtors of £15.098 million (2022/23 £14.310 million) have been written off in accordance with the council's policy of writing off such debt more than five years old from the Balance Sheet. In addition, sundry debtors (including common good rental income) over two years old totalling £7.350 million (2022/23 £7.098 million) have been written off in the year in accordance with the council's accounting policy. In both cases these debts were fully provided for in previous years and the council continues to pursue collection.

The council's total debt outstanding amounts to £1,604.407 million (2022/23 £1,438.866 million). The majority of the council's borrowing comes from the Public Works Loans Board (PWLb), with the remainder coming from Lender Option Buyer Options (LOBOs), market borrowing and temporary borrowing from various public bodies and financial institutions. The management of this debt is governed by the council's Treasury Management Strategy which is approved annually by the City Administration Committee.

Council employees are entitled to join the Local Government Pension Scheme (LGPS) or, for teachers, the Scottish Teachers' Superannuation Scheme (STSS). The STSS is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is an unfunded multi-employer defined benefit scheme. However, it is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the council is unable to identify its share of the underlying assets and liabilities of the scheme. The annual accounts show the amounts contributed by the council to the scheme in the year. The LGPS is a defined benefit scheme, requiring an actuarial assessment of the council's overall assets and liabilities to be included in the Annual Accounts. The 2023/24 actuarial report resulted in a net pension asset however in line with proper accounting practice, the asset is limited to the forecast reductions in contributions as compared to the forecast future service costs. This has resulted in the pension asset being recognised at nil value (2022/23 £546.000 million) within the council's balance sheet. In addition, the council

has continued to recognise the unfunded element of its pension liabilities as there are no scheme assets to cover the future costs of these liabilities as they are due going forward. This liability is recognised as £271.000 million (2022/23 £276.000 million).

- **Capital expenditure and sources of finance**

The council's capital expenditure and sources of finance are detailed in note 19.5 on page 60. Gross capital expenditure for the year totalled £108.092 million. Of the total expenditure, £76.131 million was met from government grants, revenue contributions and other receipts. This results in a balance of £31.961 million to be met from borrowing. The council has a capital reserve fund to provide resources for tackling investment priorities within the authority. The balance on this fund at 31 March 2024 was £35.423 million (see note 8 on page 46). Capital receipts from asset sales achieved during the year totalled £5.856 million.

- **Prudential indicators**

The Capital Financing Requirement (CFR) defines the underlying need to borrow for capital purposes. As at 31 March 2024, the CFR was £2,751 million (2022/23 £2,736 million), while gross external borrowing stood £326 million lower (2022/23 £469 million lower) at £2,425 million (2022/23 £2,267 million). This is a measure of prudence, demonstrating that borrowing has only been undertaken for capital investment purposes and to meet short-term cash flow requirements. It is also reflective of the council's Treasury Management Strategy, where it has been deemed prudent to make use of internal funds held for longer-term purposes, to minimise exposure to investment risk.

The Ratio of Financing Costs to Net Revenue Stream provides an indication of affordability of capital investment. As at 31 March 2024, the ratio of financing costs to net revenue stream was 7.10% (2022/23 6.76%). The council's ability to service the borrowing costs is integral to capital investment decisions. Both capital and revenue budget forecasts are therefore inextricably linked, with the revenue implications of capital investment plans reflected within the council's revenue budget forecasts.

- **Group accounts**

The Code requires the council to include summary Group Accounts in the Annual Accounts, showing the financial position of the council and its material subsidiaries, associates and joint arrangements. The Group Balance Sheet shows Net Assets of £3,110.038 million as at 31 March 2024 (2022/23 £3,531.456 million).

The 2023/24 Annual Accounts show an overall group pension liability of £277.973 million (2022/23 £283.038 million). In addition, the actuary reported a net pension asset at 31 March 2024 which after application of an asset ceiling calculation is included in the annual accounts at £198.275 million (2022/23 £711.803 million).

Outlook

The council will continue to face significant financial challenges from anticipated funding gaps between revenues from central government and local taxation and increasing demand for council services and other cost pressures. As part of the annual budget process for 2024/25 the council developed a three year financial forecast for 2024/27. This forecast identified a total spending gap over the three years of £107.7 million. This reflected the impact of the local government settlement, inflation and reductions to employers contributions to the local government pension scheme. On the 15 February 2024 the council approved its budget for 2024/25, including a freeze on council tax and savings options for 2025/26 and 2026/27. Details of the budget can be found here: [2024-2027 Budget](#). As part of the annual budget process for 2025/26 the council updated its financial forecast for 2025/26. This forecast identified a spending gap of £7.9 million for 2025/26. On the 20

February 2025 the council approved its budget for 2025/26, including a 7.5% council tax rise and savings options for 2025/26. Details of the budget can be found here [2025-2026 Budget](#).

One of the key financial and operational pressures facing the city in the near future relates to homelessness. This decision of the Home Office to make circa 2,500 batched asylum decisions in Glasgow by the end of the financial year results in the statutory responsibility for homing asylum seekers transferring from the Home Office to the City Council with a resultant pressure on both the availability of appropriate housing stock across the city and the financial cost of such provision. Estimates included in the council's period 10 budget monitoring for 2024-25 have indicated that the full year cost if these transfers were completed as indicated would be as much as £14.9 million per annum.

In response, the council has declared a housing emergency and developed plans to try and address some of the key operational and financial issues raised by this process. A number of other councils have taken similar action and the Scottish Government has also declared a national housing emergency in response to this issue. The latest position was reported to CAC on 30 November 2023: [Impact of Home Office Decisions via Streamlined Asylum Process Update](#) and while this reflects a delay in the predicted level of decisions, it remains a significant pressure for the council and IJB going forward.

Councillor Susan Aitken
Leader of the Administration
8 May 2025

Susanne Millar
Chief Executive
8 May 2025

Robert Emmott BSc (Hons) CPFA
Executive Director of Financial
Services
8 May 2025

Further information on the Annual Accounts, or on any aspect of the council's finances, can be obtained from the Executive Director of Finance, City Chambers, Glasgow G2 1DU. Telephone 0141 287 3837 or e-mail financial@glasgow.gov.uk.

❖ **Statement of Responsibilities**

1. The Council's Responsibilities

The council is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that the proper officer of the council has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this council, that officer is the Executive Director of Finance;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- Ensure the Annual Accounts are prepared in accordance with legislation (the Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government Scotland Act 2003); and
- Approve the Annual Accounts for signature.

I certify that the Annual Accounts have been approved for signature by the City Administration Committee at its meeting on 8 May 2025.

Councillor Susan Aitken
Leader of the Administration
8 May 2025

2. The Executive Director of Finance Responsibilities

The Executive Director of Finance is responsible for the preparation of the council's Annual Accounts, in accordance with proper practices, as required by legislation and as set out in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing the Annual Accounts, the Executive Director of Finance has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates on a reasonable basis;
- Complied with legislation; and
- Complied with the Code (in so far as it is compatible with legislation).

The Executive Director of Finance has also:

- Kept adequate accounting records, which were up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statements give a true and fair view of the financial position of Glasgow City Council and its group as at 31 March 2024 and the transactions for the year then ended.

Robert Emmott BSc (Hons) CPFA
Executive Director of Financial Services
8 May 2025

Comprehensive Income and Expenditure Statement for the Year ended 31 March 2024

2022/23 Expenditure £000	2022/23 Income £000	2022/23 Net Expenditure £000	Service	Note	2023/24 Expenditure £000	2023/24 Income £000	2023/24 Net Expenditure £000
177,118	(31,584)	145,534	Chief Executive's Office		179,474	(50,593)	128,881
862,672	(117,451)	745,221	Education Services		846,283	(115,767)	730,516
366,489	(270,717)	95,772	Financial Services		376,884	(269,978)	106,906
461,505	(221,481)	240,024	Neighbourhoods, Regeneration and Sustainability		502,096	(237,377)	264,719
1,383,578	(832,920)	550,658	Social Work Services		1,395,931	(870,008)	525,923
133,443	(57)	133,386	Related Companies and Joint Boards		135,970	(103)	135,867
(128)	0	(128)	Equal Pay Obligations		(1,160)	0	(1,160)
120	0	120	Former Authority Residual Costs		0	0	0
3,384,797	(1,474,210)	1,910,587	Cost of Services		3,435,478	(1,543,826)	1,891,652
7,354	(3,979)	3,375	(Gain) or loss on the disposal of Property, Plant and Equipment		0	(1,267)	(1,267)
7,354	(3,979)	3,375	Other Operating (Income) and Expenditure		0	(1,267)	(1,267)
104,073	0	104,073	Interest payable		122,377	0	122,377
0	(10,746)	(10,746)	Interest and investment income		0	(17,210)	(17,210)
19,000	0	19,000	Net interest on the net defined benefit liability	12	0	(13,000)	(13,000)
0	(123)	(123)	Income, expenditure and changes in the fair value of investment properties		15	0	15
123,073	(10,869)	112,204	Financing and Investment (Income) and Expenditure		122,392	(30,210)	92,182
0	(1,113,816)	(1,113,816)	Non-ring fenced government grants	13	0	(1,135,675)	(1,135,675)
0	(296,203)	(296,203)	Non-Domestic Rates	13	0	(358,472)	(358,472)
0	(260,233)	(260,233)	Council Tax		0	(274,105)	(274,105)
0	(106,415)	(106,415)	Capital grants and contributions	13	0	(78,170)	(78,170)
0	(1,776,667)	(1,776,667)	Taxation and Non-specific Grant Income		0	(1,846,422)	(1,846,422)
3,515,224	(3,265,725)	249,499	(Surplus) or Deficit on the Provision of Services		3,557,870	(3,421,725)	136,145
			Items that will not be reclassified to the (Surplus) or Deficit on the Provision of Services				
		(85,835)	(Surplus) or deficit on revaluation of Property, Plant and Equipment				(202,433)
		(1,029,000)	Actuarial (gains) or losses on Pension Assets and Liabilities	12			590,000
		(1,114,835)	Other Comprehensive (Income) and Expenditure				387,567
		(865,336)	Total Comprehensive (Income) / Expenditure				523,712

Movement in Reserves Statement for the Year ended 31 March 2024

	General Fund Reserve £000	Revenue Reserve Funds £000	Capital Reserve Fund £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total Reserves £000
Balance as at 31 March 2022	225,734	45,104	28,280	21,489	320,607	1,657,969	1,978,576
Total comprehensive income and (expenditure)	(249,499)	0	0	0	(249,499)	1,114,835	865,336
Adjustments to usable reserves permitted by accounting standards	35,851	0	0	0	35,851	(35,851)	0
Transfers (to) or from other statutory reserves (note 8)	12,966	(14,040)	1,074	0	0	0	0
Adjustments between accounting basis and funding basis under statutory provisions (note 7)	252,304	0	12,107	194,640	459,051	(459,051)	0
Increase or (decrease) in the year	51,622	(14,040)	13,181	194,640	245,403	619,933	865,336
Balance as at 31 March 2023	277,356	31,064	41,461	216,129	566,010	2,277,902	2,843,912
Total comprehensive income and (expenditure)	(136,145)	0	0	0	(136,145)	(387,567)	(523,712)
Adjustments to usable reserves permitted by accounting standards	37,657	0	0	0	37,657	(37,657)	0
Transfers (to) or from other statutory reserves (note 8)	13,258	(7,220)	(6,038)	0	0	0	0
Adjustments between accounting basis and funding basis under statutory provisions (note 7)	(50,971)	0	0	(200,206)	(251,177)	251,177	0
Increase or (decrease) in the year	(136,201)	(7,220)	(6,038)	(200,206)	(349,665)	(174,047)	(523,712)
Balance as at 31 March 2024	141,155	23,844	35,423	15,923	216,345	2,103,855	2,320,200

Notes 6 to 8 on pages 39 to 46 provide further details on the Movement in Reserves Statement

Balance Sheet as at 31 March 2024

31 March 23 £000	Note	£000	31 March 24 £000
2,829,343	Other land and buildings	2,877,347	
92,989	Vehicles, plant, furniture and equipment	75,289	
817,899	Infrastructure assets	836,472	
23,851	Community assets	24,335	
54,238	Assets under construction	74,762	
45,362	Corporate surplus assets	39,884	
3,863,682	Property, Plant and Equipment	20	3,928,089
1,117,674	Heritage assets	21	1,161,539
686	Investment property		671
18,672	Intangible assets	22	17,381
23,130	Long-term investments	28	23,471
90,219	Long-term debtors	28	88,376
546,000	Net pension asset	12	0
5,660,063	Long-term Assets		5,219,527
5,794	Short-term investments	28	1
3,126	Inventories		5,729
298,879	Net short-term debtors	24	292,031
244,109	Cash and cash equivalents	25	42,900
7,883	Assets held for sale	23	12,084
559,791	Current Assets		352,745
(135,546)	Short-term borrowing	28	(64,384)
(475,129)	Short-term creditors	26	(443,447)
(265,340)	Short-term provisions	27	(14,135)
(876,015)	Current Liabilities		(521,966)
(21,763)	Long-term provisions	27	(20,320)
(1,303,320)	Long-term borrowing	28	(1,540,023)
(276,000)	Unfunded pension liability	12	(271,000)
(879,045)	Deferred liabilities	29	(876,062)
(19,799)	Deferred income		(19,178)
0	Capital grants receipts in advance		(3,523)
(2,499,927)	Long-term Liabilities		(2,730,106)
2,843,912	Net Assets		2,320,200
277,356	General Fund Reserve	6,7	141,155
31,064	Revenue Reserve Funds	6,8	23,844
41,461	Capital Reserve Fund	6,8	35,423
216,129	Capital Grants and Receipts Unapplied Account	6,7	15,923
566,010	Usable Reserves		216,345
2,277,902	Unusable Reserves	6,7	2,103,855
2,843,912	Total Reserves		2,320,200

The unaudited accounts were issued on 28 June 2024 and the audited accounts were authorised for publication on 8 May 2025

Robert Emmott BSc (Hons) CPFA
Executive Director of Financial Services
8 May 2025

Cash Flow Statement for the Year ended 31 March 2024

2022/23 £000		Note	2023/24 £000
249,499	(Surplus) or Deficit on the Provision of Services		136,145
(333,546)	Adjustments to (Surplus) or Deficit on the Provision of Services for non-cash movements		210,611
(2,833)	Adjustments for items included in the (Surplus) or Deficit on the Provision of Services that are investing or financing activities		(8,602)
(86,880)	Net cash flows from operating activities	32	338,154
27,638	Investing activities	33	30,922
(27,104)	Financing activities	34	(167,867)
(86,346)	Net (increase) or decrease in Cash and cash equivalents		201,209
(157,763)	Cash and cash equivalents at the beginning of the reporting period		(244,109)
(244,109)	Cash and cash equivalents at the end of the reporting period		(42,900)

❖ Notes to the Financial Statements

The main objective of these notes is to provide further explanation for certain aspects of the core Financial Statements.

1. Statement of accounting policies

The Financial Statements for the year ended 31 March 2024 have been prepared on the basis of recommendations made by the Local Authority (Scotland) Accounts Advisory Committee (LASAAC) and in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code). The Code is based on International Financial Reporting Standards (IFRS), with interpretation appropriate to the public sector. The statements are designed to give a 'true and fair view' of the financial performance and position of the council and its group.

The accounting concepts of materiality, accruals, primacy of legislative requirements and going concern have been considered in the application of accounting policies. In this regard, the materiality concept means that information is included where the information is of such significance as to justify its inclusion. The accruals concept requires the non-cash effects of transactions to be included in the financial statement for the year in which they occur, not in the period in which the cash is paid or received.

The Council's Statement of Accounts for 2023/24 has been prepared on a going concern basis, the period under assessment being the 12 months from approval of the accounts to the end of May 2026. This concept assumes that the Council's functions and services will continue in operational existence for the foreseeable future. The provisions in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting. In accordance with the CIPFA Code of Local Government Accounting (2023/24), the Council is required to prepare its financial statements on a going concern basis unless informed by the relevant national body of the intention for dissolution without transfer of services or function to another entity. The accounts are prepared on the assumption that the Council will continue in operational existence for the foreseeable future.

The Council's General fund reserve as at 31 March 2024 is £141.155 million, £114.905 million is earmarked for spending commitments and £26.250 million is unearmarked. The unearmarked element of the general fund is kept under review and assessed continuously. The Council's external financing liabilities include long terms loans, these are mainly interest only with balance payable on maturity. The interest payments are included in the revenue budget and any repayment and subsequent replacement kept under review. Cashflow is assessed on an ongoing basis, a daily cashflow forecast operates to ensure cash is available when required. The Council has forecast its liquidity through the going concern period to May 2026 and forecasts no lower than £30 million available balances daily through this period. The Council has provided confirmations of support to various entities in its group through the going concern period, which it has considered and is satisfied it is able to meet within its available funds through the same period, even in the event all support is required.

The Group's financial statements have also been prepared on a going concern basis through the period to 31 May 2026. A number of the group entities' assessments involve the agreement of financial support should it be required from the Council, which the Council has confirmed it is able and willing to provide should it be required. A number of the companies in the Group also hold external financing with associated covenants.

These entities have assessed and forecast compliance with all covenants, which includes the Council's ability to provide parental support if required.

The accounting convention adopted is historical cost modified by the revaluation of certain categories of long-term assets and the fair value of investments and pensions.

1.1. Income and debtors

Income includes all sums owed to the council for the year of account, regardless of when cash payments are received. Specifically:

- Revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser, provided it is probable that economic benefits or service potential associated with the transaction will flow to the council.
- Revenue from the provision of services is recognised when the Council can reliably measure the percentage of completion of the transaction, and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- When revenue and expenditure have been recognised but cash has not been received or paid, a debtor for the relevant amount is recorded in the Balance Sheet.
- When it's probable that debts will remain unsettled, an impairment loss is recognised for bad and doubtful debtors within the Cost of Services.

1.2. Supplies and services

Suppliers' invoices received up to 31 March 2024 are included, together with the specific accrual of invoices received after that date for material amounts, provided the goods or services were received in 2023/24. Where applicable, expenditure and income are reduced by the value of recharges to other council services under the heading inter-departmental recharges. This ensures that the cost is only reflected in the receiving service.

1.3. Long-term contracts

Where the outcome of a long-term contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is normally measured by the proportion of contract costs incurred for work performed to date, as compared to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a long-term contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred, where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

1.4. Overheads and support services

The full cost of overheads and support services are allocated to services in proportion to the benefits received, with the exception of charges to capital projects. Costs relating to capital projects incurred by services are charged to capital projects.

1.5. Employee benefits

Short-term employee benefits, such as wages and salaries and paid annual leave for current employees, are recognised as an expense in the year in which the employee renders service to the council. An accrual is made for the value of holiday entitlements earned by employees but not taken before the financial year end, which employees can carry forward into the next financial year.

Termination benefits are amounts payable as a result of a decision by the council to terminate an employment before the normal retirement date or following an employee's decision to accept voluntary redundancy. Termination benefits are charged on an accruals basis in the Comprehensive Income and Expenditure Statement when the council is demonstrably committed to a termination, this will be recognised at the earlier of the following dates:

- a) when the authority can no longer withdraw the offer of those benefits, and
- b) when the authority recognises costs for a restructuring.

1.6. Retirement benefits

The council participates in two formal pension schemes, the Local Government Pension Scheme, which is administered by Strathclyde Pension Fund, and the Scottish Teachers' Superannuation Scheme, which is administered by the Scottish Government.

The Local Government Pension Scheme is accounted for as a defined benefits scheme as follows:

- (i) Attributable assets are measured at fair value at the balance sheet date, after deducting accrued expenses. Attributable liabilities are valued on an actuarial basis using the projected unit method, which assesses the future liabilities of the fund discounted to their present value. Net pension assets are recognised only to the extent that the council is able to recover a surplus, either through reduced contributions in the future or through refunds from the scheme. Unpaid contributions to the schemes are recorded as creditors due within one year.
- (ii) Unfunded liabilities relate to discretionary benefits that exceed those offered by Strathclyde Pension Fund. Liabilities are recognised at the point awards are made. However, no investment assets are accrued to offset these pension liabilities, requiring the generation of cash to cover actual pension payments as they fall due.
- (iii) For pension charges, the change in defined benefit asset or liability is analysed and charged to the Comprehensive Income and Expenditure Statement as follows:
 - Current service cost, past service cost and gains / losses on curtailments and settlements are included within Cost of Services;
 - Net interest on the net defined benefit liability is included within Financing and Investment Income and Expenditure; and
 - Actuarial gains / losses are incorporated within Other Comprehensive Income and Expenditure.

The nature of the teachers' scheme prevents the council's individual share of the pension liability from being separately identified. The scheme is therefore accounted for as if it were a defined contribution scheme. Further details of pension costs can be found in note 12 on pages 49 to 54.

1.7. Value Added Tax

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income.

1.8. Service expenditure analysis

The Comprehensive Income and Expenditure Statement is presented in accordance with the council's management structure.

1.9. Charges to revenue for long-term assets

Services are debited with the following to recognise the cost of holding long-term assets during the year:

- depreciation attributable to the assets used by the relevant service;
- revaluation and impairment losses on assets used by the service, where there are no accumulated gains in the Revaluation Reserve, against which the losses can be written off; and
- amortisation of intangible assets attributable to the service.

The council is not required to raise Council Tax to fund these items. However, it is required to make an annual loans fund principal repayment from revenue to reduce the overall borrowing requirement. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the loans fund principal, by way of an adjusting transaction between the General Fund and the Capital Adjustment Account within the Movement in Reserves Statement.

1.10. Financing costs

Repayment of debt to the consolidated Loans Fund is based on annuity principles. Repayment periods are in line with asset useful lives, for which debt has been incurred. They generally range from 5 to 10 years for major items of vehicles, plant, furniture and equipment to 40 years for infrastructure and buildings. The repayment of debt incurred in respect of significant components with specific useful lives is in line with the useful life of the component. Capital receipts from asset sales are applied in line with the council's overall financial planning model.

Interest is allocated by the Loans Fund on the basis of the debt outstanding at the start of the financial year with a proportionate adjustment in respect of borrowings or repayments during the financial year. Interest payable on external borrowings and interest receivable are accounted for on an accruals basis.

Financing costs comprise principal and interest. Interest is debited to the Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement, while the principal is debited to the General Fund through the Movement in Reserves Statement.

1.11. Leases and lease type arrangements**1.11.1. Finance leases**

Leases are accounted for as finance leases when substantially all the risks and rewards relating to the leased asset transfer to the lessee. Finance leases have a number of characteristics, however, the council has determined the principal factor in defining a finance lease to be where the present value of the minimum lease payments amounts to substantially all of the fair value of the leased asset. Substantially all of the fair value will generally be at least 80%.

Property leases are classified and accounted for as separate leases of land and buildings. The council implements the requirements of International Financial Reporting Interpretations Committee 4 (IFRIC 4), to assess whether an arrangement contains the substance of a lease. This includes lease rental payments embedded within service payments, where this is significant.

The acquisition of the interest in assets under the terms of a finance lease is recognised in the Balance Sheet as a Deferred Liability at the inception of the lease, matched by a Long-term Asset. This liability is written down as rentals become payable. Rentals payable under finance leases are apportioned between principal and interest. Interest is debited to the Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement, while the principal is debited to the General Fund through the Movement in Reserves Statement.

The interest in assets disposed of under the terms of a finance lease is recognised in the Balance Sheet as a Long-term Asset. Rentals receivable under finance leases are apportioned between finance income and a reduction in the finance lease receivable. Finance income is credited to the Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement, with the balance applied to reduce the debtor.

Property, Plant and Equipment recognised under finance leases are accounted for using the policies applied generally to Long-term Assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

1.11.2. Operating leases

Leases that do not meet the definition of finance leases are accounted for as operating leases. Rentals payable are charged to the relevant service revenue account on a straight-line basis over the term of the lease, generally meaning that rentals are charged when they become payable.

1.12. Public Private Partnership and Similar Contracts

The Public Private Partnership (PPP) agreement and the Design, Build, Finance, Maintain (DBFM) arrangement for the provision of school buildings, maintenance and other facilities is accounted for in accordance with IFRIC 12 'Service Concession Arrangements'. The standard recognises that the council is in control of services provided under the PPP and DBFM scheme. As ownership of the Long-term Assets will pass to the council at the end of the contract for no additional charge, the council carries the assets on the Balance Sheet.

The amounts payable to the PPP and DBFM operators each year are analysed into 5 elements:

- Fair value of the services received during the year – charged to the Comprehensive Income and Expenditure Statement within Education Services;
- Finance cost – the interest charge on the outstanding Balance Sheet liability charged to the Comprehensive Income and Expenditure Statement within Financing and Investment Income and Expenditure;
- Contingent rent – increase in the amount to be paid for the property arising during the contract charged to the Comprehensive Income and Expenditure Statement within Financing and Investment Income and Expenditure;

- Payment towards liability – applied to write down the Balance Sheet liability towards the PPP and DBFM operator; and
- Lifecycle replacement costs – recognised as Long-term Assets on the Balance Sheet.

The Scottish Government issued Finance Circular 10/2022 – Accounting for Service Concession Arrangements, Leases and Similar Arrangements in September 2022. In line with current regulations the council has aligned the pattern of debt repayments associated with such arrangements to reflect the asset lives of the relevant assets rather than the contractual terms of individual arrangements. This change does not affect the overall value of debt repayments but does allow for the spreading of such payments over a longer period.

The revised accounting arrangements provided by the Scottish Government allow the council to realign debt repayments charged to the council's general fund to reflect the useful life of the asset and not the contractual period of the agreements. The council has adopted an annuity method for repayment of debt over the life of the asset which is determined to be 40 years. The adoption of the annuity method for debt repayment, reflects the council's standard practice in relation to all its land and buildings assets. This reflects a charge that is better matched to the consumption of the asset over its useful life i.e., that deterioration is slower in the earlier years of life but accelerates in the later years. The application of a 40-year useful life reflects the anticipated life of the asset and aligns with other school assets financed via local authority borrowing.

1.13. Revenue expenditure funded from capital under statute

Revenue expenditure incurred during the year that may be capitalised under statutory provisions has been charged to the relevant service in the Comprehensive Income and Expenditure Statement. However, this is reversed out to the Capital Adjustment Account through the Movement in Reserves Statement, so that there is no impact on the General Fund balance.

1.14. Property, plant and equipment

Assets that have physical substance and are held for use in the production or supply of goods and services, that are expected to be used during more than one financial year, are classified as Property, Plant and Equipment.

1.14.1. Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis. Property, Plant and Equipment purchased from revenue exceeding the council's *de minimis* level of £6,000 is recognised as a Long-term Asset under the appropriate Property, Plant and Equipment categories. Enhancement expenditure, which substantially lengthens the useful life, value or extent to which the council will receive benefits from the asset, is capitalised. Expenditure on repairs and maintenance that does not add to an asset's potential to deliver future economic benefits is charged to the appropriate service revenue account.

1.14.2. Measurement

Assets under construction are measured at cost. The council does not capitalise borrowing costs incurred whilst assets are under construction. Where an asset is acquired via an exchange, the cost of the acquisition is deemed to be equivalent to the carrying amount of the asset given up by the council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure assets, vehicles, plant, furniture and equipment assets – depreciated historic cost.
- Community assets - valued at £1 on 1 April 1994, with any additions or enhancement from that date included at cost. The major assets in this category are areas of open parkland.
- Corporate surplus assets (i.e. surplus assets that do not meet the criteria to be held for sale) – fair value.
- Other land and buildings – current value.

Where there is no market-based evidence of current value, assets are valued using depreciated replacement cost. Further details on valuation are given at note 19.1 on page 59.

1.14.3. Componentisation

Componentisation refers to accounting separately for the different component parts of assets. A *de minimis* level of £1 million is applied to the overall asset value in this respect. The council separately accounts for significant components with substantially different useful economic lives. Components are deemed to be significant where the cost is more than 10% of the cost of the asset. In practice, the following components are accounted for separately, where material:

- Land (useful life not applicable);
- Buildings (useful life 40 years);
- Plant and equipment (useful life 5 to 10 years); and
- Other components with substantially different useful economic lives.

As assets under construction become operational and existing assets are revalued, componentisation will apply. Where a component is replaced, the carrying amount of the old component is derecognised to avoid double counting and the new component reflected in the carrying amount.

1.14.4. Revaluation

Assets held at current value, including significant components, are revalued on a five year rolling basis, in accordance with the guidelines provided within the Royal Institution of Chartered Surveyors Valuation Standards Manual. In addition, any material changes in the value of individual assets that arise between the periodic valuations are immediately reflected in the Balance Sheet.

Where a significant component of an existing asset is replaced, prior to the componentisation of the asset, as part of the five year rolling programme of revaluations, the carrying value of the component being replaced is assumed not to be material.

Increases in valuations are matched by credits to the Revaluation Reserve, to recognise unrealised gains, except where they arise from the reversal of a loss previously charged to a service revenue account.

In respect of decreases in value, where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against the balance, up to the amount of the accumulated gains. Where there is no balance in the Revaluation Reserve, or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve represents revaluation gains recognised since its formal implementation on 1 April 2007 only. Gains arising before that date have been consolidated into the Capital Adjustment Account.

1.14.5. Depreciation and impairment

Depreciation is calculated on a straight-line basis and is provided for on all Property, Plant and Equipment over their useful lives. An exception is made for assets without a determinable finite useful life, that is, freehold land, community assets and assets under construction. Where an item of Property, Plant and Equipment has significant components, the components are depreciated separately, in accordance with their useful lives. Depreciation is applied in the year from 1 April based on asset valuations as at 31 March of the previous financial year.

The useful lives of property assets are determined in consultation with City Property (Glasgow) LLP. Technical officers within services determine non-property asset lives.

Revaluation gains are also depreciated, with an amount equal to the difference between the current value and the historic cost depreciation transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

An asset is tested for impairment whenever there is an indication that the asset might be impaired. All impairment losses are written off against any revaluation gains attributable to the relevant asset in the Revaluation Reserve, with any excess thereafter charged to the relevant service line within the Comprehensive Income and Expenditure Statement.

Where an impairment loss is subsequently reversed, the reversal is credited to the relevant service line in the Comprehensive Income and Expenditure Statement, up to the amount of the original impairment, and adjusted for depreciation that would have been charged if the loss had not been recognised in the first place.

1.14.6. Disposals and Long-term Assets held for sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued upon reclassification and held at the lower of the carrying value and fair value less cost of sale. Where there is a subsequent decrease in fair value less costs to sell, the loss is debited to the Cost of Services line in the Comprehensive Income and Expenditure Statement. Gains in fair value are only recognised up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on assets held for sale.

If assets no longer meet the criteria of assets held for sale, they are reclassified back to Property, Plant and Equipment assets and revalued the subsequent year at the lower of their carrying amount before they were classified as held for sale, adjusted for depreciation and revaluations that would have been recognised had they not been classified as held for sale, and their recoverable amount at the date of the decision not to sell.

When an asset is disposed of or decommissioned, the carrying amount of the asset is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Receipts from disposals are credited to the same line to give the gain or loss on disposal. Any accumulated revaluation gains are transferred from the Revaluation Reserve to the Capital Adjustment Account.

Amounts received for disposals are categorised as capital receipts and credited to the Capital Receipts Reserve. Receipts are appropriated to this reserve from the General Fund balance through the Movement in Reserves Statement. Similarly, the written-off value of disposals is appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement. Disposals have no impact on Council Tax as long-term assets are fully provided for under separate capital financing arrangements. Balances are transferred from the Capital Receipts Reserve to the Capital Adjustment Account as they are applied.

1.15. Intangible assets

Expenditure on assets that do not have physical substance but are controlled by the council as a result of past events (for example, software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the council. Internally generated assets would also be capitalised, where it could be demonstrated that a project will be able to generate future economic benefits by being able to sell or use the asset.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value can be determined by reference to an active market. In practice, no intangible asset held by the council meets this criterion, and they are therefore carried at amortised cost.

Intangible assets are amortised over their useful life to the relevant service lines in the Comprehensive Income and Expenditure Statement. Any impairment losses are recognised within the relevant service lines, while any gains or losses arising from disposal are recognised within the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

1.16. Heritage assets

Heritage assets have historical, cultural, artistic, scientific, geophysical or environmental qualities and are held and maintained for future generations for their contribution to knowledge and culture. Operational heritage assets that are also used to provide other services are accounted for as operational assets. The Code relaxes some of the measurement rules where information on cost or value is not available and where the cost of obtaining information outweighs benefit to users of the annual accounts.

The council's heritage assets comprise museum and gallery collections. The council's museum and gallery collections are managed by Culture and Sport Glasgow (trading as Glasgow Life) on behalf of the council, in accordance with the council's policy for acquisition, preservation, management and disposal of collections outlined within the Museums Acquisition and Disposal Policy. As set out within the Museums Collections Development Policy, the Collection comprises an estimated 1.2 million items covering history, transport, technology, natural history, world cultures and fine and decorative arts.

The valuation of the collection included in the balance sheet is based on the fair value valuation included in the council's museum records system. This covers assets documented and valued which includes a total of 11,187 items. This valuation is £1.144 billion. The fair values have been determined based on internal and external valuations performed in earlier periods, however they are considered the most appropriate and relevant. Heritage asset valuations may be made by any method that is appropriate and relevant. Valuations are updated as items are assessed or added to collections. Valuations need not be carried out by external valuers and there is no prescribed period between valuations. Carrying out valuations for collections held is very costly and time consuming so its not practicable to obtain recent valuations at a cost which is commensurate with the benefits to users of the financial statements. The carrying amounts of these heritage assets are reviewed with sufficient regularity to ensure they remain appropriate.

It is recognised that heritage asset valuations may be made by any method that is appropriate and relevant. One such method would be to hold the collection according to valuations for insurance purposes. The insurance policies are renewed annually and would be reviewed as part of the annual accounts closedown procedures whilst recognising any external periodic revaluations of elements of the collections as necessary, the last of these was in 2017. The valuation of the collection using insurance valuation is between £1.400 billion and £1.700 billion. The insurance valuation takes cognisance of the Council's entire collection which is allocated across sites across Glasgow City and therefore considers the entirety of the Collection at an overall site, rather than itemised, level. This valuation is not reflected on balance sheet recognising the degree of grouping of assets and the higher level of estimation therefore required in the valuation.

Heritage assets also comprise civic regalia, held at fair value. These valuations include some pieces of artwork, which are held on long-term loan to the council but are not significant compared to the overall valuation. Where the council holds information on the cost of statues and fountains, these are included at cost.

Heritage assets are deemed to have indeterminate lives and high residual values; hence the council does not consider it appropriate to charge depreciation on these assets.

There are a number of other public space statues, monuments, memorials, fountains and outdoor artworks at various locations throughout the city. The council considers that obtaining valuations would involve disproportionate cost and that reliable cost or valuation information cannot be obtained for these items. This is because of the diverse nature of assets held, the number of assets held and the lack of comparable market values. Such assets are therefore excluded from the Balance Sheet.

1.17. Interest in companies and other entities

The council has interests in companies and other entities that have the nature of subsidiaries, associates and joint boards and these are included in the council's Group Financial Statements. In the council's single entity accounts, the interests in these companies are recorded as long-term investments at cost.

1.18. Valuation of other assets and investments

Inventories are included at the lower of cost and net realisable value of the separate items of inventory or of groups of similar items, calculated on the basis of weighted average cost.

1.19. Cash and cash equivalents

Cash is represented as cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature within three months from the

date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the council's cash management.

1.20. Foreign currency translation

Where the council has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the transaction date. Where amounts in foreign currency are outstanding at the year end, they are reconverted at the exchange rate as at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

1.21. Provisions

The value of provisions is based upon the council's obligations arising from past events, the probability that a transfer of economic benefit will take place, and a reasonable estimate of the obligation. Provisions are charged to the appropriate service revenue account in the year the obligation becomes known and are reviewed at each balance sheet date. Any related reimbursement to be met by another party is only recognised where the receipt is virtually certain on settlement of the obligation.

Further details of provisions can be found in note 27 on page 67.

1.22. Contingent liabilities

Contingent liabilities are included in note 30 on page 72 to 73 and reflect possible liabilities facing the council where the potential amount is unable to be estimated, and/or it is still not deemed probable that an obligating event has arisen.

1.23. Deferred liabilities

Deferred liabilities are released to the Comprehensive Income and Expenditure Statement to match future payments. Further detail on deferred liabilities can be found within note 29 on page 72.

1.24. Financial instruments

Financial assets comprising the investment portfolio currently managed for the council by Ruffer Limited Liability Partnership are recognised as fair value through profit or loss. Financial assets (investments and debtors) and financial liabilities (borrowing and creditors) are recognised at amortised cost.

The council has financial guarantees on loans taken out by City Property Glasgow (Investments) LLP. It also has a financial guarantee in relation to bond returns for City Property Glasgow (Operations SL) Ltd. These financial guarantees are measured at fair value and estimated by considering the probability of the guarantee being called. Premiums and discounts arising from debt restructuring are written off through the Movement in Reserves Statement to the Financial Instruments Adjustment Account. Amortisation is undertaken in line with statutory instruction.

The interest receivable or payable that is recognised within Financing and Investment Income and Expenditure is based on the effective interest rate chargeable to the carrying amount.

The Financial Instruments Adjustment Account holds the accumulated difference between the financing costs included in the Comprehensive Income and Expenditure Statement and the accumulated financing costs required in accordance with the regulations to be charged to the General Fund balance.

Further details can be found in note 28 on pages 67 to 72.

1.25. Fair value measurement

Non-financial assets within the balance sheet such as surplus assets and assets held for sale are measured at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability take place either in the principal market for that asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, account is taken of a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Valuation techniques used are appropriate in the circumstances and have sufficient data available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for the asset or liability.

1.26. Capital grants and contributions and Capital Receipts

Capital grants or contributions and donated assets are recognised as due to the council when there is reasonable assurance that the council will comply with any conditions attached to the payments and the grants or contributions will be received.

Amounts recognised as due to the council are credited to the Capital Grants and Contributions line in the Comprehensive Income and Expenditure Statement when grant conditions have been complied with. Amounts credited to the Comprehensive Income and Expenditure Statement are reversed out of the General Fund balance in the Movement in Reserves Statement. Where grant conditions have not been met, the grant will be accounted for as Capital Grants Receipts in Advance on the Balance Sheet and donated assets will be accounted for in the Donated Assets Account. Where grant conditions have been met but the grant has not yet been used to finance capital expenditure, the grant will be held within the Capital Grants and Receipts Unapplied Account and transferred to the Capital Adjustment Account as expenditure is incurred.

Capital Receipts applied to fund equal pay liabilities are held within the Capital Grants and Receipts Unapplied Account and have been applied to the General Fund as expenditure is incurred.

1.27. Usable and unusable reserves

Usable Reserves represent funds available to the council. The Capital Fund and various Revenue Reserve Funds, such as the Repairs and Renewals Fund, the Culture and Recreational Fund and the Insurance Fund, are Usable Reserves which have been set up by the council for specific purposes.

Unusable Reserves represent funds that are not available to the council. These balances are recognised as part of the accounting arrangements for capital, financial instruments, pensions and employee benefits. The Capital Adjustment Account contains entries relating to the financing of capital expenditure and the Revaluation Reserve reflects movements in the value of assets. The Financial Instruments Adjustment Account is required to permit the re-measurement of financial instruments. The Pension Reserve has been set up in accordance with statutory accounting requirements to absorb the timing differences arising from accounting and funding for post-employment benefits. The Employee Statutory Adjustment Account has been created to negate the impact of the employee benefits accrual on the General Fund and also includes the deferral of equal pay costs in accordance with statutory accounting requirements. Details of the movement in these reserves can be found in note 6 on pages 39 to 43, and in note 8 on page 46.

1.28. Material items

When items of income and expenditure are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to the understanding of the council's financial performance.

1.29. Events after the balance sheet date

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the statement of accounts is authorised for issue. Two types of events may be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Financial Statements are adjusted to reflect such events; and
- Those that are indicative of conditions that arose after the reporting period – the Financial Statements are not adjusted to reflect such events, but where this would have a material effect, the nature and estimated financial impact of such events is disclosed in the notes.

1.30. Prior period adjustments, changes in accounting policies and estimates

Prior period adjustments may arise as a result of a change in accounting policy or to correct a material error. Changes in accounting policy are only made when required by proper accounting practice or to provide more reliable or relevant information on the council's financial position. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period, as if the new policy had always been applied. Changes in accounting estimation techniques are applied in the current and future years and do not give rise to a prior period adjustment.

2. New standards issued but not yet adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2023/24 Code:

- Amendments to IAS1 Classification of Liabilities as Current or Non-current.
- Amendments to IAS1 Non-current Liabilities with Covenants.
- Amendments to IAS12 international Tax Reform: Pillar Two Model Rules.
- Amendments to IAS7 and IFRS7 Supplier Finance Arrangements.
- Implementation of and amendments to IFRS16 Leases.

The Code requires implementation from 1 April 2024 therefore there is no impact on the 2023/24 annual accounts.

Overall, with the exception of the Implementation of IFRS16, these new or amended standards are not expected to have a significant impact on the Annual Accounts.

In 2024/25 the council will apply IFRS16 Leases as adopted by the Code. IFRS16 will mean that the majority of leases where the Council act as lessee will come onto the balance sheet and lessor accounting is effectively unchanged.

The main impact of the new requirements is that, for arrangements previously accounted for as operating leases (i.e. without recognising the leased vehicles, plant, equipment, property and land as an asset and future rents as a liability), a right-of-use asset and a lease liability are to be brought into the balance sheet at 1 April 2024. Leases for items of low value (£10,000 or less) and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

IFRS 16 will be applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities will have been calculated as if IFRS 16 had always applied but recognised in 2024/2025 and not by adjusting prior year figures.

As a lessee, the Council has previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Authority. Under IFRS 16, the Council recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

The Council has decided to apply recognition exemptions to short-term leases and has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a term of 12 months or less and leases of low value assets. The Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. It is anticipated that the application of the Code's adaptation of IFRS16 will result in updates to the balance sheet in the following categories:

- Property, Plant and Equipment (right-of-use assets)
- Deferred liabilities (lease liabilities)
- Short-term creditors (lease liabilities)

3. Critical judgements made in applying accounting policies

In applying the accounting policies set out in note 1, the council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the annual accounts are as follows:

- Judgements made in assessing lease-type arrangements are set out in the accounting policy at 1.11.
- Judgements made in respect of accounting for asset components are set out in the accounting policy at 1.14.3.
- Assets held at current value are revalued on a five year rolling basis, as set out in the accounting policy at 1.14.4. Additional valuations may be carried out on an ad hoc basis outwith the rolling

programme arrangements, for example, when assets change category. The authority asserts that at any point in time, the carrying amount does not differ materially from that which would be determined using current value.

- In assessing potential liabilities arising from legal claims against the council, legal opinion has been sought. Where it is judged that there is more than 50% chance of a liability arising and the amount can be reliably estimated, then a provision has been made. Where the council is challenging a claim through the legal system and is of the view that there is a less than 50% chance of a significant liability arising, then no provision has been made. However, such cases continue to be monitored for potential liabilities that require to be recognised, including any developments up to the point of signing the annual accounts.
- The annual unitary charge payable by the council in respect of the PPP contract for secondary schools is allocated across various expenditure headings based on a detailed financial model, in line with assumptions contained within the service provider's operating model. The PPP contract has been judged to be a service concession arrangement.
- In assessing financial implications associated with council properties containing Reinforced Autoclaved Aerated Concrete (RAAC) such properties are held at depreciated replacement cost, which covers the full rebuild cost. Consequently impairment costs are not included for these assets.

4. Assumptions about the future and other sources of estimation uncertainty

The Financial Statements contain estimated figures that are based on assumptions made by the council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the council's Balance Sheet at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if results differ from assumptions
Pension assets and liabilities	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which pay is projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Strathclyde Pension Fund has engaged a firm of consulting actuaries to provide expert advice about the assumptions to be applied.</p> <p>The value of the funded net pensions asset/liability at 31 March 2024 is reported as nil, the IAS19 report value shows pension assets of £5,671 million and pension liabilities of £4,278 million. In line with proper accounting practice, the asset is limited to the forecast reductions in contributions as compared to the forecast future current service costs. This has resulted in the pension asset being recognised at nil. There is uncertainty within the forecast future current service costs as these are projected and therefore are an estimate. A 1% movement on assets and liabilities would be £57 million and £43 million respectively, both significant sums. Note 12 on page 49 provides further disclosure on Pension costs.</p>	<p>The effects on the net pension liability of changes in individual assumptions can be measured. The actuary has estimated that a 0.1% decrease in the real discount rate would result in an increase to the pension liability of £74 million. Similarly, a 0.1% increase in the rate of salary increase and pension increase rates would increase the liability by £11 million and £64 million respectively. In terms of life expectancy, an increase of 1 year is estimated to equate to an increased liability of between £136 million and £227 million.</p>
Asset Valuations – Land & Buildings	<p>Assets held at current value are revalued on a maximum five year rolling basis but may be more frequent where a change in classification occurs or a material movement is expected due to market conditions. Of the total £2,877 million (22/23 - £2,829 million) of Other land and buildings assets £1,698 million (22/23 - £1,538 million) was revalued during 2023/24. A review of the revaluation results highlighted the valuation of land and building assets was mainly driven by the movement in construction indices. It is possible to forecast the impact if the valuation methodology was uniformly applied across the remainder of the other land and buildings assets.</p>	<p>Considering the impact if the valuation methodology was uniformly applied across the remainder of the other land and buildings assets, the total Other land and buildings value of £2,877 million could increase by £115 million, 4.0%.</p>

5. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with proper accounting practice. It also shows how this expenditure is allocated for decision making purposes between the council's services. The reportable segments have been identified to align with service structure. Income and expenditure accounted for under proper accounting practice is presented more fully in the Comprehensive Income and Expenditure Statement.

5.1. Expenditure and Funding Analysis for the Year ended 31 March 2024

2022/23 Net (Income)/ Expenditure Chargeable to the General Fund £000	2022/23 Adjustments £000	2022/23 Net (Income)/ Expenditure in the CIES £000	Service	2023/24 Net (Income)/ Expenditure Chargeable to the General Fund £000	2023/24 Adjustments £000	2023/24 Net (Income)/ Expenditure in the CIES £000
122,338	23,196	145,534	Chief Executive's Office	112,351	16,530	128,881
675,681	69,540	745,221	Education Services	676,087	54,429	730,516
183,474	(87,702)	95,772	Financial Services	181,616	(74,710)	106,906
187,371	52,653	240,024	Neighbourhoods, Regeneration and Sustainability	237,150	27,569	264,719
500,358	50,300	550,658	Social Work Services	529,316	(3,393)	525,923
124,641	8,745	133,386	Related Companies and Joint Boards	126,809	9,058	135,867
(22)	(106)	(128)	Equal Pay Obligations	258,840	(260,000)	(1,160)
120	0	120	Former Authority Residual Costs	0	0	0
1,793,961	116,626	1,910,587	Net Cost of Services	2,122,169	(230,517)	1,891,652
(1,832,617)	171,529	(1,661,088)	Other (Income) and Expenditure	(1,972,710)	217,203	(1,755,507)
(38,656)	288,155	249,499	(Surplus) or Deficit on the Provision of Services	149,459	(13,314)	136,145
		225,734	Opening General Fund Balance			277,356
		38,656	Surplus/(Deficit) on General Fund in Year			(149,459)
		12,966	Transfers (to)/from Other Statutory Reserves			13,258
		277,356	Closing General Fund Balance			141,155

5.2. Note to the Expenditure and Funding Analysis – Adjustments

2022/23 Adjustments for Capital Purposes £000	2022/23 Net Change for the Pensions Adjustments £000	2022/23 Other Differences £000	2022/23 Total Adjustments £000	Service	2023/24 Adjustments for Capital Purposes £000	2023/24 Net Change for the Pensions Adjustments £000	2023/24 Other Differences £000	2023/24 Total Adjustments £000
16,945	6,155	96	23,196	Chief Executive's Office	19,574	(2,992)	(52)	16,530
57,874	21,249	(9,583)	69,540	Education Services	69,984	(10,122)	(5,433)	54,429
1,640	14,744	(104,086)	(87,702)	Financial Services	(382)	(4,423)	(69,905)	(74,710)
34,672	18,934	(953)	52,653	Neighbourhoods, Regeneration and Sustainability	33,575	(8,797)	2,791	27,569
2,605	46,918	777	50,300	Social Work Services	6,667	(9,666)	(394)	(3,393)
0	0	8,745	8,745	Related Companies and Joint Boards	0	0	9,058	9,058
0	0	(106)	(106)	Equal Pay Obligations	0	0	(260,000)	(260,000)
0	0	0	0	Former Authority Residual Costs	0	0	0	0
113,736	108,000	(105,110)	116,626	Cost of Services	129,418	(36,000)	(323,935)	(230,517)
42,768	19,000	109,761	171,529	Other (Income) and Expenditure	172,356	(13,000)	57,847	217,203
156,504	127,000	4,651	288,155	(Surplus) or Deficit on the Provision of Services	301,774	(49,000)	(266,088)	(13,314)

6. Reserves

The council holds a number of reserves in the Balance Sheet for a variety of purposes. These are classified as either 'Usable' or 'Unusable' Reserves. Usable Reserves are those that can be applied to fund expenditure or reduce taxation. Usable Reserves can also be earmarked for future spending plans. Unusable Reserves are generally required to comply with proper accounting practice or statute.

6.1. Usable Reserves

6.1.1. General Fund Reserve

The General Fund Reserve represents the accumulated surplus of the council. The balance on the General Fund Reserve as at 31 March 2024 stands at £141.155 million, a decrease of £136.201 million from the previous year. This comprises a cumulative total of £114.905 million earmarked for specific purposes (31 March 2023 £251.103 million) and an uncommitted balance of £26.250 million (31 March 2023 £26.253 million). The opening and closing balances, together with movements during the year, on significant reserve balances are outlined in the table below. In line with proper accounting practice, the element of the earmarked reserve related to unrealised gains may only be used to meet future unrealised losses and is not available to support ordinary activities.

	Earmarked Reserves					Unearmarked Reserve £000	Total General Fund Reserve £000
	Budget Support Fund £000	Equal Pay £000	Service Commitments £000	Unrealised Gains £000	Total £000		
Balance as at 1 April 2023	105,439	69,922	75,338	404	251,103	26,253	277,356
Use of reserves during the year	(51,848)	(51,252)	(59,484)	(404)	(162,988)	(3)	(162,991)
Transfers to reserves during the year	0	0	26,790	0	26,790	0	26,790
Balance as at 31 March 2024	53,591	18,670	42,644	0	114,905	26,250	141,155

6.1.2. Revenue and Capital Reserve Funds

The council also has statutory powers to hold Revenue Reserve Funds (Repairs and Renewals, Culture and Recreational, and Insurance Funds) and Capital Reserve Funds to meet future service revenue costs and capital investment respectively. Note 8 on page 46 provides information on these reserves showing the purpose of the reserve and an analysis of the movement in reserves from 1 April 2022 to 31 March 2024.

6.1.3. Capital Grants and Receipts Unapplied Account

In accounting for grants and other contributions related to capital investment, the Capital Grant and Receipts Unapplied represents the total grant and other contributions received, for which expenditure has not yet been incurred. This account also includes Capital Receipts received in respect of the sale and leaseback arrangements concluded during 2022/23, and utilised for equal pay liabilities in 2023/24. The following table shows the movement on the Capital Grants and Receipts Unapplied Account during the year:

2022/23 £000	Capital Grants and Receipts Unapplied Account	2023/24 £000
21,489	Balance at 1 April for Capital Grants Unapplied	16,129
(9,264)	Capital Grants applied from prior years	(2,644)
3,904	Capital Grants unapplied in current year	2,438
16,129	Balance at 31 March for Capital Grants Unapplied	15,923
0	Balance at 1 April for Capital Receipts Unapplied	200,000
200,000	Capital Receipts unapplied in current year	0
0	Capital Receipts applied in current year	(200,000)
200,000	Balance at 31 March for Capital Receipts Unapplied	0
216,129	Total Balance at 31 March	15,923

6.2. Unusable Reserves

Unusable Reserves in the Balance Sheet comprises the following reserves:

2022/23 £000	Unusable Reserves	2023/24 £000
15,117	Capital Adjustment Account	(49,373)
2,325,771	Revaluation Reserve	2,486,209
(43,902)	Financial Instruments Adjustment Account	(38,985)
270,000	Pensions Reserve	(271,000)
(289,084)	Employee Statutory Adjustment Account	(22,996)
2,277,902	Total	2,103,855

6.2.1. Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of long-term assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The following table shows the movement on the Capital Adjustment Account during the year:

2022/23 £000	Capital Adjustment Account	2023/24 £000
280,560	Balance at 1 April	15,117
(122,805)	Charges for depreciation and impairment	(131,042)
(5,432)	Revaluation losses	(21,464)
(3,090)	Amortisation of Intangible assets	(3,971)
123	Movement in the fair value of investment property	(15)
(9,406)	Revenue expenditure funded from capital under statute	(8,399)
(199,971)	Disposals	(5,210)
(19,799)	Deferred Income	621
66,796	Adjusting amounts written out of the Revaluation Reserve	4,338
	Capital financing applied in the year:	
88,274	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	61,615
7,144	Application of grants to capital financing from Capital Grant Unapplied	2,524
28,763	Loans Fund principal repayment	30,385
(7)	Home loans principal repayment	(8)
7,822	Capital expenditure charged against the General Fund Reserve	6,136
(103,855)	Adjustment to statutory repayment of debt for Service Concession arrangements – permitted flexibility	0
15,117	Balance at 31 March	(49,373)

6.2.2. Revaluation Reserve

The Revaluation Reserve contains the unrealised gains made by the council arising from the increases in the value of its Property, Plant and Equipment. The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. The following table shows the movement on the Revaluation Reserve during the year:

2022/23 £000	Revaluation Reserve	2023/24 £000
2,342,583	Balance at 1 April	2,325,771
107,390	Upward revaluation of assets	224,221
(21,555)	Downward revaluation of assets and impairment losses not charged to (Surplus) or Deficit on the Provision of Services	(21,788)
85,835	Surplus or deficit on revaluation of Property, Plant and Equipment not posted to (Surplus) or Deficit on the Provision of Services	202,433
(66,796)	Accumulated gains on assets sold or scrapped	(4,338)
(66,796)	Amounts written off to the Capital Adjustment Account	(4,338)
(35,851)	Difference between fair value depreciation and historic cost	(37,657)
2,325,771	Balance at 31 March	2,486,209

6.2.3. Financial Instruments Adjustment Account

This account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments. The council uses the account primarily to manage premiums paid on the early redemption of loans in line with the Treasury Management Strategy. Over time the expense is posted to the General Fund Reserve balance in accordance with statutory arrangements to spread the burden on Council Tax. The following table shows the movement on the Financial Instruments Adjustment Account during the year:

2022/23 £000	Financial Instruments Adjustment Account	2023/24 £000
(48,741)	Balance at 1 April	(43,902)
4,839	Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	4,917
(43,902)	Balance at 31 March	(38,985)

6.2.4. Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. Employers' contribution rates and contribution strategy will be reviewed following the next formal valuation as at 31 March 2026. The following table shows the movement on the Pension Reserve during the year:

2022/23 £000	Pension Reserve	2023/24 £000
(632,000)	Balance at 1 April	270,000
1,756,000	Actuarial gains or (losses) on Pension Assets/Liabilities	41,000
(727,000)	Pension asset derecognition	(631,000)
(243,000)	Reversal of items relating to net charges for retirement benefits charged to (Surplus) or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(103,000)
116,000	Employers' pension contributions paid to Strathclyde Pension Fund	152,000
270,000	Balance at 31 March	(271,000)

6.2.5. Employee Statutory Adjustment Account

This account absorbs the differences that would otherwise arise on the General Fund Reserve balance from accruing for compensated absences earned but not taken in the year, for example, annual leave entitlement accrued, but not taken as at 31 March and holds the value of deferral of the charge for the increase in equal pay provision. Statutory arrangements require that the impact of these adjustments on the General Fund Reserve balance is neutralised by transfers to or from the Employee Statutory Adjustment Account. The following table shows the movement on the Employee Statutory Adjustment Account during the year:

2022/23 £000	Employee Statutory Adjustment Account	2023/24 £000
(24,327)	Balance at 1 April for short term accumulating absences	(29,084)
24,327	Settlement or cancellation of accrual made for short term accumulating paid absences at end of preceding year	29,084
(29,084)	Amounts accrued in year for short term accumulating absences	(22,996)
(29,084)	Balance at 31 March for short term accumulating absences	(22,996)
(260,106)	Balance at 1 April for equal pay	(260,000)
106	Settlement or cancellation of accrual made for equal pay	260,000
0	Amount accrued in year for equal pay	0
(260,000)	Balance at 31 March for equal pay	0
(289,084)	Total Balance at 31 March	(22,996)

7. Adjustments between accounting basis and funding basis under regulation

This note details the adjustments required to total Comprehensive Income and Expenditure for the year in accordance with either proper accounting practice or statutory provisions and applied to the General Fund Reserve. Figures for 2022/23 are provided in an additional table to allow comparison:

Accounting adjustments permitted under regulation during 2023/24	31 March 2024				
	Usable Reserves				
	General Fund Reserve £000	Capital Fund £000	Capital Grants and Receipts Unapplied Account	Capital Receipts Reserve	Unusable Reserves £000
			£000	£000	
Adjustments primarily involving the Capital Adjustment Account:					
Charges for depreciation and impairment, and downward revaluation of Property, Plant and Equipment and Assets held for sale	152,506				(152,506)
Amortisation of Intangible assets	3,971				(3,971)
Capital grant and contributions applied to the Comprehensive Income and Expenditure Statement	(63,933)		(206)		64,139
Net gain on sale of Property, Plant and Equipment and Assets held for sale	(1,267)			5,856	(4,589)
Capital receipts applied	205,856		(200,000)	(5,856)	0
Loans Fund principal	(30,377)				30,377
Capital expenditure charged to General Fund Reserve	(6,136)				6,136
Revenue expenditure funded from capital under statute	8,399				(8,399)
Movement in market value of Investment Properties	15				(15)
Adjustment to the statutory repayment of debt for service concession arrangements	0				0
Adjustments primarily involving the Financial Instruments Adjustment Account:					
Amounts by which finance costs charged to the Comprehensive Income and Expenditure Statement differ to that calculated under statute	(4,917)				4,917
Adjustments primarily involving the Pension Reserve:					
Amounts by which pension costs debited or credited to the Comprehensive Income and Expenditure Statement differ to that calculated under statute	(49,000)				49,000
Adjustments primarily involving the Employee Statutory Adjustment Account:					
Amount by which employees' remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(6,088)				6,088
Deferral of equal pay obligations	(260,000)				260,000
Totals	(50,971)		(200,206)	0	251,177

Comparative Information 2022/23

Accounting adjustments permitted under regulation during 2022/23	31 March 2023				
	Usable Reserves		Capital Grants and Receipts Unapplied Account	Capital Receipts Reserve	Unusable Reserves
	General Fund Reserve £000	Capital Fund £000	£000	£000	£000
Adjustments primarily involving the Capital Adjustment Account:					
Charges for depreciation and impairment, and downward revaluation of Property, Plant and Equipment and Assets held for sale	128,237				(128,237)
Amortisation of Intangible assets	3,090				(3,090)
Capital grant and contributions applied to the Comprehensive Income and Expenditure Statement	(92,178)	2,120	(5,360)		95,418
Net gain on sale of Property, Plant and Equipment and Assets held for sale	3,375	9,987	200,000	6,408	(219,770)
Capital receipts applied	6,408			(6,408)	0
Loans Fund principal	(28,756)				28,756
Capital expenditure charged to General Fund Reserve	(7,822)				7,822
Revenue expenditure funded from capital under statute	9,406				(9,406)
Movement in market value of Investment Properties	(123)				123
Adjustment to the statutory repayment of debt for service concession arrangements	103,855				(103,855)
Adjustments primarily involving the Financial Instruments Adjustment Account:					
Amounts by which finance costs charged to the Comprehensive Income and Expenditure Statement differ to that calculated under statute	(4,839)				4,839
Adjustments primarily involving the Pension Reserve:					
Amounts by which pension costs debited or credited to the Comprehensive Income and Expenditure Statement differ to that calculated under statute	127,000				(127,000)
Adjustments primarily involving the Employee Statutory Adjustment Account:					
Amount by which employees' remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	4,757				(4,757)
Deferral of equal pay obligations	(106)				106
Totals	252,304	12,107	194,640	0	(459,051)

8. Transfers to or from statutory reserves

Under statute, the council is permitted to hold a number of revenue and capital reserves to provide financing for future expenditure plans. These funds include Repairs and Renewals Funds, the Culture and Recreational Fund, Insurance Fund and Capital Reserve Fund. The table below provides an analysis of the movement in reserve funds from 1 April 2022 to 31 March 2024. The Code requires that all income and expenditure associated with statutory reserves is reported within the Comprehensive Income and Expenditure Statement and transferred to the appropriate reserve in the Movement in Reserves Statement.

Reserve	Balance at 1 April 2022 £000	Transfers Out 2022/23 £000	Transfers In 2022/23 £000	Balance at 31 March 2023 £000	Transfers Out 2023/24 £000	Transfers In 2023/24 £000	Balance at 31 March 2024 £000	Purpose of the reserve
Property Repairs and Renewals	8,878	(6,911)	1,587	3,554	(1,923)	1,615	3,246	For the repair and renewal of council property
Winter Gardens Appeal	40	0	1	41	0	1	42	For the upkeep of the Winter Gardens
Energy Efficiency	14	(35)	119	98	(26)	88	160	For energy efficiency initiatives in council properties
New Technology	14,305	(4,192)	853	10,966	(210)	1,696	12,452	To fund new technology projects
Douglas Flagpole Appeal	17	0	0	17	0	0	17	For maintenance of the flagpole in the Botanic Gardens
Botanic Book Fund Appeal	18	0	1	19	0	1	20	For the purchase of books for the Botanic Gardens
Winter Maintenance Reserve Fund	887	0	13	900	0	35	935	To equalise the effect of severe, mild and average winters
Total Repairs and Renewals Funds	24,159	(11,138)	2,574	15,595	(2,159)	3,436	16,872	
Culture and Recreational Fund	8,635	(8,937)	5,254	4,952	(9,076)	5,200	1,076	For the provision of social, cultural, and recreational activities
Insurance Fund	12,310	(16,042)	14,249	10,517	(19,223)	14,602	5,896	For property, motor and liability insurance
Total Revenue Reserves	45,104	(36,117)	22,077	31,064	(30,458)	23,238	23,844	
Capital Reserve Fund	28,280	(9,482)	22,663	41,461	(20,641)	14,603	35,423	To fund capital investment projects
Total Revenue and Capital Reserve Funds	73,384	(45,599)	44,740	72,525	(51,099)	37,841	59,267	

9. Subjective analysis

2022/23 £000	%	Subjective analysis	2023/24 £000	%
Where the money came from				
(1,777,285)	54.4	Government grants and local taxation	(1,872,832)	54.7
(589,249)	18.0	Other grants, reimbursements and contributions	(592,776)	17.3
(777,926)	23.9	Customer and client receipts	(846,419)	24.8
(6,340)	0.2	Interest	(12,995)	0.4
(231,063)	7.1	Income from other departments	(224,668)	6.6
(4,531)	0.1	Other miscellaneous income	(4,266)	0.1
0	0.0	Net interest on the net defined benefit liability	(13,000)	0.4
(3,979)	0.1	Gain on disposal of property, plant and equipment	(1,267)	0.0
231,063	(7.1)	Inter-departmental recharges	224,668	(6.6)
(106,415)	3.3	Capital grants and contributions	(78,170)	2.3
(3,265,725)	100.0	Total income	(3,421,725)	100.0
How the money was spent				
1,244,106	35.4	Employee costs	1,166,287	32.8
255,478	7.3	Premises costs	258,523	7.3
275,517	7.8	Supplies and services	265,208	7.4
46,759	1.3	Transport and plant	49,530	1.4
1,120,806	31.9	Third party payments	1,221,569	34.3
514,320	14.6	Transfer payments	514,953	14.5
167,178	4.8	Depreciation, amortisation and impairment	194,149	5.5
104,073	3.0	Financing costs	122,377	3.4
(8,424)	(0.2)	Allocations	(10,058)	(0.3)
19,000	0.5	Net interest on the net defined benefit liability	0	0.0
7,354	0.2	Loss on disposal of property, plant and equipment	0	0.0
(231,063)	(6.6)	Inter-departmental recharges	(224,668)	(6.3)
120	0.0	Former authority residual costs	0	
3,515,224	100.0	Total expenditure	3,557,870	100.0
249,499		(Surplus) or Deficit on the Provision of Services	136,145	

The above table reflects the management structure of the council and includes the subjective analysis of expenditure incurred on inter-departmental trading activities. Both income and expenditure have been adjusted to exclude amounts related to inter-departmental trading. Total income and total expenditure represent transactions with bodies external to the council.

10. Material items

The Code requires disclosure of the nature and amount of material items. During 2023/24 the following items are regarded as material:

Nature	2023/24 £000
Recognition of an unfunded pension liability in 2023/24. The funded pension position is recognised as nil in 2023/24 due to the asset ceiling calculation.	(271,000)

11. Public Private Partnership and Similar Contracts

The council entered into a Public Private Partnership for the provision of school buildings, maintenance and other facilities. This agreement provides the council with 29 replacement or renovated secondary schools and one primary school. The provider is required to maintain these schools to a high standard. When the agreement ends in July 2030 the schools will be handed back to the council with a guarantee of no major maintenance requirements for a five year period. The council has also entered into a design, build, finance, maintain (DBFM) arrangement for the provision of school buildings, maintenance and other facilities. This arrangement provides the council with 2 replacement primary schools. The provider is required to maintain these schools to a high standard. When the agreement ends in October 2043 the schools will be handed back to the council with a guarantee of no major maintenance requirements for a five year period. The value of the assets held under these schemes are £460.279 million (2022/23 £462.640 million). The in year reduction of £2.361 million comprises of £0.332 million of additions and transfers in, an increase of £14.155 million from revaluations (including depreciation revaluations) less £16.848 million depreciation. Under the agreement the council is committed to paying the following sums (in cash terms at today's prices):

2022/23 Total £000	Future repayment periods	Payment for services £000	Repayment of liability £000	Interest £000	2023/24 Total £000
61,280	Within 1 year	38,645	8,177	19,391	66,213
256,899	2 to 5 years	154,197	43,110	80,372	277,679
158,273	6 to 10 years	58,324	15,994	23,678	97,996
9,255	11 to 15 years	2,962	4,172	2,199	9,333
9,669	16 to 20 years	2,890	5,123	854	8,867
1,097	21 to 25 years	0	0	0	0
496,473	Total	257,018	76,576	126,494	460,088

12. Pension costs

12.1. Local Government Pension Scheme

Disclosure of information relating to pensions follows the reporting requirements of IAS19 'Employee Benefits'. The table on page 51 details the assumptions made in estimating the figures contained in this note. The council offers retirement benefits to its employees under the Terms and Conditions of Employment.

The Local Government Pension Scheme is the main vehicle for the provision of pensions to council staff. The Strathclyde Pension Fund Office, which is part of Glasgow City Council's Financial Services, administers the scheme for all local authorities in the West of Scotland. This scheme is a funded defined benefits scheme, meaning that the authority and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. The scheme provides pension benefits for councillors and local government employees (excluding teachers). For local government employees this is a defined benefit scheme calculated on a career average basis. This means that pension benefits are earned based on pensionable pay earned in the scheme year. There is a statutory requirement for the Strathclyde Pension Fund to publish a separate annual report, which can be accessed on their website: <http://www.spfo.org.uk>.

The principal risks to the authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme, changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund Reserve the amounts required by statute as described in the accounting policies note.

The council recognises the cost of retirement benefits within Cost of Services when employees earn them, rather than when the benefits are eventually paid as pensions. However, as the charge made when calculating Council Tax is based on the cash payable in the year, the cost of retirement benefits under IAS19 is reversed out of the General Fund Reserve in the Movement in Reserves Statement as an adjustment between the accounting basis and funding basis under regulation.

The following transactions have been made during the year in the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement:

2022/23 £000	Local Government Pension Scheme	2023/24 £000
Comprehensive Income and Expenditure Statement		
Cost of Services:		
223,000	Current service cost	111,000
1,000	Past service cost	5,000
Financing and Investment Income and Expenditure:		
19,000	Net interest (income) / cost	(48,000)
0	Interest on the effect of asset ceiling	35,000
243,000	Total Post-employment Benefits charged / (credited) to the (Surplus) or Deficit on the Provision of Services	103,000
Other Comprehensive Income and Expenditure		
Remeasurement of the net defined benefit liability:		
226,000	Return on assets	(266,000)
(2,215,000)	Actuarial (gains) / losses arising on changes in financial assumptions	(151,000)
(48,000)	Actuarial (gains) / losses arising on changes in demographic assumptions	(55,000)
281,000	Other experience	431,000
727,000	Pension asset derecognition	631,000
(786,000)	Total Post-employment Benefits charged / (credited) to the Comprehensive Income and Expenditure Statement	693,000
243,000	Net charge / (credit) to the Surplus or Deficit on the Provision of Services brought forward	103,000
Movement in Reserves Statement		
(127,000)	Reversal of net (charge) / credit made to the Surplus or Deficit on the Provision of Services in accordance with IAS19	49,000
Actual amount charged against the General Fund balance for pensions in the year:		
116,000	Employers contribution paid	152,000

12.1.1. Pension assets and liabilities

As explained in the Accounting Policies (see note 1.6, Retirement Benefits on page 24) the council participates in two formal schemes, the Local Government Pension Scheme, which is administered by the Strathclyde Pension Fund Office, and the Scottish Teachers' Superannuation Scheme. The Strathclyde Pension Fund is a funded, multi-employer, defined benefit scheme in which it is possible for an employer to identify its share of the assets and liabilities on a consistent and reasonable basis. The Teachers' Scheme is also a defined benefit scheme but the assets and liabilities cannot be identified at individual employer level. The council is not required to record information related to the Teachers' Scheme as the liability for payment of pensions rests ultimately with HM Treasury. The council has additional liabilities for unfunded discretionary pension payments outside the main schemes.

Assets are valued at fair value. Liabilities are valued on an actuarial basis using the projected unit method which assesses the future liabilities of the fund discounted to their present value. The council's liabilities have been assessed by Hymans Robertson Limited Liability Partnership, an independent firm of actuaries. Calculations have been based on the triennial valuation of the scheme as at 31 March 2023.

The charge to the Surplus or Deficit on the Provision of Services from the Pension Reserve per note 12.1 is £49.000 million. The actuary reported a net pension asset against funded liabilities of £1,393.000 million at 31 March 2024. The recognition of this asset was assessed as nil based on an asset ceiling calculation of the extent to which the Council could recover the asset through reduced contributions. At the same time, there remained unfunded liabilities totalling £271.000 million. These balances have been recorded separately as assets and liabilities in line with accounting standards. The pension liability represents the best estimate of the current value of pensions, which the council will have to fund. The real discount factor, which is used to express the benefits in current value terms rather than cash terms, has increased from 1.8% at March 2023 to 2.0% at March 2024.

The increase in the real discount factor has contributed to the decrease in the reported pension liability. A higher real discount rate leads to a lower value being placed on the liabilities therefore the change in the real discount rate has a positive impact on the Balance Sheet.

The following table sets out the principal assumptions used by the actuary at 31 March 2024:

2022/23	Actuarial assumptions	2023/24
	Long-term expected rate of return on assets in the scheme:	
4.8%	Equity investments	4.8%
4.8%	Bonds	4.8%
4.8%	Property	4.8%
4.8%	Cash and net debtors / creditors	4.8%
	Mortality assumptions:	
	Longevity at 65 for current pensioners:	
19.3	Men	19.5
22.2	Women	22.1
	Longevity at 65 for future pensioners:	
20.5	Men	20.2
24.2	Women	23.8
	General assumptions:	
3.0%	Rate of price increases	2.8%
3.6%	Rate of increase in salaries	3.5%
3.0%	Rate of increase in pensions	2.8%
4.8%	Rate for discounting scheme liabilities	4.8%
50.0%	Take-up of option to convert annual pension into retirement lump sum (pre-April 2009 service)	75.0%
75.0%	Take-up of option to convert annual pension into retirement lump sum (post-April 2009 service)	75.0%

The amount included in the Balance Sheet arising from the authority's obligation in respect of its defined benefit plans is as follows:

2022/23 £000	Pension Assets and Liabilities recognised in the Balance Sheet	2023/24 £000
4,214,000	Present value of the defined benefit obligation	4,549,000
(5,211,000)	Fair value of plan assets	(5,671,000)
727,000	Pension asset derecognition	1,393,000
(270,000)	Net liability or (asset) arising from defined benefit obligation	271,000

The following tables set out the reconciliation of scheme assets and liabilities:

2022/23 £000	Reconciliation of present value of scheme liabilities	2023/24 £000
5,939,000	Opening balance at 1 April	4,214,000
223,000	Current service costs	111,000
162,000	Interest costs	199,000
31,000	Contributions by scheme participants	40,000
	Remeasurement (gains) and losses:	
(2,215,000)	Actuarial (gains) / losses arising from changes in financial assumptions	(151,000)
(48,000)	Actuarial (gains) / losses arising from changes in demographic assumptions	(55,000)
281,000	Other	383,000
1,000	Past service costs	5,000
(160,000)	Benefits paid	(197,000)
4,214,000	Closing balance at 31 March	4,549,000

2022/23 £000	Reconciliation of the movements in the fair value of scheme assets	2023/24 £000
5,307,000	Opening fair value of scheme assets	5,211,000
143,000	Interest income	247,000
	Remeasurement gain / (loss):	
(226,000)	Return on assets, excluding the amount included in the net interest cost	266,000
0	Other	(48,000)
116,000	Contributions by employer	152,000
31,000	Contributions by scheme participants	40,000
(160,000)	Benefits paid	(197,000)
5,211,000	Closing fair value of scheme assets	5,671,000

The Closing fair value of scheme assets is included at the unaudited position for Strathclyde Pension Fund. Updating this to the audited position would increase the value in 2023/24 by £19.805 million and would increase the value in 2022/23 by £15.342 million.

2022/23 £000	Adjusted balance sheet position	2023/24 £000
5,211,000	Assets	5,671,000
(3,938,000)	Funded obligations	(4,278,000)
1,273,000	Net Asset (unadjusted)	1,393,000
(727,000)	Asset Ceiling adjustment for economic benefit calculation result	(1,393,000)
546,000	Closing fair value of scheme assets	0

12.1.2. Analysis of Pension Fund's Assets

Quoted prices in active markets £000	2022/23		Local Government Pension Scheme assets	Quoted prices in active markets £000	2023/24	
	Prices not quoted in active markets £000	Total £000			Prices not quoted in active markets £000	Total £000
72,000	27,000	99,000	Cash and cash equivalents	9,000	96,000	105,000
Equity Instruments:						
233,000	1,000	234,000	Consumer	262,000	0	262,000
283,000	7,000	290,000	Manufacturing	327,000	0	327,000
26,000	0	26,000	Energy and utilities	51,000	0	51,000
111,000	0	111,000	Financial institutions	162,000	1,000	163,000
185,000	0	185,000	Health and care	151,000	0	151,000
180,000	1,000	181,000	Information technology	192,000	0	192,000
1,018,000	9,000	1,027,000	Sub-total equity instruments	1,145,000	1,000	1,146,000
Private Equity:						
0	1,281,000	1,281,000	All	0	1,354,000	1,354,000
Property:						
0	430,000	430,000	UK	0	446,000	446,000
Other investment funds:						
22,000	1,704,000	1,726,000	Equities	23,000	1,933,000	1,956,000
0	601,000	601,000	Bonds	0	662,000	662,000
0	2,000	2,000	Commodities	0	2,000	2,000
0	33,000	33,000	Infrastructure	0	0	0
0	12,000	12,000	Other	0	0	0
22,000	2,352,000	2,374,000	Sub-total other investment funds	23,000	2,597,000	2,620,000
1,112,000	4,099,000	5,211,000	Total Assets	1,177,000	4,494,000	5,671,000

12.1.3. Investment Strategy

The investment strategy is set for the long-term but is monitored constantly and reviewed every 3 years using asset-liability modelling to ensure that it remains appropriate to the Fund's liability profile.

12.1.4. Impact on the Authority's Cash Flows

The objectives of the Fund are to keep employers' contributions at as constant a rate as possible. The Fund has agreed a strategy with the scheme's actuary to achieve a funding rate of 100% over time. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed as at 31 March 2026.

The total contributions expected to be made by the council to Strathclyde Pension Fund in the year to 31 March 2025 is £35.000 million.

The weighted average duration of the defined benefit obligation for scheme members is 16 years (2022/23 18 years).

12.2. Scottish Teachers' Superannuation Scheme

The Scottish Teachers' Superannuation Scheme is an unfunded multi-employer defined benefit scheme. The scheme is financed by payments from employers and from those current employees. As the scheme is not able to identify each body's share of the underlying liabilities on a consistent and reasonable basis, the pension costs are accounted for as if it were a defined contribution scheme. Glasgow City Council has no liability for other employer's obligations to the multi-employer scheme and as the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme.

As a proportion of the total contributions into the Teachers' Pension Scheme during the year ending 31 March 2024, the council's level of participation in the scheme is approximately 9.8%.

The employer's rate of contribution for the teachers' pension scheme administered by the Scottish Government is set with reference to a funding valuation undertaken by the scheme actuary. The 2016 valuation set the employer's contribution rate at 23.0% from 1 September 2019 to 31 March 2023, this rate continued until 31 March 2024. The employer's contribution rate will be 26.0% from 1 April 2024. The employee rate was 9.9% throughout the year. The amount paid over to the Scottish Public Pensions Agency was as follows:

2022/23 £000	Scottish Teachers Superannuation Scheme	2023/24 £000
58,535	Employer's Contributions	69,108
24,005	Employee's Contributions	28,644
82,540	Total	97,752

The employer's contributions due to be paid in the next financial year are estimated to be £80.466 million.

In addition, the council is responsible for all pension payments relating to added years benefits it has awarded, together with the related increases. In 2023/24 these amounted to £6.429 million (2022/23 £6.041 million).

12.3. Capital cost of discretionary increases

Councils are also required to disclose the capital cost of discretionary increases in pensions payments, whether the employees are members of the Local Government Pension Scheme or the Scottish Teachers' Superannuation Scheme. In 2023/24 the capitalised costs attributable to the early retirements from Glasgow City Council and from predecessor authorities were as follows:

2022/23 £000	Capital cost of discretionary increases	2023/24 £000
0	Current year	0
276,000	In earlier years	271,000
276,000	Total	271,000

13. Grant income

The council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2023/24:

2022/23 £000	Grant income in the Comprehensive Income and Expenditure Statement	2023/24 £000
	Credited to Taxation and Non-specific Grant Income	
(1,113,816)	General Revenue Grant	(1,135,675)
(296,203)	Redistribution from Non-Domestic Rates pool	(358,472)
(106,415)	Capital Grant and Contributions	(78,170)
	Credited to Services	
(245,705)	Housing benefit subsidy	(240,016)
(115,498)	Housing investment	(114,726)
(162,920)	Health Board	(166,130)
(22,283)	Criminal Justice	(23,270)
(3,459)	Benefits administration subsidy and initiatives	(3,339)
(31,960)	Attainment funding	(31,657)
(62,485)	Early Learning and Childcare	(61,336)
(5,673)	No One Left Behind	(10,842)
(3,710)	Shared Prosperity Fund	(6,018)
(11,325)	Various education services grants	(10,289)
(27,177)	Various other grants	(28,373)
(4,087)	Various other contributions	(2,369)
(2,212,716)	Total	(2,270,682)

Note: Shared Prosperity Fund and No One Left Behind funding included within Various other grants in 2022/23.

14. Agency income and expenditure

The council is the billing authority for Non-Domestic Rates in Glasgow and, in this role, acts as an agent of the Scottish Government. During 2023/24, the council billed £419.602 million (2022/23 £371.520 million) on behalf of the Scottish Government. After provisions for bad and doubtful debts, and prior year adjustments, the council contributed £406.573 million to the National Non-Domestic Rates Pool (2022/23 £334.522 million) and received back from the pool £358.472 million in income (2022/23 £296.203 million).

15. Auditor remuneration

The council incurred fees of £0.799 million (2022/23 £0.754 million) for the statutory inspection of the Annual Accounts by EY and Audit Scotland. No other services were provided by the appointed auditor in 2023/24 (or 2022/23).

16. Related party transactions

Related parties are organisations that the council can control or influence or who can control or influence the council. Scottish Government has effective control over the general operations of the council. It is responsible for providing the statutory framework within which the council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the council has with other parties (e.g. council tax bills, housing benefits). Grants received from government departments are set out in note 13 on page 55.

The council has an interest in a number of companies and other public bodies. Where the interest in another entity is considered material, the entity is consolidated with the accounts of the council to form the Group Financial Statements. Further details on the combining entities are shown within the Group Financial Statements.

Related party transactions during the year and balances as at 31 March 2024 are as follows:

2022/23 Net Expenditure / (Income) £000	Debtor / (Creditor) at 31 March 2023 £000	Related party transactions and balances	2023/24 Expenditure £000	Income £000	Debtor / (Creditor) at 31 March 2024 £000
609	44,193	Scottish Event Campus Ltd	558	(784)	42,783
50,319	5,807	City Building (Glasgow) LLP	56,912	(5,995)	298
16,228	(4,699)	City Building (Contracts) LLP	7,453	(1,099)	(4,303)
91,218	3,282	Culture and Sport Glasgow	120,974	(14,722)	4,574
12,242	(88,282)	City Property Glasgow (Investments) LLP	15,370	(4,109)	(87,887)
4,265	(181,386)	City Property Glasgow (Operations SL1) LLP	8,775	(2,467)	(180,580)
7,986	(170,028)	City Property Glasgow (Operations SL2) LLP	8,206	(1,000)	(169,448)
1,150	(192,359)	City Property Glasgow (Operations SL3) LLP	10,772	(458)	(191,032)
2,319	135	City Property (Glasgow) LLP	2,871	(464)	5
7,159	(867)	Jobs & Business Glasgow	4,892	(1,063)	353
10,948	951	Strathclyde Partnership for Transport	11,137	0	1,937
111,734	(3,239)	Strathclyde Pension Fund	136,740	(5,014)	(4,579)
58,535	(4,515)	Teachers' Pension Fund	63,587	0	(5,584)
2,803	(2)	Clyde Gateway	1,712	(42)	2
(187,347)	(82,412)	Glasgow City Integration Joint Board	529,003	(712,410)	(66,894)
(99)	0	Scotcash	0	0	0

Note: Related parties disclosure acknowledge key management personnel of Glasgow City Council and associated group as set out in the respective Remuneration Reports. Key councillors are identified as members of group bodies.

In addition to transactions with related companies and other related bodies noted above, significant revenue and capital payments made to organisations where council members are represented, totalled £23.792 million (2022/23 £84.275 million), broken down as follows:

2022/23 £000	Organisation	2023/24 £000
80,922	NHS Greater Glasgow & Clyde	20,200
3,353	Citizens Theatre	3,592
84,275	Total	23,792

In addition to transactions with related companies and other related bodies noted above, significant revenue and capital payments made to organisations where council officers are represented, totalled £9.711 million (2022/23 £8.373 million), broken down as follows:

2022/23 £000	Organisation	2023/24 £000
7,245	Enable Scotland	8,960
1,128	Glasgow Chamber of Commerce	751
8,373	Total	9,711

17. Operating leases

The council utilises vehicles, plant, furniture and equipment under the terms of an operating lease. Lease rentals charged to the Comprehensive Income and Expenditure Statement in the year for such assets total £1.595 million (2022/23 £2.072 million). The future minimum lease payments due under non-cancellable leases in future years and in cash terms are as follows:

2022/23 £000	Operating lease commitments	2023/24 £000
156	No later than one year	229
258	Later than one year and not later than five years	131
414	Total	360

18. Low Emission Zone

The Under the powers granted by Part 2 of the Transport (Scotland) Act 2019, and in accordance with The Low Emission Zones (Emission Standards, Exemptions and Enforcement) (Scotland) Regulations (hereafter referred to as "the regulations") 2021, Glasgow City Council has introduced a Low Emission Zone. A low emission zone (LEZ) is an area where only certain vehicles are allowed to enter based on their emissions standards. The LEZ was introduced to address air pollution in the city centre, mainly nitrogen dioxide (NO₂), caused by road traffic. The LEZ comprises an area of approximately one square mile of the City Centre.

Enforcement of the zone officially commenced on 1 June 2023 after a one-year grace period, and the regulations now apply to all vehicles entering the zone. When a non-compliant vehicle is detected in the zone, a Penalty Charge Notice (PCN) is issued to the registered keeper of the vehicle.

The regulations specify that any local authorities operating an LEZ scheme must keep accounts for the duration of the scheme's operation. This account should outline the costs of proposing, making, and operating the scheme.

In 2023/24, the LEZ generated a net revenue of £0.748 million (2022/23 £0.134 million net expenditure). The following table sets out the financial performance of the scheme:

2022/23 £000	Low Emission Zone	2023/24 £000
(362)	Revenue grants	(564)
0	Income from fines and penalties	(983)
(32)	Capital grants and contributions	(566)
(394)	Total revenue	(2,113)
104	Employee costs	459
31	Administrative costs	51
361	Supplies and services	289
32	Capital expenditure	566
528	Total expenditure	1,365
134	Net (revenue)/expenditure	(748)

The infrastructure costs associated with the LEZ were primarily funded by capital grants provided by the Scottish Ministers. The costs of operating the scheme were funded by a combination of revenue grants provided by the Scottish Ministers, and the income generated from PCNs.

Employee costs which could not be allocated directly to the project have been apportioned based on the estimated staff time spent on the project, all other costs are allocated directly.

19. Long-term assets

19.1. Valuation of long-term assets

Category	Valuer	Basis of Valuation	Date of last full Valuation	Useful Life
Property, plant and equipment:				
Other land and buildings	City Property (Glasgow) LLP	Current value	March 2021	Land – Not applicable Buildings – 40 years
Vehicles, plant, furniture and equipment	Not applicable	Depreciated historic cost	Not applicable	5-10 years
Infrastructure assets	Not applicable	Depreciated historic cost	Not applicable	40 years
Community assets	Not applicable	Valued at £1 on 1 April 1994, with additions valued at cost	Not applicable	Not applicable
Assets under construction	Not applicable	Cost	Not applicable	Not applicable
Corporate surplus assets	City Property (Glasgow) LLP	Fair value	March 2023	40 years
Other long-term assets:				
Heritage assets	Internal/external experts	Fair value or cost	Not applicable	Not applicable
Investment property	City Property (Glasgow) LLP	Fair value	March 2024	40 years
Intangible assets	Not applicable	Depreciated historic cost	Not applicable	7 years
Assets held for sale	City Property (Glasgow) LLP	Lower of carrying value at date declared held for sale and fair value less cost of sale.	March 2024	40 years

Land and buildings are re-valued on a maximum five year rolling basis in accordance with the guidelines provided within the Royal Institution of Chartered Surveyors Valuation Standards Manual but may be more frequent where a change in classification occurs or a material movement is expected due to market conditions. Any material changes in the value of individual assets that arise between the periodic valuations are immediately reflected in the Balance Sheet. The date of the last full valuation was 31 March 2021.

19.2. Depreciation

Depreciation is calculated on a straight-line basis and is provided for all operational and surplus assets other than land, community assets and heritage assets. The useful life of property assets are determined in consultation with City Property (Glasgow) LLP. Technical officers within services determine non-property asset lives. Infrastructure assets are depreciated over 40 years.

19.3. Community assets

When the council's asset register was first compiled in 1994, existing community assets were included at £1 in accordance with accepted practice. Additions to this category since 1994 have been added at cost.

19.4. Heritage assets

The council's heritage assets comprise museum and gallery collections, which are held according to the fair value of assets included on the museums records system. Civic regalia is held at fair value. Where the council holds information on the cost of statues and fountains, these are included at cost. However, where information on cost or value is not available, and where cost of obtaining information outweighs benefit to users of the Annual Accounts, these assets are not recognised in the Balance Sheet.

19.5. Summary of capital expenditure and sources of finance

2022/23 £000	Capital expenditure and sources of finance	2023/24 £000
	Capital investment	
348,410	Property, plant and equipment	105,366
12	Heritage assets	0
3,600	Intangible assets	2,680
34	Assets held for sale	46
352,056	Total expenditure	108,092
	Sources of finance	
32,421	Net borrowing	31,961
6,408	Asset sales	5,856
209,987	Assets acquired under finance leases	0
95,418	Government grants and other capital contributions	64,139
7,822	Revenue contributions	6,136
352,056	Total sources of finance	108,092

The Capital Financing Requirement (CFR) defines the underlying need to borrow for capital purposes which has been included within the Management Commentary on page 14.

19.6. Summary of assets held

19.6.1. Intangible assets

These assets relate wholly to software licences purchased by the council over the current and previous financial years.

19.6.2. Property

To deliver the wide range of services it provides, the council operates over 300 schools, owns more than 150 cultural and recreational facilities, around 300 playing pitches and 46 residential facilities for the young, elderly and those with learning or physical disabilities. The council has over 150 offices, depots and workshops throughout the city and, in addition, operates a wide range of other facilities including, for example, crematoria and cemeteries.

19.6.3. Plant, vehicles and equipment

The council directly owns a fleet of around 250 vehicles, with additional vehicles held under the terms of a finance lease.

19.6.4. Infrastructure

Included within the city's infrastructure are approximately 1,700 kilometres of roads, around 300 road bridges and over 70,000 street lighting units.

19.6.5. Community assets

Included within this category are parklands, amenity sites and allotments.

19.6.6. Heritage assets

These assets include historical monuments, museum and gallery collections, works of art and civic regalia.

19.6.7. Assets held under finance leases

The council utilises property as well as a number of vehicles, plant and equipment under the terms of a finance lease. Lease rentals payable under these arrangements in the year total £36.889 million (2022/23 £26.770 million), comprising £38.569 million (2022/23 £25.820 million) charged to the Comprehensive Income and Expenditure Statement in respect of interest and £(1.680) million (2022/23 £0.950 million) in respect of principal repayments.

The net carrying amount within property, plant and equipment with regard to assets held under finance leases is £850.017 million in respect of other land and buildings and £0.018 million in respect of vehicles, plant, furniture and equipment.

19.7. Commitments under capital investments

The council's approved capital investment programme will continue to progress during 2024/25 and subsequent years. As at 31 March 2024, the council has outstanding commitments on significant contracts for capital investment totalling £47.948 million (31 March 2023 £93.609 million). These outstanding commitments comprise the following:

Project description	Outstanding commitment at 31 March 2024 £000	Contract completion
City Deal – City Centre	12,647	End 2030
City Deal – Clyde Waterfront & West End	9,488	End 2026
ICT Development and Innovation	7,541	End 2025
The Place Fund	4,048	End 2025
Other Projects (17 projects)	14,224	Various
Total	47,948	

As at 31 March 2024, outstanding obligations to make payments under finance leases are as follows:

31 March 2023 £000	Finance lease obligations	31 March 2024 £000
(1,671)	Current liabilities	(826)
744,330	Deferred liabilities	745,164
897,703	Finance costs (future years)	859,141
1,640,362	Total	1,603,479

These obligations will be payable over the following periods:

31 March 2023		Finance lease obligations	31 March 2024	
Minimum Lease Payments £000	Liabilities £000		Minimum Lease Payments £000	Liabilities £000
36,897	(1,671)	Not later than one year	37,934	(826)
159,292	6,986	Later than one year and not later than five years	164,483	8,584
1,444,173	737,344	Later than five years	1,401,062	736,580
1,640,362	742,659	Total	1,603,479	744,338

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

19.8. Fair value measurement of non-financial assets

Surplus asset and investment property are valued at fair value. Assets held for sale are valued at the lower of carrying value at date declared held for sale and fair value less cost of sale. Valuation reports prepared for these assets incorporate the methodology employed by the valuer in arriving at their opinion of value. The methodology includes comparable data which is recognised in accordance with the fair value measurement hierarchy. The valuers seek to minimise the volume of unobservable inputs and maximise the volume of observable inputs in forming their opinion of value. For these asset classes, the valuation inputs generally comprise either level 2 or level 3 inputs with adjustments not limited to location, rental growth, lease terms, covenants, costs, discount rates and vacancy levels. For valuations conducted in 2023/24, both the income and market valuation techniques were widely adopted in forming opinions of fair value. The resulting valuations for surplus assets of £39.884 million and assets held for sale of £12.084 million were entirely based on level 2 inputs.

19.9 Tax Incremental Financing (TIF) Projects

The council entered into an agreement with the Scottish Government in October 2012 in respect of the Buchanan Quarter Tax Increment Finance (TIF) scheme. This agreement essentially allows for the repayment of debt arising from infrastructure investment from incremental Non-Domestic Rates (NDR) revenue. The assets to be funded by the TIF project largely comprise public realm and infrastructure improvements within the Buchanan Quarter of Glasgow city centre.

The project is for a period of 25 years, with the first material capital investment incurred during the financial year ending 31 March 2014. During the TIF project period, the council is entitled to retain the TIF revenue from its NDR revenue, a pro-rated amount of NDR equal to the amount (if any) by which the collected amount exceeds the baseline collectable amount. The council is required to apply 100% of the TIF revenue towards repayment of the TIF debt. Following repayment in full, and until the end of the project period, the council is entitled to retain 50% of the TIF revenue for further infrastructure investment.

Net capital expenditure incurred in the year to 31 March 2024, to be funded from borrowing, in respect of TIF assets totalled £nil (2022/23 £nil). This is reflected within the 'Summary of capital expenditure and sources of finance', outlined within note 19.5 on page 60. Total TIF debt, to be repaid over the project period, in respect of investment to 31 March 2024, has been calculated in accordance with Local Government Finance Circular No. 8/2016 at £21.773 million (£21.773 million at 31 March 2023).

20. Property, Plant and Equipment

This note details the movement in Property, Plant and Equipment (PPE) during 2023/24. The valuation bases, useful lives and depreciation methods used are disclosed within notes 19.1 and 19.2 (page 59). A summary of capital expenditure during the year, together with the sources of finance and the amount of contractual commitments for PPE, are disclosed separately in notes 19.5 (page 60) and 19.7 (page 61).

Movement in PPE 2023/24	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Infrastructure Assets £000	Community Assets £000	Assets Under Construction £000	Corporate Surplus Assets £000	Total Property, Plant and Equipment £000
Net book value at 1 April 2023	2,829,343	92,989	817,899	23,851	54,238	45,362	3,863,682
Additions	16,399	11,469	42,448	73	34,135	842	105,366
Revaluations	131,159	0	0	0	0	2,588	133,747
Impairment	(656)	0	0	0	0	(472)	(1,128)
Depreciation	(103,477)	(29,514)	(31,089)	0	0	(76)	(164,156)
Disposals	(1,022)	0	0	0	0	(775)	(1,797)
Other movements (incl. transfers to other asset categories)	5,601	345	7,214	411	(13,611)	(7,585)	(7,625)
Net book value at 31 March 2024	2,877,347	75,289	836,472	24,335	74,762	39,884	3,928,089
Gross book value	2,963,351	205,650		24,335	74,762	40,404	
Accumulated depreciation	(86,004)	(130,361)		0	0	(520)	
Net book value at 31 March 2024	2,877,347	75,289	836,472	24,335	74,762	39,884	3,928,089

Movement in PPE 2022/2023	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Infrastructure Assets £000	Community Assets £000	Assets Under Construction £000	Corporate Surplus Assets £000	Total Property, Plant and Equipment £000
Net book value at 1 April 2022	2,732,871	111,099	780,645	23,372	107,543	40,703	3,796,233
Additions	259,576	10,859	42,319	479	34,732	445	348,410
Revaluations	77,360	0	0	0	0	3,755	81,115
Impairment	(127)	0	0	0	0	(317)	(444)
Depreciation	(99,553)	(29,266)	(29,446)	0	0	(66)	(158,331)
Disposals	(197,477)	0	0	0	0	(1,248)	(198,725)
Other movements (incl. transfers to other asset categories)	56,693	297	24,381	0	(88,037)	2,090	(4,576)
Net book value at 31 March 2023	2,829,343	92,989	817,899	23,851	54,238	45,362	3,863,682
Gross book value	2,887,680	215,307		23,851	54,238	45,678	
Accumulated depreciation	(58,337)	(122,318)		0	0	(316)	
Net book value at 31 March 2023	2,829,343	92,989	817,899	23,851	54,238	45,362	3,863,682

Infrastructure asset values have been disclosed in accordance with the Scottish Government's Finance Circular 9/2022 Statutory Override - Accounting for Infrastructure Assets. The council has applied both statutory overrides set out in the circular which are as follows:

- For accounting periods commencing from 1 April 2021 until 31 March 2024, a local authority is not required to report the gross carrying amount and accumulated depreciation for infrastructure assets.
- For the accounting periods from 1 April 2010 to 31 March 2024, the carrying amount to be derecognised in respect of a replaced part of an infrastructure asset is to be accounted for as a nil amount, and no subsequent adjustment can be made to the carrying amount of the asset with respect to that part.

21. Heritage assets

This note details the movement in Heritage Assets during 2023/24. The valuation bases, useful lives and depreciation methods used are disclosed within notes 19.1 and 19.4 (page 59).

Movement in Heritage assets	Fine art £000	Civic regalia £000	Statues and fountains £000	Total Heritage assets £000
Cost or Valuation:				
At 1 April 2022	1,100,000	728	16,848	1,117,576
Additions in year	0	0	12	12
Revaluations	0	86	0	86
Transfers	0	0	0	0
At 31 March 2023	1,100,000	814	16,860	1,117,674
Movement in 2023/24:				
Additions in year	0	0	0	0
Revaluations	43,858	7	0	43,865
Transfers	0	0	0	0
At 31 March 2024	1,143,858	821	16,860	1,161,539

The following table shows assets that may be regarded as Heritage Assets, which have not been included in the Balance Sheet as the council considers that obtaining valuations would involve disproportionate cost, or reliable cost or valuation information cannot be obtained for these items. This is because of the diverse nature of assets held, the number of assets held and the lack of comparable market values. The Code therefore permits such assets to be excluded from the Balance Sheet.

Assets excluded from Heritage Assets	Estimated number of assets 31 March 2024
Fountains	5
Statues	51
War memorials	31
Museum and Gallery Collection items	1,188,813

22. Intangible assets

The council accounts for purchased software licences held for various Information and Communications Technology (ICT) systems used throughout the council as Intangible assets. The cost of the licences are written-off on a straight-line basis over the expected life of the licences, which is seven years for all systems. The council does not recognise any internally generated intangible assets.

There have been no changes to the estimated useful life and there have been no revaluations of intangible assets during the year. The amortisation charge for intangible assets in 2023/24 was £3.971 million (2022/23 £3.090 million). There has been no impairment charge in 2023/24 (2022/23 £nil). The movement on intangible asset balances during the year is as follows:

2022/23 £000	Movement in Intangible assets	2023/24 £000
	Balance at start of year:	
22,686	Gross carrying amounts	28,509
(7,806)	Accumulated amortisation	(9,837)
14,880	Net carrying amount at start of year	18,672
3,600	Additions	2,680
3,282	Transfers	0
(3,090)	Amortisation for the period	(3,971)
18,672	Net carrying amount at end of the year	17,381
	Comprising:	
28,509	Gross carrying amounts	30,479
(9,837)	Accumulated amortisation	(13,098)
18,672	Net carrying amount at end of the year	17,381

23. Assets held for sale

Assets are recognised as held for sale when their carrying value is likely to be recovered principally through a sale transaction rather than through continued use. At 31 March 2024, the valuation of assets held for sale was £12.084 million (£7.883 million as at 31 March 2023).

2022/23 £000	Assets Held for Sale	2023/24 £000
8,480	Balance at 1 April	7,883
	Assets newly classified as held for sale:	
3,507	Property, plant and equipment	11,558
(680)	Revaluation losses	(57)
	Assets declassified as held for sale:	
(2,212)	Property, plant and equipment	(3,933)
(1,246)	Assets disposed	(3,413)
34	Expenditure in year	46
7,883	Balance at 31 March	12,084

24. Net short-term debtors

The net short-term debtors balance consists of amounts owed to the council, primarily in respect of Council Tax and grants, and H.M. Revenue and Customs debtors. It also includes sums due from other authorities and various other sundry debtors. During 2023/24, there was an accounting adjustment made to debtors and the associated impairment loss within the Financial Statements of £22.448 million. This mainly related to Council Tax (£15.098 million). The individual Non-Domestic Rates debtors are not included in the Balance Sheet but the outstanding debt and impairment loss are monitored separately, with the council acting as a collecting agent for the Scottish Government. Records associated with all outstanding debts are retained and recovery action will continue to be taken, where possible. The following table shows an analysis of debtors outstanding by customer group:

2022/23 £000	Analysis of net short-term debtors	2023/24 £000
145,638	Bodies external to general government	124,102
141,052	Central government bodies	152,923
7,169	Other local authorities	10,253
5,011	NHS bodies	4,544
9	Public corporations and trading funds	209
298,879	Total	292,031

25. Cash and cash equivalents

The council hold cash in hand, as well as deposits with financial institutions. Cash equivalents are short-term, highly liquid investments, principally held to meet liabilities in the short-term, rather than to make an investment gain. They are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value. The balance of cash and cash equivalents comprises the following elements:

2022/23 £000	Cash and cash equivalents	2023/24 £000
234,505	Short-term deposits	38,032
9,461	Bank current accounts	4,743
143	Cash imprest held by the council	125
244,109	Total	42,900

26. Short-term creditors

The short-term creditors balance consists of amounts received in advance or owed by the council, primarily in respect of payroll, grants and various other sundry creditors. The following table provides further analysis by supplier group:

2022/23 £000	Analysis of creditors	2023/24 £000
398,032	Bodies external to general government	359,435
60,362	Central government bodies	47,666
3,563	Other local authorities	17,330
11,690	NHS bodies	17,648
1,482	Public corporations and trading funds	1,368
475,129	Total	443,447

27. Provisions

The council has identified a number of material liabilities, where the amount or timing of the transaction is uncertain, and made provision for future expenditure. All provisions have been reassessed at the financial year end. The following table provides an analysis of the movement in provisions during 2023/24:

Provisions	Asset decommissioning £000	Employee related legal cases £000	Other outstanding legal cases £000	Other provisions £000	Total £000
Balance as at 1 April 2023	19,498	264,201	200	3,204	287,103
Additional provisions made during the year	166	8,106	0	0	8,272
Costs incurred and charged against provision	(706)	(257,846)	(72)	(946)	(259,570)
Unused amounts reversed during the year	0	(1,156)	(59)	(135)	(1,350)
Balance at 31 March 2024	18,958	13,305	69	2,123	34,455

Provisions for asset decommissioning reflect the council's liability for restoration and ongoing maintenance in respect of landfill sites formerly operated by the council, principally Cathkin Landfill Site. These have been provided for based on the net present value of estimated future costs.

Provisions for employee related legal cases comprise mainly of the short-term provision for voluntary severance and early retirement costs £8.106 million and the assessment of equal pay obligations, £4.704 million. During 2023/24, £257.846 million equal pay compensation payments have been met from the provision.

Other provisions include estimated future costs in relation to estimated future costs for the recycling contract (£0.885 million), provision for future warranty claims (£0.235 million) and financial guarantees in relation to loan repayments and bond issue relating to group subsidiaries (£1.003 million). All other provisions are individually immaterial.

28. Financial instruments

The statement of accounting policies in note 1.24 on page 32, explains the requirement of the reporting basis for financial instruments.

28.1. Categories of financial instruments

Financial instruments in the Balance Sheet at 31 March 2024 comprise the following financial assets and financial liabilities with their measurement bases.

2022/23			2023/24			
Fair value through profit and loss £000	Amortised cost £000	Total £000	Financial assets	Fair value through profit and loss £000	Amortised cost £000	Total £000
			Long-term:			
3,222	0	3,222	Investments	3,563	0	3,563
0	5,552	5,552	Debtors	0	1,947	1,947
			Short-term:			
5,794	244,109	249,903	Investments	1	42,900	42,901
0	269,239	269,239	Debtors	0	257,543	257,543
9,016	518,900	527,916	Total financial assets	3,564	302,390	305,954

2022/23 <i>Amortised cost</i> £000	<i>Financial liabilities</i>	2023/24 <i>Amortised cost</i> £000
	Long-term:	
1,303,320	Borrowing	1,540,023
59,171	Creditors	67,031
	Short-term:	
135,546	Borrowing	64,384
442,950	Creditors	407,201
1,940,987	Total financial liabilities	2,078,639

28.2. Income, expense, gains and losses on financial instruments

Income, expense, gains and losses for the year ended 31 March 2024 and recognised within the Comprehensive Income and Expenditure Statement (page 18) for financial instruments comprise the following:

2022/23 £000	<i>Income, expense, gains and losses on financial instruments</i>	2023/24 £000
	(Income) and expense from:	
(10,388)	Interest revenue from financial assets measured at amortised cost	(17,285)
103,693	Interest expenses	122,202
41	Management fee	35
93,346	(Income) and expenses	104,952
	Net (gains) and losses on:	
22	Financial assets measured at fair value through profit or loss	250
8,892	Financial assets measured at amortised cost	14,636
8,914	Total net (gains) / losses	14,886
102,260	Total (income), expense, (gains) and losses	119,838

28.3. Fair value of assets and liabilities carried at amortised cost

Financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. The fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments. The rates quoted in this valuation were obtained by the council's treasury management advisors from the market on 31 March 2024.

In terms of the fair value measurement hierarchy, the financial instruments measured at fair value are considered level 2 being inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

The calculations are made using the following assumptions:

- (i) The PWLB new loan rate, in force at 31 March 2024, has been used as the discount rate for PWLB debt;
- (ii) For other market debt and investments the discount rate used is the rate available for an instrument with the same terms from a comparable lender;
- (iii) Interpolation techniques have been used between available rates where the exact maturity date was not available;
- (iv) No early repayment or impairment is recognised.

2022/23		Valuation of financial liabilities	2023/24	
Carrying Amount £000	Fair Value £000		Carrying Amount £000	Fair Value £000
1,438,866	1,284,684	Borrowing	1,604,407	1,374,809

The fair values of all financial instruments have been calculated. The fair value of financial liabilities is less than the carrying amount because the council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the rates available for similar loans at the Balance Sheet date. The council's commitment to pay interest below current market rates reduces the amount the council would have to pay if the lender requested or agreed to early repayment of the loan.

28.4. Nature and extent of risks arising from financial instruments

The council's management of treasury risks minimises the council's exposure to the unpredictability of financial markets and protects the financial resources available to fund services. The council has fully adopted CIPFA's 'Treasury Management in the Public Services: Code of Practice' and has written principles for overall risk management as well as written policies and procedures covering specific areas such as credit risk, liquidity risk and market risk.

28.5. Credit risk

Credit risk arises from the short-term lending of surplus funds to banks, building societies and other local authorities as well as credit exposures to the council's customers. The council's policy for managing credit risk is outlined within the approved Treasury Management and Annual Investment Strategy Approved TM & AIS 2023/24. No credit limits were exceeded during the financial year and the council expects full repayment on the due date of deposits placed with counterparties.

The council does not generally allow credit for customers. The past due date for payments can be analysed as follows:

2022/23 £000	Aged debt profile	2023/24 £000
291,341	Less than 3 months	276,645
3,425	3 to 6 months	8,027
5,758	6 months to 1 year	5,483
104,205	More than 1 year	103,601
404,729	Total	393,756

28.6. Liquidity risk

As the council has access to borrowings from the PWLB, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. The council has safeguards in place to ensure that a significant proportion of its borrowing does not mature for repayment at any one time in the future to reduce the financial impact of re-borrowing at a time of unfavourable interest rates.

The maturity analysis of borrowing at nominal value is as follows:

2022/23		Borrowing	2023/24	
Principal £000	Interest (Restated) £000		Principal £000	Interest £000
863,227	611,104	Public Works Loans Board	1,147,572	698,553
449,000	768,358	Lender Option Buyer Option (LOBO)	382,000	622,921
43,377	20,211	Market debt	41,632	19,865
57,352	770	Temporary borrowing	8,308	0
1,412,956	1,400,443	Total	1,579,512	1,341,339
123,007	56,784	Less than 1 year	52,700	57,107
17,635	52,045	Between 1 and 2 years	128,973	125,644
139,895	142,871	2 to 5 years	152,470	162,609
120,458	201,879	5 to 10 years	342,478	198,336
108,150	692,071	10 to 30 years	156,080	626,541
849,811	244,613	30 to 50 years	719,811	168,325
54,000	10,180	50 to 70 years	27,000	2,777
1,412,956	1,400,443	Total	1,579,512	1,341,339

Note: In 2022/23, the Council included LOBO interest without recognising the LOBO repayment profile. The table above has been updated and results in material changes to the previously reported figures. LOBO interest from a total of £1,132 million to £768 million, split Between 30 and 50 years from £516 million to £245 million and Between 50 and 70 years from £103 million to £10 million.

The maturity analysis of borrowing is outlined in the above table at nominal values. However, these liabilities are reflected in the Balance Sheet at amortised cost, which includes accrued interest of £11.684 million (£12.538 million in 2022/23) and an effective interest rate adjustment of £13.211 million (£13.372 million in 2022/23) in respect of LOBOs with stepped interest rates.

The maturity analysis of other financial liabilities is given within note 11 on page 48, and note 19.7 on page 61, in respect of obligations under PPP and similar contracts, and finance leases.

All trade and other payables are due to be paid in less than one year.

28.7. Market risk

28.7.1. Interest rate risk

Movements in market interest rates expose the council to risk due to uncertainty in the interest payable on borrowings and interest receivable on investments. Higher interest rates would increase the interest charged on variable borrowing and increase income received on variable rate lending, both of which would impact on the Comprehensive Income and Expenditure Statement.

A further risk in the movements of market rates is the impact on the fair value of borrowings and investments. An increase in interest rates would decrease the fair value of borrowings and investments at fixed rates. Changes to the fair value of borrowings do not impact on the council taxpayer as they are not carried at fair value in the council's Balance Sheet and are only reflected in the notes to the accounts for information.

The council has a number of strategies for managing interest rate risk. In conjunction with its treasury management advisors, the council actively monitors changes in interest rates to inform decisions on the lending of surplus funds, new borrowing and restructuring of debt.

Taking cognisance of interest rate forecasts provided by its treasury management advisors, the risk of a 1% increase in interest rates is deemed to be reasonable. As at 31 March 2024, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

2022/23 £000	Estimated financial effect	2023/24 £000
4,806	Increase in the interest payable on variable rate borrowings	2,851
(2,824)	Increase in interest receivable on variable rate investments	(1,747)
1,982	Net impact on the (surplus) or deficit on the provision of services	1,104

2022/23 £000	Other presentational changes (no impact on the Comprehensive Income and Expenditure Statement)	2023/24 £000
143,328	Decrease in the fair value of fixed rate borrowings	126,239

The impact of a 1% decrease in interest rates would be as above but with the figures being reversed.

28.7.2. Market price risk

Part of the council's Insurance Fund is invested in externally managed portfolios under the powers of Schedule 3 of the Local Government (Scotland) Act 1975 and Section 3 of the Local Government etc. (Scotland) Act 1994. The Insurance Fund investments were managed during the year by Ruffer Limited Liability Partnership.

The investment objectives of the fund are to achieve low volatility, positive returns from an actively managed portfolio of different asset classes, including internationally listed or quoted equities or equity related securities (including convertibles) or bonds which are issued by corporate issuers, supra-nationals or government organisations and currencies. The portfolio may also be invested in collective investment schemes, cash and money market instruments. Pervading these objectives is a fundamental philosophy of capital preservation. The principal performance objective of the portfolio is to achieve a positive total annual return, after all expenses, of double the Bank of England base rate.

28.7.3. Foreign exchange rate risk

Investment in foreign currency denominated equities and bonds forms a part of the investment strategy of funds managed by Ruffer Limited Liability Partnership and the foreign exchange risk is actively managed as a key element of the portfolio's asset allocation. In addition, the council held euros to meet future currency commitments with a sterling equivalent value of £0.219 million as at the 31 March 2024 exchange rate (£0.225 million at 31 March 2023). The potential financial impact of exchange rate movements in this respect is not material.

29. Deferred liabilities

Deferred liabilities represent amounts falling due in more than 12 months from the balance sheet date. An analysis of deferred liabilities at 31 March 2024 is provided in the following table:

2022/23 £000	Analysis of deferred liabilities	2023/24 £000
62,213	Long-term liability relating to the PPP secondary schools contract	54,286
743,881	Long-term lease liability relating to council properties, vehicles and equipment	745,164
32,052	Developers' contributions received for the provision of recreational greenspace in line with council policy	34,767
40,899	Other	41,845
879,045	Total	876,062

30. Contingent liabilities

The council remains liable for potential liabilities arising from claims lodged against Strathclyde Regional Council (SRC) on a geographical basis. There is also a shared liability in connection with Municipal Mutual Insurance Limited, one of the key insurers of the former SRC (and other local authorities across the United Kingdom). Following the Supreme Court ruling on Employers' Liability Insurance 'Trigger' Litigation on 28 March 2012, the council has a provision to meet a 25% clawback of estimated payments made by Municipal Mutual Insurance Limited in respect of known claims. The council recognises a contingent liability for further unknown claims in the future.

The council recognises the potential for compensation claims following the prosecution of former members of staff at Kerelaw Residential School. Some claims will be historic and relate to SRC and some will post date reorganisation.

Whilst the council has made appropriate provision for all tax and national insurance liabilities and the settlement of all known outstanding claims in respect of equal pay and the implementation of the Workforce Pay and Benefits Review, the council recognises the potential for compensation claims in respect of cases not yet settled or presented.

The council recognises a potential liability in respect of guaranteeing any unfunded pension costs, which may arise in certain circumstances, in relation to employees of City Building (Glasgow) Limited Liability Partnership, City Building (Contracts) Limited Liability Partnership, Culture and Sport Glasgow, City Property (Glasgow) Limited Liability Partnership, Jobs & Business Glasgow and Glasgow Housing Association. As sponsoring authority, the council has guaranteed to accept liability for any unfunded costs which may arise relating to their membership of the Local Government Pension Scheme (LGPS) administered by Glasgow City Council should they cease to exist, withdraw from the LGPS or otherwise become unable to continue covering any unfunded liabilities with regard to the Local Government Pension Scheme (Scotland)

Regulations 1998, as amended, or the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998.

The council has provided a financial guarantee in relation to loan repayments of a group subsidiary (80% of loan value), namely City Property Glasgow (Investments) Limited Liability Partnership (original total loan £285 million). The council has also provided financial guarantees in relation to bond returns of group subsidiaries (100% of bond return), namely City Property Glasgow (Operations SL) Ltd (original bond issued £195 million) and City Property Glasgow (SL Operations 3) Ltd (original bond issued £210 million). The likelihood of these guarantees being called is assessed annually. As at 31 March 2024, the risk has been assessed as minimal and the guarantees have been accounted for on that basis. However, the council also recognises the potential for future liabilities in the event that the related companies do not meet their contractual obligations under the respective funding agreements.

The council recognises an exposure to risk with regard to possible future environmental claims associated with land transferred to Glasgow Housing Association.

The council recognises and has provided for the liability in respect of its obligation to undertake restoration and aftercare work in respect of former landfill sites. As at 31 March 2024, a sum of £18.958 million has been provided for, principally in respect of the former Cathkin Landfill Site. However, the council recognises a contingent liability in respect of other landfill sites formerly operated by the council. The timing of further liabilities in respect of asset decommissioning is uncertain and the associated costs cannot be reliably estimated at this time.

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgement has now been upheld by the Court of Appeal. The Local Government Pension Scheme is a contracted out defined benefit scheme, and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete. Until this analysis is complete, we are unable to conclude whether there is any impact to the liabilities or if it can be reliably estimated. As a result, the Group and Council does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

Various other actions and claims are pending. These include procurement claims, contractual disputes and employer, public and motor liability claims. The council is opposing these claims but continues to review each case individually for liabilities that arise as the legal process progresses.

It is anticipated that any costs subsequently arising from these contingent liabilities will in the main be borne by the council and not reimbursed by other parties.

31. Events after the balance sheet date

There were no material events between 31 March 2024 and the date of submission that require to be reflected in the Financial Statements.

32. Cash flow statement - Operating activities

2022/23 £000		2023/24 £000
868,653	Cash paid to and on behalf of employees	1,486,477
(1,113,816)	General Revenue Grant	(1,135,675)
(170,710)	Non-Domestic Rates receipts from national pool	(358,472)
104,073	Interest paid	122,377
(6,340)	Interest received	(12,995)
(4,048)	Dividends received	(4,232)
235,308	Other net operating cash payments	240,674
(86,880)	Net cash flows from operating activities	338,154

33. Cash flow statement - Investing activities

2022/23 £000		2023/24 £000
356,438	Purchase of property, plant and equipment and intangible assets	105,916
(35,000)	Purchase of short-term and long-term investments	(5,000)
(6,408)	Proceeds from sale of property, plant and equipment and intangible assets	(5,856)
(287,392)	Other receipts from investing activities	(64,138)
27,638	Net cash flows from investing activities	30,922

34. Cash flow statement - Financing activities

Reconciliation of Liabilities arising from Financing Activities	Balance as at 31 March 2023 £000	Financing Cash Flows 2023/24 £000	Non-Cash Flow Changes		Balance as at 31 March 2024 £000
			Acquisition 2023/24 £000	Other 2023/24 £000	
Long-term borrowing	(1,303,320)	(180,996)	0	(55,707)	(1,540,023)
Short-term borrowing	(135,546)	14,440	0	56,722	(64,384)
Finance lease liabilities	(742,659)	(1,680)	0	0	(744,339)
On balance sheet PPP and similar contract liabilities	(85,547)	8,971	0	0	(76,576)
Other financing activities: NDRI Net Debtor/Creditor	29,255	(8,602)	0	0	20,653
Total liabilities from financing activities	(2,237,817)	(167,867)	0	1,015	(2,404,669)

Reconciliation of Liabilities arising from Financing Activities	Balance as at 31 March 2022 £000	Financing Cash Flows 2022/23 £000 <i>Restated</i>	Non-Cash Flow Changes		Balance as at 31 March 2023 £000
			Acquisition 2022/23 £000	Other 2021/22 £000	
Long-term borrowing	(1,319,487)	93,844	0	(77,677)	(1,303,320)
Short-term borrowing	(84,512)	(129,117)	0	78,083	(135,546)
Finance lease liabilities	(533,622)	950	(209,987)	0	(742,659)
On balance sheet PPP and similar contract liabilities	(95,599)	10,052	0	0	(85,547)
Other financing activities: NDRI Net Debtor/Creditor	(93,405)	(2,833)	0	125,493	29,255
Total liabilities from financing activities	(2,126,625)	(27,104)	(209,987)	125,899	(2,237,817)

❖ Council Tax Income Account

2022/23 £000	Council Tax	2023/24 £000
428,337	Gross Council Tax levied and contributions in lieu	453,305
	Less :	
(83,852)	Other discounts and reductions	(88,629)
5,543	Prior years' Council Tax	6,843
(15,780)	Provision for bad and doubtful debts	(20,194)
(74,015)	Council Tax Reduction	(77,220)
260,233	Transfers to Comprehensive Income and Expenditure Statement	274,105

Notes to the Council Tax Income Account

The council tax income account (Scotland) shows the gross income raised from council taxes levied and deductions made under statute. The resultant net income is transferred to the Comprehensive Income and Expenditure Statement.

The charge for each household is based on the valuation banding to which the dwelling is allocated by the Assessor. The Council Tax can be reduced by 25% where a dwelling has only one occupant. Where a property is both unoccupied and unfurnished a 6 month exemption from payment of Council Tax may be due. A 10% discount can be applied after the initial 6 months or for properties that are otherwise empty for up to 12 months, after which a 100% additional premium is payable, unless the property is being actively marketed for sale or let. The property bandings can be adjusted where the property has been adapted for use by disabled persons and total exemptions are available for where the property is only occupied by certain categories of resident, for example full-time students.

From 1 April 1996, charges in respect of water and sewerage became the responsibility of the relevant Water Authority, now Scottish Water. Glasgow City Council collects total monies and makes a precept payment to Scottish Water on the basis of anticipated collection rates.

Calculation of the Council Tax base (The Band D figures quoted are based on the Council Tax base as at 5 September 2022)

Band	Valuation	No. of dwellings	No. of exemptions	No. of disabled relief cases	No. of discounts 25%	No. of discounts 50%	Total equivalent dwellings	Ratio to Band D	No. of Band D equivalents	Charges per band
A	Up to £27,000	70,671	15,250	146	39,043	889	45,362	240/360	30,237	£952
B	£27,001 - £35,000	81,208	5,450	71	43,956	975	64,353	280/360	50,052	£1,111
C	£35,001 - £45,000	71,671	4,700	-23	31,509	769	58,686	320/360	52,165	£1,269
D	£45,001 - £58,000	44,653	3,458	12	15,683	507	37,033	1	37,033	£1,428
E	£58,001 - £80,000	31,890	2,793	-105	9,331	364	26,477	473/360	34,788	£1,876
F	£80,001 - £106,000	14,806	1,341	-46	3,433	198	12,462	585/360	20,251	£2,321
G	£106,001 - £212,000	6,656	355	-50	1,267	72	5,898	705/360	11,550	£2,797
H	Over £212,000	683	45	-5	64	14	610	882/360	1,495	£3,499
									237,571	
Add: Class 17 and 24 dwellings									29	
Less: Provision for non-payment									11,880	
Band D Equivalent									225,720	

Note: The charges above exclude the water and sewerage element of the Council Tax. This disclosure is quoted as at 5 September 2022 to align with the budget position for 2023/24.

❖ **Non-Domestic Rates Income Account**

2022/23 £000	Non-Domestic Rates	2023/24 £000
505,267	Gross rates levied and contributions in lieu	530,995
	Less :	
(133,747)	Relief and other deductions	(111,393)
(18,478)	Provision for bad and doubtful debts	(11,780)
353,042	Net Non-Domestic Rate Income	407,822
(18,520)	Prior years - adjustments	(1,249)
334,522	Contribution to National Non-Domestic Rates Pool	406,573
296,203	Sum due from central rates pool	358,472
296,203	Income credited to Comprehensive Income and Expenditure Statement	358,472

Notes to the Non-Domestic Rates Income Account

The non-domestic rate account (Scotland) is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate non-domestic rate account. The statement shows the gross income from the rates and deductions made under statute. The net income is paid to the Scottish Government as a contribution to the national non-domestic rate pool.

Non-Domestic Rates are a tax levied by local authorities on the occupiers of commercial property within their areas, as distinct from a charge for their use of service. The basis of tax, the rateable value of the property, was subject to revaluation by the Assessor at 1 April 2023. The uniform business rate for 2023/24 was set by the Scottish Government at 49.8p (49.8p in 2022/23). The Small Business Rates Relief scheme was superseded by the Small Business Bonus Scheme, introduced on 1 April 2008 and applies to properties with a rateable value up to and including £20,000. This scheme is funded by a supplement (1.3p and 2.6p in the pound) to the rate poundage for businesses with a rateable value of more than £51,000 and £100,000 respectively. With effect from 1 April 2023, the Non-Domestic Rates (Scotland) Act 2020, allows discretion to each individual local authority around the value of Empty Property Relief (EPR) to be awarded. The funding previously provided by the Scottish Government to deliver EPR across Scotland was allocated to individual local authorities as part of the 2023/24 settlement. The council agreed to retain EPR awards at the same rates that were available under the statutory scheme in 2023/24.

The contribution to the National Non-Domestic Rates Pool shown in the table above is the Non-Domestic Rates contributed by the council through the pooling arrangements for government grant purposes. The sum due from the central rates pool shown in the same table represents the Non-Domestic Rates distributed to the council through the aggregate external finance distribution.

Rateable values and numbers of premises as at 1 April

Premises	Number of subjects		Rateable values	
	2022/23	2023/24	2022/23 £000	2023/24 £000
Industrial and freight	2,102	2,071	49,569	60,375
Commercial subjects				
Shops	8,501	7,971	306,217	258,002
Offices	8,925	9,120	233,169	281,858
Hotels, boarding houses etc.	338	360	32,595	33,344
Others	3,985	4,329	105,246	133,003
Miscellaneous and formula valued subjects	4,529	4,535	257,531	276,194
Total	28,380	28,386	984,327	1,042,776

❖ Common Good Fund

The Common Good is the ancient patrimony of the former burghs, with additions that have taken place from time to time. The most concise statement of the administration of the Common Good Fund is contained in a judgement by Lord Kyllachy - "The Common Good is corporate property and falls as such to be administered by the council - and applied by them for the benefit of the community in such manner as, and using reasonable judgement as, they think proper". It is an indispensable qualification of any object, to which the Common Good can be legally applied, that it should be one in which the general public of Glasgow City Council, as distinct from the general public of any other locality, is interested.

The Common Good Fund (the Fund) primarily meets the cost of civic ceremonies and hospitality to distinguished visitors to the city. The principal assets of the Fund are its various properties throughout the city and financial investments.

The council has an approved policy to maintain the overall value of the Fund over time. The net assets of the Fund were £20.881 million as at 31 March 2024 (£22.926 million at 31 March 2023).

Common Good Fund Movement in Reserves Statement

	Total Usable Reserves £000
Balance at 1 April 2022	23,417
Movement in reserves during 2022/23:	
Total Comprehensive Income and (Expenditure)	(491)
Increase or (Decrease) in the year	(491)
Balance at 31 March 2023	22,926
Movement in reserves during 2023/24:	
Total Comprehensive Income and (Expenditure)	(2,045)
Increase or (Decrease) in the year	(2,045)
Balance at 31 March 2024	20,881

Income and Expenditure Statement for the year ended 31 March 2024

2022/23 Expenditure £000	2022/23 Income £000	2022/23 Net Expenditure £000	Service	Note	2023/24 Expenditure £000	2023/24 Income £000	2023/24 Net Expenditure £000
919	(41)	878	Common Good Fund		1,616	(66)	1,550
919	(41)	878	Cost of Services		1,616	(66)	1,550
2	(114)	(112)	Interest and investment income and expenditure		970	(252)	718
69	(344)	(275)	Income, expenditure and changes in the fair value of investment properties		175	(398)	(223)
71	(458)	(387)	Financing and Investment (Income) and Expenditure		1,145	(650)	495
990	(499)	491	(Surplus) or Deficit on the Provision of Services	7	2,761	(716)	2,045
		491	Total Comprehensive (Income) and Expenditure				2,045

Balance Sheet as at 31 March 2024

2022/23 £000		Note	2023/24 £000
3,027	Investment property	2, 3	2,926
16,542	Long-term investments	4	18,654
19,569	Long-term Assets		21,580
3,263	Short-term investments	4	6
14	Inventories		12
139	Net short-term debtors		104
55	Cash and cash equivalents	5	245
3,471	Current Assets		367
(114)	Short-term creditors		(1,066)
(114)	Current Liabilities		(1,066)
22,926	Net Assets		20,881
22,926	Usable Reserves	6	20,881
22,926	Total Reserves		20,881

The unaudited accounts were issued on 28 June 2024 and the audited accounts were authorised for publication on 8 May 2025

Robert Emmott BSc (Hons) CPFA
Executive Director of Financial Services
8 May 2025

Notes to the Common Good Fund

1. Accounting policies

- 1.1 The financial statements for the year ended 31 March 2024 have been compiled on the basis of recommendations made by the Local Authority (Scotland) Accounts Advisory Committee (LASAAC) and have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code). The Code is based on International Financial Reporting Standards (IFRS), with interpretation appropriate to the public sector. The statements are designed to give a true and fair view of the financial performance and position of the Fund.
- 1.2 The accounting concepts of materiality, accruals, going concern and primacy of legislative requirements have been considered in the application of accounting policies. In this regard, the materiality concept means that information is included where the information is of such significance as to justify its inclusion. The accruals concept requires the non-cash effects of transactions to be included in the financial statement for the year in which they occur, not in the period in which the cash is paid or received. The going concern concept assumes that the council will not significantly curtail the scale of its operation. Wherever accounting principles and legislative requirements are in conflict, the latter shall apply.
- 1.3 The accounting convention adopted is historical cost, modified by the revaluation of certain categories of long-term assets and the fair value of investments.
- 1.4 Where the Fund has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the transaction date. Where amounts in foreign currency are outstanding at the year end, they are reconverted at the exchange rate as at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Income and Expenditure Statement.
- 1.5 Financial assets comprising the investment portfolio currently managed for the council by Ruffer Limited Liability Partnership are recognised as fair value through profit or loss. Financial assets (investments and debtors) and financial liabilities (borrowing and creditors) are recognised at amortised cost.

2. Investment property

The Fund owns a number of properties across the city, which are held to generate rental income or for capital appreciation. They are, therefore, accounted for as investment property and held at fair value in accordance with the Code. The fair value must reflect market conditions at the balance sheet date and thus the fair value of investment property is reviewed annually for material differences. Gains or losses arising from changes in the fair value of the investment property are recognised in the Surplus or Deficit on the Provision of Services. Investment properties are not depreciated. The consumption of the economic benefits in the asset over time is, instead, automatically reflected in the property's fair value. All the investment properties are leased under operating leases to third parties. The amounts received in rental income are detailed at note 7 (page 81).

3. Fair value measurement of investment property

Each financial year, a valuation report is prepared for Common Good assets which incorporates the methodology employed by the valuer in arriving at their opinion of value. The methodology includes comparable data which is recognised in accordance with the fair value measurement hierarchy. The valuers seek to minimise the volume of unobservable inputs and maximise the volume of observable inputs in forming their opinion of value. For Common Good assets, the valuation inputs comprise level 2 inputs with adjustments not limited to location, rental growth, lease terms, covenants, costs, discount rates and vacancy levels. For 2023/24, both the income and market valuation techniques were widely adopted in forming opinions of fair value. The resulting valuation was £2.926 million at 31 March 2024.

4. Short and long-term investments

The Fund's investments were managed by Ruffer Limited Liability Partnership during the year. The fair value of investments as at 31 March 2024 was £18.660 million (£19.805 million at 31 March 2023). These are split between short and long-term investments on the Common Good Fund Balance Sheet. In terms of the fair value measurement hierarchy, short and long-term investments are considered to be valuations at level 1, being quoted prices (unadjusted) in active markets for identical assets that can be accessed at the measurement date.

The investment objective of the Fund is to achieve low volatility, positive returns from an actively managed portfolio of different asset classes, including internationally listed or quoted equities or equity related securities (including convertibles) or bonds, which are issued by corporate issuers, supra-nationals or government organisations, and currencies. The portfolio may also be invested in collective investment schemes, cash and money market instruments. Pervading this objective is a fundamental philosophy of capital preservation. The principal performance objective of the portfolio is to achieve a positive total annual return, after all expenses, of double the Bank of England base rate. Actual performance for the year to 31 March 2024 was -3.91%.

5. Cash and cash equivalents

Cash and cash equivalents of £0.245 million represents the balance held in the council's loans fund at 31 March 2024 (£0.055 million at 31 March 2023).

6. Reserves

The Code requires reserves to be summarised as Usable and Unusable Reserves. The Usable Reserve represents the accumulated Surplus on the Provision of Services. Following the introduction of IFRS 9 'Financial Instruments' in 2018/19 the cumulative gains/losses on unrealised equities now sit in the usable reserve and can fluctuate dependant on fund performance.

During 2023/24 the Deficit on the Provision of Services totalled £2.045 million, £0.970 million in relation to unrealised losses and £1.075 million in relation to ordinary activities. At 31 March 2024, the usable reserves balance is £20.881 million all relating to ordinary activities. In line with proper accounting practice, any element of the reserve related to unrealised gains may only be used to meet future unrealised losses and is not available to support ordinary activities.

There are currently no unusable reserves.

7. Analysis of income and expenditure

The following table provides an analysis of the Fund's income and expenditure:

2022/23 £000		2023/24 £000	%
Where the money came from			
(113)	Interest and gains on investments	(252)	35
(345)	Rental income	(398)	56
(41)	Other receipts	(66)	9
(499)	Total income	(716)	100
How the money was spent			
648	Civic hospitality	1,369	50
69	Investment property costs	175	6
173	Treasury management	149	5
0	Impairment losses on investments	967	35
100	Other supplies and services	101	4
990	Total expenditure	2,761	100
491	(Surplus) or Deficit on the Provision of Services	2,045	

❖ Sundry Trusts and Funds

Introduction

Sundry Trusts and Funds have been set up from donations made by various individuals and organisations over many years. It is generally the case that only income arising from these funds can be disbursed each year, thus ensuring that resources are available to meet their continuing requirements.

A total of 14 Sundry Trusts were held at 31 March 2024, with an overall balance of £16.195 million (£18.174 million at 31 March 2023).

The tables below include the 14 Sundry Trusts, distinguishing whether Glasgow City Council is sole trustee or not:

Glasgow City Council is sole trustee			
Balance 2022/23 £000	Name of Fund	Objectives	Balance 2023/24 £000
Charities			
1,204	Lord Provost's Children's Fund	The prevention or relief of poverty, the advancement of education, the advancement of citizenship or community development and the relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage – beneficiaries of school age and under	1,114
1,069	Lord Provost's Fund for Older People	The prevention or relief of poverty, the advancement of citizenship or community development, the relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage – beneficiaries of retiral age	1,000
3,646	Lord Provost's Fund for Vulnerable Citizens	The prevention or relief of poverty, the advancement of education, the advancement of citizenship or community development, the relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage – beneficiaries between school age and retiral age	3,326
5,919		Charities	5,440
Non-Charities			
22	Glasgow Education Trust	General purpose – education in schools	21
70	Glasgow Necropolis Fund	For the upkeep of the Necropolis	65
16	Southern Necropolis Lair Fund	For the upkeep of lairs and stones in Southern Necropolis	15
8,418	Art and Museum Purchase Fund	For the purchase of works of art for the council	7,797
332	Donald McPherson	For the purchase of books at the Mitchell Library	312
37	Louis E Campbell Bequests	For the purchase of books at the Mitchell Library	35
78	Mitchell Centenary Fund	For the purchase of books at the Mitchell Library	74
134	Barbara Collier Trust Fund	To advance the education and help assist pupils at Hyndland Secondary School to achieve a place at University	81
0	Lord Provost/Lady Provost Lunch	To raise funds for good causes	0
9,107		Non-Charities	8,400
15,026		Total	13,840

Glasgow City Council is not sole trustee			
Balance 2022/23 £000	Name of Fund	Objectives	Balance 2023/24 £000
Charities			
2,712	Blindcraft Trust Fund	Provide support of the blind or visually impaired	2,355
436	Fossil Grove Trust	Provide support for the preservation of fossils at Victoria Park	0
3,148		Charities	2,355

Of the Sundry Trusts reported, 5 have charitable status, with a Total Reserves balance of £7.795 million at 31 March 2024 (£9.067 million at 31 March 2023). The remaining 9 trusts with non-charitable status have a Total Reserves balance of £8.400 million at 31 March 2024 (£9.107 million at 31 March 2023).

In October 2023, the Office of the Scottish Charity Regulator gave consent to wind up Fossil Grove Trust and transfer all funds to the new Fossil Grove Trust SCIO. Glasgow City Council is not a trustee of the new Fossil Grove Trust SCIO.

Sundry Trusts and Funds Movement in Reserves Statement

	Total Usable Reserves £000
Balance at 31 March 2022	18,255
Movement in reserves during 2022/23:	
Total Comprehensive Income and (Expenditure)	(81)
Increase or (Decrease) in the year	(81)
Balance at 31 March 2023	18,174
Movement in reserves during 2023/24:	
Total Comprehensive Income and (Expenditure)	(1,979)
Increase or (Decrease) in the year	(1,979)
Balance at 31 March 2024	16,195

Comprehensive Income and Expenditure Statement for the Year ended 31 March 2024

2022/23				2023/24			
Charities £000	Non – Charities £000	Total £000	Sundry Trusts and Funds	Note	Charities £000	Non – Charities £000	Total £000
407	198	605	Expenditure		849	191	1,040
(243)	(18)	(261)	Income		(110)	(15)	(125)
164	180	344	Cost of Services		739	176	915
(130)	(133)	(263)	Interest and investment (income) and expenditure		533	531	1,064
(130)	(133)	(263)	Financing and Investment (Income) and Expenditure		533	531	1,064
34	47	81	(Surplus) or Deficit on the Provision of Services		1,272	707	1,979
34	47	81	Total Comprehensive (Income) and Expenditure		1,272	707	1,979

Balance Sheet as at 31 March 2024

2022/23			2023/24				
Charities £000	Non – Charities £000	Total £000	Sundry Trusts and Funds	Note	Charities £000	Non – Charities £000	Total £000
8,985	8,986	17,971	Long-term investments	1	7,762	8,310	16,072
0	0	0	Short-term debtors		1	0	1
111	121	232	Cash and cash equivalents	2	52	90	142
111	121	232	Current Assets		53	90	143
(29)	0	(29)	Short-term creditors		(20)	0	(20)
(29)	0	(29)	Current Liabilities		(20)	0	(20)
9,067	9,107	18,174	Net Assets		7,795	8,400	16,195
9,067	9,107	18,174	Usable Reserves	3	7,795	8,400	16,195
9,067	9,107	18,174	Total Reserves		7,795	8,400	16,195

Notes to the Accounts

1. Long-term investments

The fair value of investments managed by Ruffer Limited Liability Partnership at 31 March 2024 was £16.022 million (£17.921 million at 31 March 2023). The investment objectives of the Fund is to preserve the capital over rolling 12 month periods, and secondly to grow the portfolio at a higher rate (after fees) than could reasonably be expected from depositing the cash in a UK bank. The Fund is invested in a variety of different asset classes, including fixed interest stocks and equities (both UK and international), and an allocation of other risk investments designed to improve the overall return, but never to the extent of risking serious capital loss.

Further long-term investments held at 31 March 2024 total £0.050 million (£0.050 million at 31 March 2023) relating to a National Savings Deposit Bond.

In terms of the fair value measurement hierarchy the long-term investments measured at fair value are considered Level 1 being quoted prices (unadjusted) in active markets for identical assets that can be accessed at the measurement date.

2. Cash and cash equivalents

Cash and cash equivalents of £0.142 million represents the balance held in the council's loans fund at 31 March 2024 (£0.232 million at 31 March 2023).

3. Reserves

The Code requires reserves to be summarised as Usable and Unusable Reserves. The Usable Reserve represented the accumulated Surplus on the Provision of Services. Following the introduction of IFRS 9 'Financial Instruments' in 2018/19 the cumulative gains/losses on unrealised equities now sit in the usable reserve and can fluctuate dependant on fund performance.

During 2023/24 the Deficit on the Provision of Services totalled £1.979 million, a decrease of £1.705 million in relation to unrealised losses and a decrease of £0.274 million in relation to ordinary activities. At 31 March 2024, the usable reserves balance is £16.195 million, £3.504 million relates to unrealised gains and £12.691 million relates to ordinary activities. In line with proper accounting practice, any element of the reserve related to unrealised gains may only be used to meet future unrealised losses and is not available for ordinary activities.

There are currently no unusable reserves.

❖ Group Financial Statements

Introduction

The Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 places a requirement on authorities to consider all their interests in external organisations, including limited companies and other statutory bodies. Where the interest is considered to be material, the authority is required to prepare a full set of Group Financial Statements, in addition to those prepared for the authority's single entity Financial Statements. The Group Financial Statements are designed to give a 'true and fair view' of the financial performance and position of the council's group.

Combining entities

The council has created a number of companies, commonly known as Arm's Length External Organisations (ALEOs), to further council objectives. Where the council has a 'controlling interest', these ALEOs are termed 'subsidiaries'. The council also has a 'significant interest' in a number of ALEOs, other companies and statutory bodies that are termed 'associates', and is an equal partner in the Glasgow City Integration Joint Board with NHS Greater Glasgow and Clyde, which is termed as a 'joint board'. The subsidiaries, associates and joint board representing the combining entities are listed below. Additional information on these entities can be found in note 4 on pages 96 to 102.

Basis of consolidation

The Group Financial Statements for the year ended 31 March 2024 have been prepared on the basis of a full consolidation, with all financial transactions and balances of the council and its material subsidiaries consolidated on a line-by-line basis. Capital transactions between group members have not been eliminated. Associates and joint boards have been incorporated using the equity method, where an opening investment is recognised in the Group Balance Sheet and adjusted each year by the council's share of the associate's operating results, and other gains and losses. The pension reserves of material subsidiaries and the share of City Building (Glasgow) pension reserve are disclosed as usable group reserves; distinct from the unusable pension reserves of the authority and other associates, permitted under statute. Note 4 on pages 96 to 102 provides detail on the audited accounts position of combining entities. As part of the Group consolidation adjustments pension assets have been recognised for these entities in line with the accounting policy adopted by the council. The accounting periods for all entities are for the year to 31 March 2024.

Changes to group structure

During the year to 31 March 2024 there were no changes to the group structure.

Subsidiaries

- Scottish Event Campus Limited
- City Building (Contracts) Limited Liability Partnership
- Culture and Sport Glasgow, trading as Glasgow Life
- City Property Glasgow (Investments) LLP
- City Property Glasgow (Operations SL1) LLP
- City Property Glasgow (Operations SL2) LLP

- City Property Glasgow (Operations SL3) LLP
- City Property Glasgow (Operations SL) Limited
- City Property Glasgow (SL Operations 3) Limited
- Jobs & Business Glasgow

Associates and Joint Ventures

- Strathclyde Partnership for Transport
- Strathclyde Concessionary Travel Scheme
- Glasgow City Integration Joint Board
- City Building (Glasgow) Limited Liability Partnership

Group Comprehensive Income and Expenditure Statement for the Year ended 31 March 2024

2022/23 Exp. £000	2022/23 Income £000	2022/23 Net Exp. £000	Service	Note	2023/24 Exp. £000	2023/24 Income £000	2023/24 Net Exp. £000
168,620	(13,122)	155,498	Chief Executive's Office		151,930	(44,446)	107,484
860,837	(115,683)	745,154	Education Services		845,168	(111,022)	734,146
365,006	(264,151)	100,855	Financial Services		376,503	(261,139)	115,364
439,304	(213,990)	225,314	Neighbourhoods, Regeneration and Sustainability		492,665	(234,187)	258,478
1,381,785	(830,506)	551,279	Social Work Services		1,388,910	(869,903)	519,007
17,209	(54)	17,155	Related Companies and Joint Boards		36,405	(103)	36,302
(128)	0	(128)	Equal Pay Obligation		(1,160)	0	(1,160)
120	0	120	Former Authority Residual Costs		0	0	0
319	(5)	314	Common Good Fund	6	312	(50)	262
304	(100)	204	Sundry Trusts	6	708	(55)	653
67,834	(50,849)	16,985	City Building (Contracts) LLP		40,800	(45,328)	(4,528)
2,059	(18)	2,041	City Property Glasgow (Investments) LLP		1,976	(2,229)	(253)
129,435	(25,029)	104,406	Culture and Sport Glasgow		150,790	(39,978)	110,812
7,847	(77)	7,770	Jobs & Business Glasgow		5,455	(5)	5,450
38,338	(42,299)	(3,961)	Scottish Event Campus Ltd		40,601	(41,188)	(587)
3,478,889	(1,555,883)	1,923,006	Cost of Services		3,531,063	(1,649,633)	1,881,430
0	(4,195)	(4,195)	(Gain) or loss on the disposal of Property, Plant and Equipment.		0	(1,267)	(1,267)
0	(4,195)	(4,195)	Other Operating Expenditure		0	(1,267)	(1,267)
101,808	0	101,808	Interest payable and similar charges		123,775	0	123,775
0	(8,784)	(8,784)	Interest and investment income		0	(19,489)	(19,489)
21,129	0	21,129	Net interest on the net defined benefit liability	10	0	(14,163)	(14,163)
3,343	(14,212)	(10,869)	Income, expenditure and changes in the fair value of investment properties	14	46,772	(61,536)	(14,764)
0	(178)	(178)	Minority interest		0	(68)	(68)
126,280	(23,174)	103,106	Financing and Investment Income and Expenditure		170,547	(95,256)	75,291
0	(1,113,816)	(1,113,816)	Non-ringfenced Government grants		0	(1,135,675)	(1,135,675)
0	(296,203)	(296,203)	Non-Domestic Rates		0	(358,472)	(358,472)
0	(260,233)	(260,233)	Council Tax / Community Charge		0	(274,105)	(274,105)
0	(106,415)	(106,415)	Capital grants and contributions		0	(78,170)	(78,170)
0	(1,776,667)	(1,776,667)	Taxation and Non-specific Grant Income		0	(1,846,422)	(1,846,422)
3,605,169	(3,359,919)	245,250	(Surplus) or Deficit on the Provision of Services		3,701,610	(3,592,578)	109,032
		43,827	Share of (surplus) or deficit on provision of services by associates				(147,240)
		1,273	Tax expenses or (receipts) of subsidiaries	12			771
		290,350	Group (Surplus) or Deficit				(37,437)
			Items that will not be reclassified to the (Surplus) or Deficit on the Provision of Services				
	(101,085)		(Surplus) or deficit on revaluation of Property, Plant and Equipment				(199,917)
	(1,275,127)		Actuarial (gains) or losses on Pension Assets and Liabilities	10			558,007
	0		Other unrealised (gains) or losses				1,000
	(71,104)		Share of other comprehensive (income) and expenditure of associates				99,697
	178		Minority interest				68
	(1,447,138)		Other Comprehensive (Income) and Expenditure				458,855
	(1,156,788)		Total Comprehensive Expenditure				421,418

Group Movement in Reserves Statement for the year ended 31 March 2024

Movement in Reserves Statement	General Fund Reserve £000	Revenue Reserve Fund £000	Capital Reserve Fund £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total Authority Reserves £000	Authority's share of Usable Reserves of Subsidiaries & Associates £000	Authority's share of Unusable Reserves of Subsidiaries & Associates £000	Minority Interest £000	Total Reserves £000
Balance as at 31 March 2022	225,734	45,104	28,280	21,489	320,607	1,657,969	1,978,576	189,451	200,636	6,005	2,374,668
Total comprehensive income and (expenditure)	(362,794)	0	0	0	(362,794)	1,114,835	752,041	314,907	86,355	3,485	1,156,788
Adjustments to usable reserves permitted by accounting standards	35,851	0	0	0	35,851	(35,851)	0	0	0	0	0
Adjustments between group and authority accounts: Purchase of goods and services between subsidiaries	113,295	0	0	0	113,295	0	113,295	(113,295)	0	0	0
Transfers (to) or from other statutory reserves	12,966	(14,040)	1,074	0	0	0	0	0	0	0	0
Increase or (decrease) before transfers	(200,682)	(14,040)	1,074	0	(213,648)	1,078,984	865,336	201,612	86,355	3,485	1,156,788
Adjustments between accounting and funding basis under statutory provisions	252,304	0	12,107	194,640	459,051	(459,051)	0	28,626	(28,626)	0	0
Increase or (decrease) in the year	51,622	(14,040)	13,181	194,640	245,403	619,933	865,336	230,238	57,729	3,485	1,156,788
Balance as at 31 March 2023	277,356	31,064	41,461	216,129	566,010	2,277,902	2,843,912	419,689	258,365	9,490	3,531,456
Total comprehensive income and (expenditure)	(256,964)	0	0	0	(256,964)	(387,567)	(644,531)	325,941	(103,213)	385	(421,418)
Adjustments to usable reserves permitted by accounting standards	37,657	0	0	0	37,657	(37,657)	0	0	0	0	0
Adjustments between group and authority accounts: Purchase of goods and services between subsidiaries	120,819	0	0	0	120,819	0	120,819	(120,819)	0	0	0
Transfers (to) or from other statutory reserves	13,258	(7,220)	(6,038)	0	0	0	0	0	0	0	0
Increase or (decrease) before transfers	(85,230)	(7,220)	(6,038)	0	(98,488)	(425,224)	(523,712)	205,122	(103,213)	385	(421,418)
Adjustments between accounting and funding basis under statutory provisions	(50,971)	0	0	(200,206)	(251,177)	251,177	0	(67,214)	67,214	0	0
Increase or (decrease) in the year	(136,201)	(7,220)	(6,038)	(200,206)	(349,665)	(174,047)	(523,712)	137,908	(35,999)	385	(421,418)
Balance as at 31 March 2024	141,155	23,844	35,423	15,923	216,345	2,103,855	2,320,200	557,597	222,366	9,875	3,110,038

Group Balance Sheet as at 31 March 2024

31 March 23 £000	Note	£000	31 March 24 £000
3,003,465	Other land and buildings	3,052,851	
99,646	Vehicles, plant, furniture and equipment	83,462	
817,899	Infrastructure assets	836,472	
23,851	Community assets	24,335	
54,238	Assets under construction	76,893	
45,362	Corporate surplus assets	39,884	
4,044,461	Property, Plant and Equipment	13	4,113,897
1,117,674	Heritage assets		1,161,539
238,710	Investment property	14	237,139
18,672	Intangible assets		35,041
37,738	Long-term investments		38,294
227,311	Investments in associates and joint boards	16	274,854
48,016	Long-term debtors		26,653
711,803	Net pension asset		198,275
6,444,385	Long-term Assets		6,085,692
9,057	Short-term investments		7
3,384	Inventories		5,981
274,272	Net short-term debtors		308,212
411,324	Cash and cash equivalents	17	225,966
7,883	Assets held for sale		12,084
705,920	Current Assets		552,250
(149,058)	Short-term borrowing	15	(78,542)
(536,837)	Short-term creditors		(560,626)
(269,559)	Short-term provisions		(14,470)
(406)	Current Tax Liability		0
(955,860)	Current Liabilities		(653,638)
(24,300)	Long-term provisions		(22,662)
(2,114,671)	Long-term borrowing	15	(2,340,626)
(283,038)	Unfunded pension liability	10	(277,973)
(208,978)	Deferred liabilities	18	(203,633)
(4,287)	Deferred tax liability		(5,054)
(19,182)	Deferred grants	19	(18,590)
(8,533)	Deferred income		(2,205)
0	Capital grants receipts in advance		(3,523)
(2,662,989)	Long-term Liabilities		(2,874,266)
3,531,456	Net Assets		3,110,038
277,356	General Fund Reserve		141,155
31,064	Revenue Reserve Funds		23,844
41,461	Capital Reserve Funds		35,423
<u>216,129</u>	Capital Grants and Receipts Unapplied Account		<u>15,923</u>
566,010	Usable Reserves		216,345
2,277,902	Unusable Reserves		2,103,855
687,544	Group Reserves		789,838
3,531,456	Total Reserves		3,110,038

The unaudited accounts were issued on 28 June 2024 and the audited accounts were authorised for publication on 8 May 2025

Robert Emmott BSc (Hons) CPFA
Executive Director of Financial
Services
8 May 2025

Group Cash Flow Statement for the Year ended 31 March 2024

2022/23 £000		2023/24 £000
245,250	Group (Surplus) or Deficit on the Provision of Services	109,032
(759,473)	Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	223,357
206,692	Adjustments for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	(12,953)
(14)	Taxation	632
(307,545)	Net cash flows from operating activities	320,068
24,967	Investing activities	38,781
172,038	Financing activities	(173,491)
(110,540)	Net (increase) or decrease in Cash and cash equivalents	185,358
(300,784)	Cash and cash equivalents at the beginning of the reporting period	(411,324)
(411,324)	Cash and cash equivalents at the end of the reporting period	(225,966)

❖ Notes to the Group Financial Statements

1. Group accounting policies

The group's accounting policies align with those specified for the single entity's Financial Statements (pages 22 to 34). Group accounts have been prepared using uniform accounting policies for like transactions and events. The accounting policies of subsidiaries, associates and joint ventures shall align with those of the single entity. Where material differences exist, appropriate adjustments are made to the financial statements of the relevant group members when preparing the group accounts to ensure compliance with the group's accounting policies. Within the Group Balance Sheet and Cash Flow Statement, there are a number of line items that have material differences to the Council statements for which separate notes have not been included. These differences arise due to the standard consolidation procedures whereby component entity balances are added and inter-group transactions eliminated. The changes in these notes are the results of the normal consolidation process and further explanation of these differences is not considered to alter the readers understanding of the notes presented within the Council and Group financial statements. Specific group policies are as follows:

1.1. Goodwill

The council inherited its interest in Scottish Event Campus Limited, Strathclyde Partnership for Transport and Strathclyde Concessionary Travel Scheme as a result of local government reorganisation in April 1996. There was no goodwill on acquisition.

1.2. Going concern

All group members have prepared their accounts on a going concern basis. In common with these public bodies, the council's Group Financial Statements have been prepared on a going concern basis, as it is expected that funding, aligned with robust budget processes, will continue to provide sufficient resources.

1.3. Pensions

Disclosure of information relating to the pensions of Glasgow City Council, its subsidiaries and associates follows the reporting requirements of IAS19 Employee Benefits.

Glasgow City Council, City Building (Contracts) LLP, Culture and Sport Glasgow, and Jobs & Business Glasgow are members of the Local Government Pension Scheme, a defined benefit scheme. The cost of providing pensions for employees was charged to the Group Comprehensive Income and Expenditure Statement in accordance with the Code.

Strathclyde Partnership for Transport is also an admitted body of the Local Government Pension Scheme and has used the asset ceiling method to arrive at their net asset valuation.

Scottish Event Campus Limited and Jobs & Business Glasgow operate defined contribution schemes on behalf of their employees. For these defined contribution schemes, the pension costs reported for the year are equal to the contributions payable to the scheme for the accounting period and are included within Cost of Services in the Group Comprehensive Income and Expenditure Statement. Assets or liabilities are recognised only to the extent that they are prepaid or outstanding at the year end.

1.4. Common Good Fund and Sundry Trusts

Expenditure and income associated with the Common Good Fund and Sundry Trusts are included within Cost of Services in the Group Comprehensive Income and Expenditure Statement. Trading between the Common Good Fund, Sundry Trusts and the group has been eliminated.

1.5. Depreciation

For the group and its associates, depreciation has been provided on a straight-line basis for the following long-term assets:

Category	Useful Life (years)
Buildings	5 - 60
Plant, Vehicles and Equipment	1 - 20
Infrastructure	10 - 40
Surplus Property	40
Surplus Equipment	10
Rolling Stock	1 - 25
Sundry Assets	1 - 25

2. Assumptions about the future and other sources of estimation uncertainty

The Group Financial Statements contain estimated figures that are based on assumptions made by the group about the future or outcomes that are otherwise uncertain. Estimates are made considering historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The item in the Group Balance Sheet at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year is as follows:

Item	Uncertainties	Effect if results differ from assumptions
Pensions liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which pay is projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Strathclyde Pension Fund has engaged a firm of consulting actuaries to provide expert advice about the assumptions to be applied.</p> <p>The IAS19 report value shows pension assets of £6,308 million and pension liabilities of £4,995 million. In accordance with proper accounting practice, the asset is limited to the forecast reductions in contributions as compared to the future service costs. This has resulted in the group pensions asset being recognised at £198.3 million. A 1% movement on assets and liabilities would be £63 million and £50 million respectively, both significant sums. Note 10 on pages 107 to 111 provides further disclosure on Pension costs.</p>	<p>The effects on the net pension liability of changes in individual assumptions can be measured. The actuary has estimated that a 0.1% decrease in the real discount rate would result in an increase to the pension liability of £83 million. Similarly, a 0.1% increase in the rate of salary increase and pension increase rates would increase the liability by £13 million and £71 million respectively. In terms of life expectancy, an increase of 1 year is estimated to equate to an increased liability of £199 million.</p>

3. Group Expenditure and Funding Analysis for the Year ended 31 March 2024

2022/23 Net (Income)/ Expenditure Chargeable to the General Fund £000	2022/23 Adjustments £000	2022/23 Net Expenditure in the CIES £000	Service	2023/24 Net (Income)/ Expenditure Chargeable to the General Fund £000	2023/24 Adjustments £000	2023/24 Net Expenditure in the CIES £000
132,302	23,196	155,498	Chief Executive's Office	90,954	16,530	107,484
675,614	69,540	745,154	Education Services	679,717	54,429	734,146
188,557	(87,702)	100,855	Financial Services	190,074	(74,710)	115,364
172,661	52,653	225,314	Neighbourhoods, Regeneration and Sustainability	230,909	27,569	258,478
500,979	50,300	551,279	Social Work Services	522,400	(3,393)	519,007
8,409	8,746	17,155	Related Companies and Joint Boards	27,244	9,058	36,302
(22)	(106)	(128)	Equal Pay Obligations	258,840	(260,000)	(1,160)
120	0	120	Former Authority Residual Costs	0	0	0
314	0	314	Common Good Fund	262	0	262
204	0	204	Sundry Trusts	653	0	653
17,522	(537)	16,985	City Building (Contracts) LLP	(10,847)	6,319	(4,528)
9,887	(7,846)	2,041	City Property Glasgow (Investments) LLP	8,438	(8,691)	(253)
94,120	10,286	104,406	Culture and Sport Glasgow	111,631	(819)	110,812
6,521	1,249	7,770	Jobs & Business Glasgow	5,165	285	5,450
(3,966)	5	(3,961)	Scottish Event Campus Ltd	(281)	(306)	(587)
1,803,222	119,784	1,923,006	Cost of Services	2,115,159	(233,729)	1,881,430
(1,789,808)	157,152	(1,632,656)	Other (Income) and Expenditure	(2,120,487)	201,620	(1,918,867)
13,414	276,936	290,350	Group (Surplus) or Deficit	(5,328)	(32,109)	(37,437)
		415,185	Opening General Fund Balance			697,045
		(13,414)	Surplus/(Deficit) on General Fund in Year			5,328
		295,274	Transfers (to)/from Other Statutory Reserves			(3,621)
		697,045	Closing General Fund Balance			698,752

Note to the Group Expenditure and Funding Analysis – Adjustments

2022/23 Adjustments for Capital Purposes £000	2022/23 Net Change for the Pensions Adjustments £000	2022/23 Other Differences £000	2022/23 Total Adjustments £000	Service	2023/24 Adjustments for Capital Purposes £000	2023/24 Net Change for the Pensions Adjustments £000	2023/24 Other Differences £000	2023/24 Total Adjustments £000
16,945	6,155	96	23,196	Chief Executive's Office	19,574	(2,992)	(52)	16,530
57,874	21,249	(9,583)	69,540	Education Services	69,984	(10,122)	(5,433)	54,429
1,640	14,744	(104,086)	(87,702)	Financial Services	(382)	(4,423)	(69,905)	(74,710)
34,672	18,934	(953)	52,653	Neighbourhoods, Regeneration and Sustainability	33,575	(8,797)	2,791	27,569
2,605	46,918	777	50,300	Social Work Services	6,667	(9,666)	(394)	(3,393)
0	0	8,746	8,746	Related Companies and Joint Boards	0	0	9,058	9,058
0	0	(106)	(106)	Equal Pay Obligations	0	0	(260,000)	(260,000)
0	5,029	(5,566)	(537)	City Building (Contracts) LLP	0	6,319	0	6,319
0	0	(7,846)	(7,846)	City Property Glasgow (Investments) LLP	0	0	(8,691)	(8,691)
600	24,777	(15,091)	10,286	Culture and Sport Glasgow	781	11,162	(12,762)	(819)
53	278	918	1,249	Jobs & Business Glasgow	112	188	(15)	285
3,254	822	(4,071)	5	Scottish Event Campus Ltd	3,372	928	(4,606)	(306)
117,643	138,906	(136,765)	119,784	Cost of Services	133,683	(17,403)	(350,009)	(233,729)
44,225	21,129	91,798	157,152	Other (Income) and Expenditure	157,936	(14,163)	57,847	201,620
161,868	160,035	(44,967)	276,936	(Surplus) or Deficit on the Provision of Services	291,619	(31,566)	(292,162)	(32,109)

4. Combining entities

4.1. Scottish Event Campus Limited

Scottish Exhibition Centre Limited was incorporated under the terms of the Companies Acts to promote international exhibitions, conferences and events on 4 March 1983 and formally changed its name to Scottish Event Campus Limited on 26 January 2017. The council is the principal shareholder in the company holding 19,900,000 ordinary £1 shares, representing 90.87% of the issued share capital. Under accounting standards, the council has a controlling interest in this company. It is, therefore, included in the Group Financial Statements as a subsidiary.

Net assets of the company were £20.381 million at 31 March 2024 compared to £19.637 million at 31 March 2023. The profit on ordinary activities before taxation for the year to 31 March 2024 was £1.515 million, compared to a profit of £4.463 million for the period to 31 March 2023. The limit of the council's commitment to meet accumulated losses is £0.200 million (exclusive of RPI increases), in addition to the value of any rates paid or payable in the year for the conference centre. No dividend payments were due to, or received by, the council in respect of its investment.

The latest set of audited accounts is for the year to 31 March 2024. Copies of the audited accounts may be obtained from the Chief Executive, Scottish Event Campus Limited, Glasgow G3 8YW.

4.2. City Building (Contracts) Limited Liability Partnership

City Building (Contracts) Limited Liability Partnership was incorporated on 2 October 2006 to provide construction and repairs services to local authorities, other public sector organisations and the private sector. The council is the principal member of the partnership, holding 99.99% of the ordinary capital. Under accounting standards, the council has a controlling interest in this company. It is, therefore, included in the Group Financial Statements as a subsidiary.

After accounting for IAS19 Employee Benefits, the net assets of the partnership remained at £0.001 million at 31 March 2024, which was also the net assets of the partnerships at 31 March 2023. The loss on ordinary activities before and after taxation for the year to 31 March 2024 was £0.338 million, compared to £3.404 million for the year to 31 March 2023.

The latest set of unaudited accounts is for the year to 31 March 2024. When available, copies of the audited accounts may be obtained from the Managing Director, City Building (Contracts) Limited Liability Partnership, 350 Darnick Street, Glasgow G21 4BA.

4.3. Culture and Sport Glasgow, trading as Glasgow Life

Culture and Sport Glasgow was incorporated on 22 December 2006 as a company limited by guarantee, with Glasgow City Marketing Bureau Limited incorporated within Culture and Sport Glasgow, as a wholly owned subsidiary, from 1 April 2016. The company is also a registered charity, with Glasgow City Council being the sole member. The limit of the council's liability, if the company was wound up, is £1. Under accounting standards, the council has a controlling interest in this company. It is, therefore, included in the Group Financial Statements as a subsidiary.

The company's principal objectives are to advance the arts, heritage, culture and science, education and health, participation in sport, citizenship and community development, through the provision of recreational facilities and other services that contribute to the advancement of well-being.

After accounting for IAS19 Employee Benefits, the net assets of the company were £50.207 million at 31 March 2024, compared to net assets of £41.458 million at 31 March 2023. The profit on ordinary activities after taxation for the year to 31 March 2024 was £9.522 million, compared to a loss of £13.781 million for the year to 31 March 2023.

The latest set of audited accounts is for the year to 31 March 2024. Copies of the audited accounts may be obtained from the Chief Executive, Culture and Sport Glasgow, Commonwealth House, 38 Albion Street, Glasgow G1 1LH.

4.4. City Property Glasgow (Investments) LLP

City Property Glasgow (Investments) Limited Liability Partnership was incorporated on 13 August 2009 to acquire and manage Glasgow City Council's investment property portfolio. The council is the principal member of the partnership, holding 99.999% of the ordinary capital. Under accounting standards, the council has a controlling interest in this company. It is, therefore, included in the Group Financial Statements as a subsidiary.

The net assets of the partnership were £97.265 million at 31 March 2024, compared to £95.038 million at 31 March 2023. The profit on ordinary activities before and after taxation for the year to 31 March 2024 was £9.217 million, compared to £7.007 million for the period to 31 March 2023.

The latest set of audited accounts is for the year to 31 March 2024. Copies of the audited accounts may be obtained from the Managing Director, City Property Glasgow (Investments) Limited Liability Partnership, Ground Floor, Exchange House, 229 George Street, Glasgow G1 1QU.

4.5. City Property Glasgow (Operations SL1) LLP

City Property Glasgow (Operations SL1) LLP was incorporated on 28 March 2019 to facilitate funding agreements in relation to settling the council's equal pay liability.

The council is the principal member of the partnership, holding 99.999% of the ordinary capital. Under accounting standards, the council has a controlling interest in this company. It is, therefore, included in the Group Financial Statements as a subsidiary.

The net assets of the partnership were £44.622 million at 31 March 2024 compared to £53.671 million at 31 March 2023. The loss on ordinary activities before and after taxation for the year to 31 March 2024 was £9.049 million compared to a profit of £2.626 million for the year to 31 March 2023.

The latest set of audited accounts is for the year to 31 March 2024. Copies of the audited accounts may be obtained from the Managing Director, City Property Glasgow (Operations SL1) LLP, Ground Floor, Exchange House, 229 George Street, Glasgow G1 1QU.

4.6. City Property Glasgow (Operations SL2) LLP

City Property Glasgow (Operations SL2) LLP was incorporated on 28 March 2019 to facilitate funding agreements in relation to settling the council's equal pay liability.

The council is the principal member of the partnership, holding 99.999% of the ordinary capital. Under accounting standards, the council has a controlling interest in this company. It is, therefore, included in the Group Financial Statements as a subsidiary.

The net assets of the partnership were £70.799 million at 31 March 2024 compared to £72.734 million at 31 March 2023. The loss on ordinary activities before and after taxation for the year to 31 March 2024 was £1.935 million compared to a profit of £10.720 million at 31 March 2023.

The latest set of audited accounts is for the year to 31 March 2024. Copies of the audited accounts may be obtained from the Managing Director, City Property Glasgow (Operations SL2) LLP, Ground Floor, Exchange House, 229 George Street, Glasgow G1 1QU.

4.7. City Property Glasgow (Operations SL3) LLP

City Property Glasgow (Operations SL3) LLP was incorporated on 26 July 2022 to facilitate funding agreements in relation to settling the council's equal pay liability.

The council is the principal member of the partnership, holding 99.999% of the ordinary capital. Under accounting standards, the council has a controlling interest in this partnership. It is, therefore, included in the Group Financial Statements as a subsidiary.

The net assets of the partnership were £92.189 million as at 31 March 2024 compared to £131.267 million at 31 March 2023. The loss on ordinary activities before and after taxation for the year to 31 March 2024 was £39.078 million compared to a profit of £131.266 million in the year to 31 March 2023.

The latest set of audited accounts is for the year to 31 March 2024. Copies of the audited accounts may be obtained from the Managing Director, City Property Glasgow (Operations SL3) LLP, Ground Floor, Exchange House, 229 George Street, Glasgow G1 1QU.

4.8. City Property Glasgow (Operations SL) Limited

City Property Glasgow (Operations SL) Limited was incorporated on 4 July 2019 to facilitate funding agreements in relation to settling the council's equal pay liability.

City Property Glasgow (Operations SL1) LLP is the sole owner of the company, holding 100% of the ordinary capital. Under accounting standards, the council has a controlling interest in this company through holding 99.999% of the ordinary capital of City Property Glasgow (Operations SL1) LLP. It is, therefore, included in the Group Financial Statements as a subsidiary.

The net assets of the partnership were £0.005 million at 31 March 2024, compared to £0.008 million at 31 March 2023. The loss on ordinary activities before and after taxation for the year to 31 March 2024 was £0.003 million compared to a profit of £0.002 million at 31 March 2023.

The latest set of audited accounts is for the year to 31 March 2024. Copies of the audited accounts may be obtained from the Managing Director, City Property Glasgow (Operations) Limited, Ground Floor, Exchange House, 229 George Street, Glasgow G1 1QU.

4.9. City Property Glasgow (SL Operations 3) Limited

City Property Glasgow (SL Operations 3) Limited was incorporated on 6 September 2022 to facilitate funding arrangements in relation to settling the council's equal pay liability.

City Property Glasgow (Operations SL3) LLP is the sole owner of the company, holding 100% of the ordinary capital. Under accounting standards, the council has a controlling interest in this company through holding 99.999% of the ordinary capital of City Property Glasgow (Operations SL3) LLP. It is, therefore, included in the Group Financial Statements as a subsidiary.

The net assets of the partnership were £0.023 million at 31 March 2024, compared to £0.036 million at 31 March 2023. The loss on ordinary activities before and after taxation for the year to 31 March 2024 was £0.013 million, compared to a profit of £0.036 million at 31 March 2023.

The latest set of audited accounts is for the year to 31 March 2024. Copies of the audited accounts may be obtained from the Managing Director, City Property Glasgow (SL Operations 3) Limited, Ground Floor, Exchange House, 229 George Street, Glasgow G1 1QU.

4.10. Jobs & Business Glasgow

Glasgow's Regeneration Agency was incorporated on 28 March 2011 as a company limited by guarantee and formally changed its name to Jobs & Business Glasgow on 11 March 2013.

The company is also a registered charity, with Glasgow City Council being the sole member. The limit of the council's liability, if the company was wound up, is £1. The council is the principal member of the partnership, holding 99.99% of the ordinary capital. Under accounting standards, the council has a controlling interest in this company. It is, therefore, included in the Group Financial Statements as a subsidiary.

The company's principal objectives are to reduce the gap between Glasgow and Scotland's employment rate by increasing the percentage of Glasgow jobs going to Glasgow residents, and to match business density rates in competitor cities by raising the rate of sustainable business.

After accounting for IAS19 Employee Benefits, the net assets of the company were £15.639 million at 31 March 2024 compared to £14.971 million at 31 March 2023. The total net income for the year to 31 March 2024 was £0.668 million, compared to net expenditure of £0.287 million for the year to 31 March 2023.

The latest set of audited accounts is for the year to 31 March 2024. Copies of the audited accounts may be obtained from the Managing Director, Jobs & Business Glasgow, 94 Duke Street, Glasgow G4 0UW.

4.11. Strathclyde Partnership for Transport

Strathclyde Partnership for Transport was formed on 1 April 2006, as successor to Strathclyde Passenger Transport Authority and Strathclyde Passenger Transport Executive. It is one of the seven Regional Transport Partnerships in Scotland and is responsible for formulating the public transport policy for the 12 local authorities in the West of Scotland.

The latest set of audited accounts is for the year to 31 March 2024. Copies of the audited accounts may be obtained from the Treasurer to Strathclyde Partnership for Transport, 131 St. Vincent Street, Glasgow G2 5JF.

Under accounting standards, the council has a significant interest in this statutory body (£141.8m/28.31% of £500.9m net assets). The Board is included within the Group Financial Statements as an associate. In 2023/24, Glasgow City Council contributed £10.284 million or 28.31% of the Board's estimated running costs (2022/23 £10.108 million) and its share of net assets as at 31 March 2024 was £141.800 million (31 March 2023 £135.864 million).

The following table represents the group's share of key financial information extracted from the Strathclyde Partnership for Transport accounts for 2023/24:

2022/23 £000	2022/23 GCC Share £000	Strathclyde Partnership for Transport	2023/24 £000	2023/24 GCC Share £000
(83,322)	(23,353)	Gross (income)	(120,415)	(34,089)
(2,567)	(728)	(Surplus) or Deficit on the Provision of Services	(36,006)	(10,193)
16,684	946	Other Comprehensive (Income) and Expenditure	4,189	1,186
326,830	92,117	Long-term assets	337,658	95,591
177,466	50,344	Current assets	194,061	54,939
(25,374)	(7,198)	Current liabilities	(27,947)	(7,912)
0	0	Long-term liabilities excluding pension liability	(172)	(49)
0	0	Pension asset / (liability)	(2,597)	(735)

An analysis of the amounts owed and owing between Glasgow City Council and Strathclyde Partnership for Transport is provided below and includes normal trade debtors and creditors:

2022/23 £000	Strathclyde Partnership for Transport	2023/24 £000
	Amounts owed to GCC	
1,170	Short-term debtors	2,207
	Amounts owing by GCC	
(219)	Short-term creditors	(270)

4.12. Strathclyde Concessionary Travel Scheme

Strathclyde Concessionary Travel Scheme comprises the 12 councils within the West of Scotland and oversees the operation of the concessionary fares scheme for public transport within the area. The costs of the Scheme are met by the 12 councils and by the Scottish Government via grant funding. Strathclyde Partnership for Transport administers the Scheme on behalf of the Board.

The latest set of audited accounts is for the year to 31 March 2024. Copies of the audited accounts may be obtained from the Treasurer to Strathclyde Partnership for Transport, 131 St. Vincent Street, Glasgow G2 5JF.

Under accounting standards, the council has a significant interest in this statutory body. The Board is included within the Group Financial Statements as an associate. In 2023/24, Glasgow City Council contributed £0.853 million or 20.62% of the Board's estimated running costs (2022/23 £0.840 million) and its share of net assets as at 31 March 2024 was £1.054 million (31 March 2023 £1.040 million).

The following table represents the group's share of key financial information extracted from Strathclyde Concessionary Travel Scheme accounts for 2023/24:

2022/23 £000	Strathclyde Concessionary Travel Scheme	2023/24 £000
(861)	Gross (income)	(911)
(89)	(Surplus) or Deficit on the Provision of Services	(18)
1,111	Current assets	1,199
(71)	Current liabilities	(145)

4.13. Glasgow City Integration Joint Board

Glasgow City Integration Joint Board is a partnership consisting of Glasgow City Council and NHS Greater Glasgow and Clyde, set up to improve the wellbeing of people who use health and social care services across the Glasgow area, commencing 6 February 2016.

The latest set of audited accounts is for the year to 31 March 2024. Copies of the audited accounts may be obtained from the Chief Officer, Glasgow City Integration Joint Board, 32 Albion Street, Glasgow G1 1LH.

Under accounting standards, the council has a significant interest in this statutory body. The statutory body is included within the Group Financial Statements as a material joint venture. In 2023/24, the council contributed £529.003 million (2022/23 £501.944 million) or 32% of the board's running costs, and its share of net assets as at 31 March 2024 was £33.447 million (31 March 2023 £41.206 million).

The following table represents the group's share of key financial information extracted from the accounts of Glasgow City Integration Joint Board for 2023/24:

2022/23 £000	2022/23 GCC Share £000	Glasgow City Integration Joint Board	2023/24 £000	2023/24 GCC Share £000
(1,705,608)	(852,804)	Turnover	(1,891,597)	(945,799)
92,960	46,480	(Surplus) or Deficit on the Provision of Services	15,518	7,759
82,412	41,206	Current assets	66,894	33,447

An analysis of the amounts owed and owing between Glasgow City Council and Glasgow City Integration Joint Board relating to normal trade debtors and creditors is provided below:

2022/23 £000	Glasgow City Integration Joint Board	2023/24 £000
	Amounts Owning by GCC	
(82,412)	Short-term creditors	(66,894)

4.14. City Building (Glasgow) Limited Liability Partnership

City Building (Glasgow) Limited Liability Partnership is a 50/50 joint venture partnership between Glasgow City Council and the Wheatley Housing Group, set up to provide an integrated, responsive, effective and efficient building repair and construction service to Glasgow City Council, Glasgow Housing Association Limited and other service users, commencing 1 April 2017.

The latest set of unaudited accounts is for the year to 31 March 2024. When available, copies of the audited accounts may be obtained from the Managing Director, City Building (Glasgow) Limited Liability Partnership, 350 Darnick Street, Glasgow G21 4BA.

Under accounting standards, the council has a significant interest in this company. The company is included within the Group Financial Statements as a material joint venture. In 2023/24, the council contributed £13.361 million (2022/23 £9.377 million) or 50% of the company's running costs and its share of the year end net assets was £3.797 million (2022/23 £9.450 million).

The following table represents the group's share of key financial information extracted from the accounts of City Building (Glasgow) Limited Liability Partnership for 2023/24:

2022/23 £000	2022/23 GCC Share £000	City Building (Glasgow) Limited Liability Partnership	2023/24 £000	2023/24 GCC Share £000
(172,567)	(86,284)	Gross (income)	(169,039)	(84,520)
16,001	8,001	(Surplus) or Deficit on the Provision of Services	(7,629)	(3,816)
(66,649)	(33,325)	Other Comprehensive (Income) and Expenditure	197,021	98,511
517	259	Long-term assets	399	200
45,700	22,850	Current assets	43,169	21,585
(26,593)	(13,297)	Current liabilities	(30,548)	(15,274)
(724)	(362)	Long-term liabilities excluding pension liability	(869)	(435)
0	0	Pension asset / (liability)	184,885	92,443

An analysis of the amounts owed and owing between Glasgow City Council and City Building (Glasgow) Limited Liability Partnership relating to normal trade debtors and creditors is provided below:

2022/23 £000	City Building (Glasgow) Limited Liability Partnership	2023/24 £000
	Amounts owed to GCC	
14,185	Short-term debtors	6,614
	Amounts owing by GCC	
(8,378)	Short-term creditors	(6,316)

5. Nature of combination

The council inherited its interest in Scottish Event Campus Limited, Strathclyde Partnership for Transport and Strathclyde Concessionary Travel Scheme as a result of local government reorganisation in April 1996. To advance council objectives, the council has established further limited companies and Limited Liability Partnerships, which were incorporated between November 2004 and September 2022.

The combination of these entities has been accounted for on an acquisition basis. There was no goodwill on acquisition.

6. Reporting authority adjustments to align to IFRS

The Code requires that the Common Good Fund and Sundry Trusts are included within the Group Comprehensive Income and Expenditure Statement, if material. Following the elimination of inter-company trading, net expenditure on the Common Good Fund of £0.262 million (£0.314 million in 2022/23) and net expenditure on Sundry Trusts of £0.653 million (£0.204 million in 2022/23) have been included as separate lines within Cost of Services in the Comprehensive Income and Expenditure Statement.

7. Financial impact of consolidation

The effect of the inclusion of the subsidiaries and associates in 2023/24 was to increase council reserves and net assets by £497.473 million (in 2022/23 net assets increased by £687.544 million) representing the council's net asset in the consolidating entities.

8. Non-material interest in subsidiaries, associates and joint committees

All subsidiaries, associates and joint committees that the council has an interest in are assessed annually, on the grounds of materiality, for consolidation into the Group accounts. The initial criteria for the materiality threshold is that they must have greater than 1% of either council turnover or non-current assets. The following companies and joint committees did not meet the minimum materiality threshold and have not been consolidated into the Group Financial Statements as they are considered immaterial to the understanding of the accounts. The following information is included for the latest available reporting year. The disclosure will be updated where required in the audited annual accounts.

- **GCC LLP Investments Limited** is a subsidiary company incorporated under the terms of the Companies Act on 4 July 2006. The company is an investment holding company, being the council's partner in the limited liability partnerships formed in recent years. The company is limited by guarantee with Glasgow City Council holding 1,000 ordinary shares, representing 100% of the issued share capital. Current assets of £0.001 million were matched by share capital of £0.001 million as at 31 March 2024.
- **City Property (Glasgow) Limited Liability Partnership** is a subsidiary that was incorporated on 17 February 2009. It was formed to manage and dispose of Glasgow City Council's surplus properties. After accounting for IAS19 Employee Benefits, the net assets of the partnership were £0.879 million at 31 March 2024, compared to net assets of £0.483 million at 31 March 2023. The profit available for discretionary division among members for the year to 31 March 2024 was £0.614 million, compared to a loss of £0.646 million for the year to 31 March 2023. In terms of IAS19 Employee Benefits the partnership had a net pension asset of £9.534 million and an unfunded element of pension liability of £0.858 million, these values were restricted to nil within the reported results of the partnership.

During the year material transactions between City Property (Glasgow) LLP and the council's group were as follows:

2022/23 Net Expenditure/ (Income) £000	Debtor / (Creditor) at 31 March 2023 £000		2023/24		Debtor / (Creditor) at 31 March 2024 £000
		City Property (Glasgow) Limited Liability Partnership	Expenditure £000	Income £000	
2,319	135	Glasgow City Council	2,871	(464)	5

- **Scotland Excel** is a Joint Committee established on 1 April 2008 to replace the Authorities Buying Consortium and other similar buying bodies across Scotland. It is the largest non-profit purchasing agency in Scotland and serves the buying needs of 32 local authorities and similar public sector bodies in Scotland. During the year, the council contributed £0.396 million (2022/23 £0.384 million) representing 9.9% of the organisation's estimated running costs for the year to 31 March 2024.
- **Glasgow and Clyde Valley Strategic Development Planning Authority Joint Committee**, formerly known as the Glasgow and Clyde Valley Structure Plan Joint Committee, was constituted under a formal agreement of the eight councils in the Glasgow and Clyde Valley area. Under the Town and Country Planning (Scotland) Act 1997, each member council not only has responsibilities for local planning matters in their area but also the strategic issues that cover the wider area of the Glasgow and Clyde Valley. Accordingly, the Joint Committee prepares, monitors and reviews the Structure Plan on behalf of member councils and liaises with Central Government, Scottish Enterprise and other bodies. During the year, the council contributed £0.053 million (2022/23 £0.068 million) representing 12.5% of the Joint Committee's estimated running costs for the year to 31 March 2024.

- **West of Scotland European Forum (WoSEF)** was set up in 2007 as a Joint Committee including the 12 local authorities and a number of influential organisations in the region. Following on from the work previously undertaken by the West of Scotland European Consortium, WoSEF's purpose is to develop positive links between the communities of the region and the institutions of the European Union. WoSEF is set to be dissolved. Consequently, the council made no financial contribution to the organisation in the year to 31 March 2024.
- **Continuing Education Gateway** is a consortium of 10 local authorities in the West of Scotland. It was formed in April 2000 to further the provision of careers and educational guidance services. During the year, the council contributed £0.123 million (2022/23 £0.123 million) representing 31% of the consortium's estimated running costs for the year to 31 March 2024.
- **West of Scotland Archaeology Service** was set up in 1997 as a Joint Committee of 12 local authorities in the region. It is currently funded by 10 local authorities, and by Historic Scotland for specific projects. Its primary purpose is to provide planning related archaeological advice to its members, permitting them to discharge their duties in respect of Scottish Government planning guidance for the treatment of archaeological remains in the planning process. During the year, the council made a contribution of £0.009 million (2022/23 £0.009 million) representing 6.0% of the Joint Committee's estimated running costs for the year to 31 March 2024.
- **SEEMIS Group LLP** was incorporated on 11 May 2009 and commenced trading on 1 July 2010. It is funded by the 32 participating authorities and the principal activity of the LLP is the provision of information technology solutions to Education Services. During the year, the council made a contribution of £0.503 million (2022/23 £0.152 million) representing 9.2% of the organisation's estimated running costs for the year to 31 March 2024.
- **Glasgow City Region – City Deal Cabinet** is a Joint Committee established on 20 January 2015. The purpose of the Committee is to determine the Strategic Development priorities for the Clyde Valley Region and to monitor and ensure the delivery of the City Deal programme as agreed between member authorities and the UK and Scottish Governments. The City Deal programme aims to deliver a £1.1 billion investment programme, including delivery of labour market and innovation programmes. During the year the council contributed £0.278 million (2022/23 £0.463 million) representing 34.3% of the organisation's running costs for the year to 31 March 2024.

- **Scotcash CIC** is an associate company limited by guarantee with charitable status. The company was created to provide a cost-effective alternative for lending to individuals where a bank or building society cannot help. The company was wound up in December 2023.
- **The Clyde Valley Learning and Development Project Joint Committee** was established in October 2007. The purpose of the committee is to establish and deliver a number of shared approaches to training, learning and development between the 8 Clyde Valley Councils. During the year, the council contributed £0.010 million (2022/23 £0.010 million) representing 13.3% of the Joint Committee's running costs for the year to 31 March 2024.
- **Transforming Communities Glasgow** was established as a charitable company in April 2012 and commenced trading in June 2015. The main purpose of the charity is to facilitate a single strategic focus for the regeneration of transformational regeneration areas. During the year, the council contributed £0.002 million (2022/23 £0.001 million) representing 33.3% of the Joint Committee's running costs for the year to 31 March 2024.

9. Group subjective analysis

2022/23 £000	%	Subjective analysis	2023/24 £000	%
Where the money came from				
(1,777,285)	52.8	Government grants and local taxation	(1,872,832)	49.9
(710,590)	21.1	Other grants, reimbursements and contributions	(723,329)	19.3
(634,813)	18.8	Customer and client receipts	(718,297)	19.2
(18,645)	0.5	Interest and investment income	(76,878)	2.0
(231,063)	6.9	Income from other departments	(224,668)	6.0
(107,976)	3.2	Other miscellaneous income	(107,642)	2.9
0	0.0	Net interest on the net defined benefit liability	(14,163)	0.4
231,063	(6.9)	Inter-departmental recharges	224,668	(6.0)
(4,195)	0.1	Gain on disposal of property, plant and equipment	(1,267)	0.0
(10,654)	0.3	Share of surplus from associates and joint boards	(158,040)	4.2
(106,415)	3.2	Capital grants and contributions	(78,170)	2.1
(3,370,573)	100.0	Total income	(3,750,618)	100.0
How the money was spent				
1,376,011	37.7	Employee costs	1,280,740	34.6
285,014	7.8	Premises costs	304,038	8.2
198,859	5.3	Supplies and services	176,920	4.8
49,323	1.2	Transport and plant	52,542	1.4
1,123,114	30.7	Third party payments	1,237,236	33.3
516,122	14.1	Transfer payments	518,719	14.0
171,086	4.7	Depreciation, amortisation and impairment losses	198,414	5.3
105,151	2.9	Financing costs	168,498	4.5
(8,424)	(0.2)	Allocations	(10,058)	(0.3)
21,129	0.6	Net interest on the net defined benefit liability	0	(0.0)
(231,063)	(6.3)	Inter-departmental recharges	(224,668)	(6.1)
120	(0.0)	Former authority residual costs	0	0.0
54,481	1.5	Share of deficit from associates	10,800	0.3
3,660,923	100.0	Total expenditure	3,713,181	100.0
290,350		Group (surplus) or deficit for the year	(37,437)	

The above table reflects the management structure of the council and other combining entities and includes the subjective analysis of expenditure incurred on inter-departmental trading activities within the council. Both income and expenditure have been adjusted to exclude amounts related to inter-departmental trading within the council. Adjustments have also been made to exclude inter-company trading. Total income and total expenditure represent transactions with bodies external to the group.

10. Pension Costs

10.1. Local Government Pension Scheme

Glasgow City Council, City Building (Contracts) LLP, Culture and Sport Glasgow, and Jobs & Business Glasgow are members of the Local Government Pension Scheme - a defined benefit scheme that offers retirement benefits to employees under the terms and conditions of employment. Although these benefits will not actually be payable until employees retire, the group has a commitment to recognise the cost of retirement benefits within Cost of Services when the employees earn them, rather than when the benefits are eventually paid as pensions.

The following transactions have been made in the Group Comprehensive Income and Expenditure Statement in 2023/24:

2022/23 £000	Local Government Pension Scheme	2023/24 £000
	Comprehensive Income and Expenditure Statement	
	Cost of Services:	
252,707	Current service cost	123,369
1,177	Past service cost	10,131
	Financing and Investment Income and Expenditure:	
21,129	Net interest (income) / cost	(55,544)
0	Interest on the effect of asset ceiling	41,381
275,013	Total post-employment benefits charged / (credited) to the Surplus or Deficit on the Provision of Services	119,337
	Other Comprehensive Income and Expenditure	
	Remeasurement of the net defined benefit liability:	
254,811	Return on assets	(293,889)
(2,515,580)	Actuarial (gains) / losses arising on changes in financial assumptions	(180,216)
(52,531)	Actuarial (gains) / losses arising from changes in demographic assumptions	(64,455)
311,173	Other Experience	471,949
727,000	Pension asset derecognition	624,618
(1,000,114)	Total post-employment benefits charged / (credited) to the Comprehensive Income and Expenditure Statement	558,007
275,013	Net charge / (credit) to the Surplus or Deficit on the Provision of Services brought forward	119,337
	Movement in Reserves Statement	
(142,330)	Reversal of net (charge) / credit made to the Surplus or Deficit on the Provision of Services in accordance with IAS19	49,545
	Actual amount charged against the General Fund balance for pensions in the year:	
132,683	Employers contribution paid	168,882

10.2. Pension Assets and Liabilities

Assets are valued at fair value. Liabilities are valued on an actuarial basis using the projected unit method which assesses the future liabilities of the fund discounted to their present value. The council's liabilities have been assessed by Hymans Robertson Limited Liability Partnership, an independent firm of actuaries. Calculations have been based on the triennial valuation of the scheme as at 31 March 2023.

The actuary reported a net asset position against unfunded liabilities of £1,313.302 million at 31 March 2024. The recognition of this asset was limited to £198.275 million based on the asset ceiling calculation of the extent to which the council family could recover the asset through reduced contributions. At the same time, there remains unfunded liabilities totalling £277.973 million. These balances have been recorded separately as assets and liabilities in line with accounting standards. The pension liability represents the best estimate of the current value of pensions which the council will have to fund.

The following table sets out the principal assumptions used by the actuary at 31 March 2024:

2022/23	Actuarial Assumptions	2023/24
	Long-term expected rate of return on assets in the scheme:	
4.8%	Equity Investments	4.8%
4.8%	Bonds	4.8%
4.8%	Property	4.8%
4.8%	Cash and net debtors/ creditors	4.8%
	Mortality assumptions:	
	Longevity at 65 for current pensioners:	
19.3	Men	19.5
22.2	Women	22.1
	Longevity at 65 for future pensioners:	
20.5	Men	20.2
24.2	Women	23.8
	General assumptions:	
3.0%	Rate of price increases	2.8%
3.7%	Rate of increase in salaries	3.5%
3.0%	Rate of increase in pensions	2.8%
4.8%	Rate for discounting scheme liabilities	4.8%
50.0%	Take-up of option to convert annual pension into retirement lump sum (pre April 2009 service)	75.0%
75.0%	Take-up of option to convert annual pension into retirement lump sum (post-April 2009 service)	75.0%
	Employer share of net assets	
78%	Equities Investments	78%
12%	Bonds	12%
8%	Property	8%
2%	Cash and Net Debtors/Creditors	2%
100%	Total	100%

The amount included in the Balance Sheet arising from the group's obligation in respect of its defined benefit plans is as follows:

2022/23 £000	Pension Assets and Liabilities recognised in the Balance Sheet	2023/24 £000
4,626,815	Present value of the defined benefit obligation	4,995,016
(5,782,580)	Fair value of plan assets	(6,308,318)
727,000	Pension asset derecognition	1,393,000
(428,765)	Net liability/(asset) arising from defined benefit obligation	79,698

The following tables set out the reconciliation of scheme assets and liabilities:

2022/23 £000	Reconciliation of present value of scheme liabilities	2023/24 £000
6,584,547	Opening balance at 1 April	4,626,815
252,707	Current service costs	123,369
179,799	Interest costs	218,833
34,978	Contributions by scheme participants	44,039
	Remeasurement (gains) and losses:	
(2,515,580)	Actuarial (gains) / losses arising from changes in financial assumptions	(180,216)
(52,531)	Actuarial (gains) / losses arising from changes in demographic assumptions	(64,455)
311,174	Other	427,228
1,177	Past service cost (including curtailments)	10,131
(169,456)	Benefits paid	(210,728)
4,626,815	Closing balance at 31 March	4,995,016

2022/23 £000	Reconciliation of present value of scheme assets	2023/24 £000
5,880,516	Opening balance at 1 April	5,782,580
158,670	Interest income	274,377
	Remeasurement gain / (loss):	
(254,811)	Return on assets, excluding the amount included in the net interest cost	293,889
132,683	Contributions by employer	168,882
34,978	Contributions by scheme participants	44,039
	Other	(44,721)
(169,456)	Benefits paid	(210,728)
5,782,580	Closing balance at 31 March	6,308,318

The closing fair value of scheme assets above is included at the unaudited position for Strathclyde Pension Fund. Updating this to the audited position would increase the value in 2023/24 by £22.051 million and would increase the value in 2022/23 by £17.926 million. In addition, there would be an increase to the share of assets included in the Group from associates and joint boards in 2023/24 of £1.360 million and an increase in 2022/23 of £1.592 million.

10.3. Analysis of Pension Fund's Assets

Quoted Prices in Active Markets £000	2022/23		Local Government Pension Scheme assets	Quoted Prices in Active Markets £000	2023/24	
	Prices not quoted in Active Markets £000	Total £000			Prices not quoted in Active Markets £000	Total £000
79,905	29,923	109,828	Cash and cash equivalents	9,993	106,821	116,814
Equity Instruments:						
258,571	1,071	259,642	Consumer	291,433	8	291,441
314,050	7,822	321,872	Manufacturing	363,719	10	363,729
28,861	0	28,861	Energy and utilities	56,780	0	56,780
123,125	43	123,168	Financial institutions	180,204	1,091	181,295
205,298	34	205,332	Health and care	167,981	31	168,012
199,710	1,055	200,765	Information technology	213,601	0	213,601
1,129,615	10,025	1,139,640	Sub-total equity instruments	1,273,718	1,140	1,274,858
Private Equity:						
0	1,421,488	1,421,488	All	0	1,506,154	1,506,154
Property:						
0	477,126	477,126	UK	0	496,112	496,112
Other investment funds:						
24,462	1,890,956	1,915,418	Equities	25,617	2,150,166	2,175,783
0	666,919	666,919	Bonds	0	736,343	736,343
0	2,223	2,223	Commodities	0	0	0
0	36,670	36,670	Infrastructure	0	2,254	2,254
0	13,268	13,268	Other	0	0	0
24,462	2,610,036	2,634,498	Sub-total other investment funds	25,617	2,888,763	2,914,380
1,233,982	4,548,598	5,782,580	Total Assets	1,309,328	4,998,990	6,308,318

10.4. Impact on Group Cash Flows

The total contribution expected to be made to the Local Government Pension Scheme by the group in the year to 31 March 2025 is £39.353 million.

10.5. Defined Contribution Schemes

Scottish Event Campus Limited and Jobs & Business Glasgow operate defined contribution schemes for employees where assets of the scheme are held separately from those of the group. Contributions are charged to the Group Comprehensive Income and Expenditure Statement as they become payable in accordance with the rules of the scheme. The amounts paid into these pension schemes in the year are as follows:

2022/23 £000	Defined Contribution Schemes	2023/24 £000
822	Scottish Event Campus Limited	928
200	Jobs & Business Glasgow	169
1,022	Total	1,097

11. Minority interest

The minority interest credited to the Group Comprehensive Income and Expenditure Statement is in recognition of the share of the surplus for the year that is attributable to the minority shareholdings of Scottish Event Campus Limited.

On the Group Balance Sheet within group reserves, with accounting policies aligned, the share of the assets of Scottish Event Campus Limited attributable to minority shareholdings was £9.875 million for 2023/24 (2022/23 £9.490 million).

12. Taxation

For the Scottish Event Campus Limited and Culture and Sport Glasgow, the difference between tax at the standard rate on the company's profits for the year and the actual level of corporation tax is mainly as a result of tax rate changes, adjustments for prior periods and non-taxable/deductible items.

The analysis of the tax charge in the period is shown below:

2022/23 £000	UK Corporation Tax	2023/24 £000
867	Deferred tax	771
406	Tax expense of subsidiaries	0
1,273	Total	771

13. Long-term assets

13.1. Movement in Property, plant and equipment

The table below illustrates the movement in property, plant and equipment, analysed by asset category, arising from additions, disposals, revaluations, depreciation and transfers during the year. As a result of these movements, the net book value held at 31 March 2024 was £4,188.810 million.

Movement in PPE 2023/24	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Infrastructure Assets £000	Community Assets £000	Assets Under Construction £000	Corporate Surplus Assets £000	Total Property, Plant and Equipment £000
Net book value at 1 April 2023	3,003,465	99,646	817,899	23,851	54,238	45,362	4,044,461
Additions	16,941	14,740	42,448	73	36,266	842	111,310
Revaluations	131,895	0	0	0	0	2,588	134,483
Impairment	(656)	0	0	0	0	(472)	(1,128)
Depreciation	(103,295)	(31,224)	(31,089)	0	0	(76)	(165,684)
Disposals	(1,102)	(41)	0	0	0	(775)	(1,918)
Other movements (incl. transfers to other asset categories)	5,603	341	7,214	411	(13,611)	(7,585)	(7,627)
Net book value at 31 March 2024	3,052,851	83,462	836,472	24,335	76,893	39,884	4,113,897
Gross book value	3,181,849	243,594		24,335	76,893	40,404	
Accumulated depreciation	(128,998)	(160,132)		0	0	(520)	
Net book value at 31 March 2024	3,052,851	83,462	836,472	24,335	76,893	39,884	4,113,897

Movement in PPE 2022/23	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Infrastructure Assets £000	Community Assets £000	Assets Under Construction £000	Corporate Surplus Assets £000	Total Property, Plant and Equipment £000
Net book value at 1 April 2022	2,907,577	117,203	780,645	23,372	107,543	40,703	3,977,043
Additions	259,586	12,946	42,319	479	34,732	445	350,507
Revaluations	77,768	(601)	0	0	0	3,755	80,922
Impairment	(127)	0	0	0	0	(317)	(444)
Depreciation	(100,438)	(30,147)	(29,446)	0	0	(66)	(160,097)
Disposals	(197,645)	0	0	0	0	(1,248)	(198,893)
Other movements (incl. transfers to other asset categories)	56,744	245	24,381	0	(88,037)	2,090	(4,577)
Net book value at 31 March 2023	3,003,465	99,646	817,899	23,851	54,238	45,362	4,044,461
Gross book value	3,104,923	250,250		23,851	54,238	45,678	
Accumulated depreciation	(101,458)	(150,604)		0	0	(316)	
Net book value at 31 March 2023	3,003,465	99,646	817,899	23,851	54,238	45,362	4,044,461

13.2. Summary of capital expenditure and sources of finance

2022/23 £000	Capital expenditure and sources of finance	2023/24 £000
Capital investment		
350,507	Property, plant and equipment	111,310
12	Heritage assets	0
3,600	Intangible assets	2,680
34	Assets held for sale	46
2,307	Investment property	1,300
356,460	Total gross expenditure	115,336
Sources of finance		
242,408	Borrowing	31,963
8,679	Asset Sales	5,856
95,418	Government grants and other capital contributions	64,139
9,955	Revenue contributions	13,378
356,460	Total sources of finance	115,336

14. Investment property

The following items of income and expense have been accounted for in the Comprehensive Income and Expenditure Statement in relation to investment properties owned by the group for capital appreciation or rental income:

2022/23 £000	Investment property	2023/24 £000
(14,212)	Rental income from investment property	(61,536)
3,343	Investment Property Expenditure and Changes in Fair Value	46,772
(10,869)	Net gain	(14,764)

There are no restrictions on the group's ability to realise the value inherent in its investment property or on the group's right to the remittance of income and the proceeds of disposal. The group has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of investment properties of the group over the year:

2022/23 £000	Movement in fair value	2023/24 £000
238,553	Balance at start of year:	238,710
2,307	Additions	1,300
(2,148)	Disposals	(2,145)
(727)	Net gain / (loss) from fair value adjustments	884
725	Transfers (to) / from PPE	(1,610)
238,710	Balance at end of year	237,139

15. Fair value measurement of assets and liabilities

Each financial year, a valuation report is prepared for non-financial assets, which incorporates the methodology employed by the valuer in arriving at their opinion of value. The methodology includes comparable data, which is recognised in accordance with the fair value measurement hierarchy. The valuers seek to minimise the volume of unobservable inputs and maximise the volume of observable inputs informing their opinion of value. For the group assets, the valuation inputs comprise either Level 1, Level 2 or Level 3 inputs, with adjustments not limited to location, rental growth, lease terms, covenants, costs, discount rates and vacancy levels. For 2023/24, both the income and market valuation techniques were widely adopted in forming opinions of fair value. In addition, short and long-term investments measured at fair value are categorised as Level 1, this being quoted prices (unadjusted) in active markets for identical assets that can be accessed at the measurement date. The resulting valuation of £327.403 million (2022/23 £329.731 million) comprises £38.296 million with Level 1 inputs (2022/23 £37.776 million) and £289.107 million with Level 2 inputs (2022/23 £291.955 million) and £0 million with Level 3 inputs (2022/23 £0 million).

Fair Value Measurement of assets	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Surplus Properties	0	39,884	0	39,884
Assets held for sale	0	12,084	0	12,084
Commercial Units	0	237,139	0	237,139
Other investments	38,296	0	0	38,296
Total	38,296	289,107	0	327,403

In terms of the fair value measurement hierarchy, the financial instruments measured at fair value are categorised as Level 2, being inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Valuation of financial liabilities	Carrying Amount £000	Fair Value £000
Borrowing	(2,419,168)	(2,084,753)

The maturity analysis of group borrowing at nominal value is as follows:

2022/23		Borrowing	2023/24	
Principal £000	Interest (Restated) £000		Principal £000	Interest £000
863,227	611,104	Public Works Loans Board	1,147,572	698,553
449,000	768,358	Lender Option Buyer Option (LOBO)	382,000	622,921
470,294	178,252	Market debt	461,197	167,616
398,233	346,303	Bonds	395,582	327,979
57,065	770	Temporary borrowing	7,921	0
2,237,819	1,904,787	Total	2,394,272	1,817,069
138,263	85,403	Less than 1 year	66,857	84,075
33,788	79,013	Between 1 and 2 years	144,119	152,275
195,779	221,699	2 to 5 years	203,187	240,258
234,795	324,300	5 to 10 years	447,979	318,096
731,383	939,579	10 to 30 years	785,319	851,263
849,811	244,613	30 to 50 years	719,811	168,325
54,000	10,180	50 to 70 years	27,000	2,777
2,237,819	1,904,787	Total	2,394,272	1,817,069

The maturity analysis of financial liabilities is outlined in the above table at nominal values. However, these liabilities are reflected in the Balance Sheet at amortised cost, which includes accrued interest of £11.685 million (£12.538 million in 2022/23) and an effective interest rate adjustment of £13.211 million (£13.372 million in 2022/23) in respect of LOBOs with stepped interest rates.

The 2022/23 total interest and maturity analysis has been restated to reflect an update to council LOBO interest. Further details are included within Note 28.6 to the council's accounts.

16. Investments / liabilities in associates and joint ventures

The effect of accounting for City Building (Glasgow) LLP as a joint venture resulted in the inclusion of an asset within the Group Balance Sheet. The group share of the investments in Strathclyde Partnership for Transport, Strathclyde Concessionary Travel Scheme and Glasgow City Integration Joint Board are an asset and are included on the Balance Sheet as a long-term investment. Details of the group's share of investments in associates and joint ventures are shown below:

2022/23 £000	Investments in Associates and Joint Ventures	2023/24 £000
135,864	Strathclyde Partnership for Transport	141,834
1,040	Strathclyde Concessionary Travel Scheme	1,054
41,206	Glasgow City Integration Joint Board	33,447
49,201	City Building (Glasgow) LLP	98,519
227,311	Total	274,854

The aggregation of the group's share of the gross income, assets and liabilities of the associates are provided in the following table:

2022/23 £000	Associates and Joint Ventures	2023/24 £000
963,302	Gross income	1,065,319
132,727	Long-term assets	95,791
115,511	Current assets	111,170
(20,565)	Current liabilities	(23,331)
(362)	Long-term liabilities	(484)
0	Pension asset / (liability)	91,708
227,311	Net asset	274,854

17. Cash and cash equivalents

The group holds cash in hand as well as deposits with financial institutions. Cash equivalents are short-term, highly liquid investments, principally held to meet liabilities in the short-term, rather than to make an investment gain. They are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value. The balance of cash and cash equivalents comprises the following elements:

2022/23 £000	Cash and cash equivalents	2023/24 £000
264,505	Short-term deposits	68,032
146,676	Bank current accounts	157,809
143	Cash imprests	125
411,324	Total Cash and cash equivalents	225,966

18. Deferred liabilities

Deferred liabilities represent amounts falling due in more than 12 months from the balance sheet date. An analysis of deferred liabilities as at 31 March 2024 is provided in the following table:

2022/23 £000	Analysis of deferred liabilities	2023/24 £000
62,213	Long-term liability relating to the council PPP secondary schools contract	54,286
57,232	Long-term lease liability relating to council properties, vehicles and equipment	53,740
32,052	Developers' contributions received by GCC for the provision of recreational greenspace in line with council policy	34,767
57,481	Other group deferred liabilities	60,840
208,978	Total	203,633

19. Deferred grants

Following the elimination of inter-company transactions, the balance remaining on deferred grants of £18.590 million (2022/23 £19.182 million) represents external funding in support of capital projects.

20. Charitable reserves

Included within Group Reserves are charitable reserves representing the funds of Culture and Sport Glasgow, Jobs & Business Glasgow and the charitable element of Sundry Trusts.

The following table identifies charitable funds prior to consolidation adjustments:

Charitable Funds	Balance at 31 March 2023 £000	Net movement 2023/24 £000	Balance at 31 March 2024 £000
Culture and Sport Glasgow	41,458	8,752	50,210
Jobs & Business Glasgow	14,971	693	15,664
Sundry Trusts - charitable element	9,066	(1,274)	7,792
Total	65,495	8,171	73,666

❖ Annual Governance Statement

1. Scope of responsibility

- 1.1 Glasgow City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for. Under the Local Government in Scotland Act 2003, the Council also has a statutory duty to make arrangements to secure best value, which is to ensure continuous improvement in the way its functions are exercised, and to ensure public funds and assets are used economically, efficiently and effectively.
- 1.2 In discharging these responsibilities, elected members and senior officers must ensure proper arrangements for the governance of the Council's affairs and facilitate the effective exercise of its functions, which includes the management of risk and stewardship of the resources at its disposal.
- 1.3 Collectively known as the Council Family, the Council has established various subsidiaries and associates to deliver services more effectively. While these organisations are required to implement their own organisational governance and management structures and arrangements, they also form part of the overall governance and control environment of the Council Family. The Corporate Management Team operates to consider matters of common interest across the Council Family.

2. Purpose of the Council

- 2.1 The [Council Plan 2022-27](#) reflects the political priorities of the council for the next five years. The council has set the framework for strong corporate governance by having a clear vision and values which are outlined below:

Our vision is to support a fair and sustainable city where everyone gets to contribute and all can benefit from a flourishing Glasgow.

Our values are set out in our City Charter and have been developed in consultation with citizens and staff. They are to:

- Be an open, transparent and easily accessible organisation which communicates freely with city residents and involves them in decision making
- Be fairer and more equal giving everyone in Glasgow the chance to flourish and improve their life chances and choices. Work to uphold and protect people's basic human rights including treating them with dignity, fairness, equality, and respect, regardless of their background
- Promote pride in what the city has achieved, its people, its heritage, its facilities and appearance and be proud to live and work in Glasgow
- Work in partnership allowing people to contribute and for ideas from any source to be heard and considered.

- 2.2 There are **risks and challenges** too, to delivery of our plan:

- The Council's budget continues to be under significant pressure. The same goes for many other institutions and businesses in the city and for our residents. The pressures come at exactly the same time as the demand on our services is likely to grow. A cost of living crisis for citizens is combining with a cost of doing business crisis for local companies. We must respond to this challenge creatively and in ways which maintain our core services, especially for our most vulnerable citizens.

- How we resource a relatively rapid transition to net zero carbon emissions by 2030 is a huge issue. We are going to have to think about new ways of working and raising funds to achieve this in time. We shall need to take measures too to make sure that people and businesses can make it through this transition in good shape. We don't want a repetition of what happened to our people in the difficult transition away from heavy industry.
- There are likely to be big changes across the broader public sector which would be challenging at any time. The council itself needs to manage its own workforce so that we maintain a strong ethos of public service, bring on a younger generation of new staff and respect the dignity and quality of life of our existing workers. In the longer term there are social changes on the horizon which we need to be planning for right now. More people will be living on their own, for instance. Loneliness and social isolation came to the fore during the pandemic and the shift to single person households is going to affect public services in ways which we can't yet fully imagine. Whilst Glasgow continues to have the lowest median age (36) of any council in Scotland, we know too that we need to plan for greater demand on services from older people – whilst still addressing the challenges of poor health, addictions and increasingly mental health issues across the whole population.

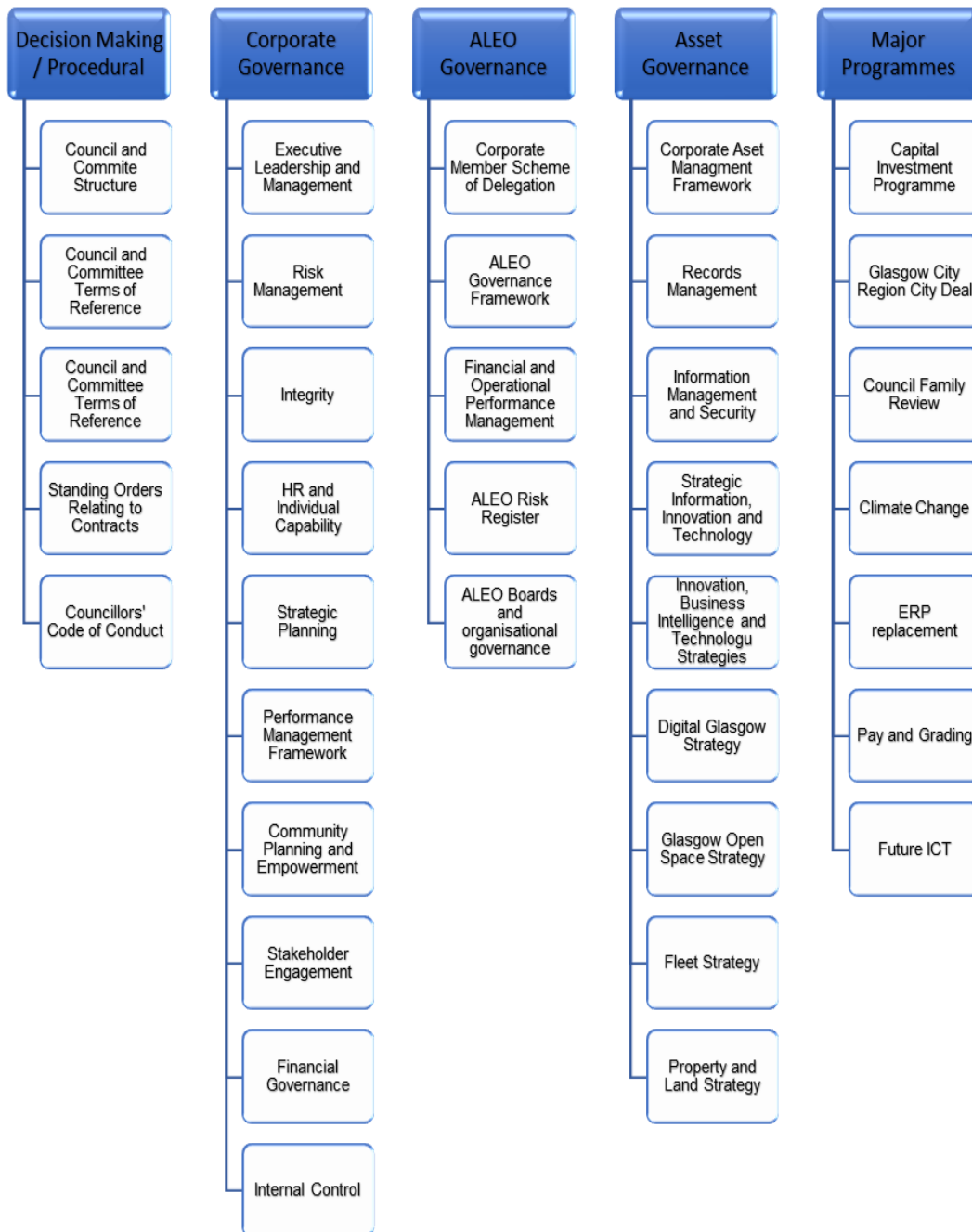
3. The purpose of the governance framework

- 3.1 The Council's governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled. Through the framework, the Council is accountable to, engages with, and leads its communities. The framework enables the Council to monitor the achievement of the strategic objectives set out in the [Council Strategic Plan 2022-2027](#) and to consider whether those objectives have led to the delivery of appropriate, cost-effective services and outcomes.

4. The governance framework

- 4.1 The governance framework comprises the culture, values, systems, and processes by which the council is directed and controlled. It describes the way the council is accountable to communities. It enables the council to monitor the achievement of its strategic objectives and consider whether these objectives have led to the delivery of appropriate and cost-effective services.
- 4.2 The main features of the Council's governance framework are enshrined in the Council's [Local Code of Corporate Governance](#) (the Code), which is consistent with the principles, and reflects the requirements of, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Framework: Delivering Good Governance in Local Government. The Code is regularly reviewed and evidences the Council's commitment to achieving good governance and demonstrates how it complies with recommended governance standards.
- 4.3 A key part of the Code, the Council has embedded a system of risk management and internal control. While providing reasonable assurance, these systems cannot, however, provide absolute assurance or certainty in entirely eliminating the risk of the Council failing to achieve its aims and objectives; incurring material errors; losses; fraud or breaches of laws and regulations.

4.4 The Council's governance framework is set out in the diagram below.



External and Internal Audit and other regulatory inspections

4.5 The main features of the governance framework in operation across 2023/24 included:

(a) Committee and decision-making structure:

- a City Administration Committee - responsible for discharging all of the Council's functions, except those reserved to the Council and those matters specifically delegated to statutory committees;
- two Scrutiny Committees - responsible for holding Services and subsidiaries and relevant associates to account;
- five City Policy Committees - responsible for reviewing policies and overseeing implementation of Council Plan commitments within remit;
- a Contracts and Property Committee - responsible for approving relevant contract matters and deciding on relevant property matters, and
- quasi-judicial and other committees.

Agendas, papers and minutes for Committees are publicly available and the majority of meetings are webcast with a [library](#) of previously webcast meetings available on the Council's website.

(b) The [Scheme of Delegated Functions](#) sets out the delegations made to committees, the Lord Provost/Depute Lord Provost and officers under the principle that decisions should be made at the lowest or most local level consistent with the nature of the issues involved. The most recent update to the Scheme of Delegation was in January 2024.

As a result of the issues outlined in 8.2, below, this is an area of focus for the Council, with additional training for officers and elected members planned for 2025/26. Internal Audit is also including a bank of time for culture audits within the 2025/26 Internal Audit Plan.

(c) The Council approved the [Council Strategic Plan 2022-2027](#) on 27 October 2022. In order to ensure that the Plan clearly articulates its purpose it has been structured into Grand Challenges and their supporting Missions. The Grand Challenges are as follows:

- Reduce poverty and inequality in our communities;
- Increase opportunity and prosperity for all our citizens;
- Fight the climate emergency in a just transition to a net-zero Glasgow;
- Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities.

These Grand Challenges and their Missions are underpinned by Commitments which Services are undertaking to work towards the goal of each Mission. The Council agreed that the Strategic Plan will be subject to an annual review to reflect the volatility of outside pressures and budget constraints. There is a transparent change control process in place to assist this.

The Strategic Plan is scrutinised and monitored by the Operational Performance and Delivery Scrutiny Committee (OPDSC). During 2022/23, the Committee agreed to schedule the reporting of the Strategic Plan through a Cost Of Living lens; requesting that services report on areas relevant to Cost of Living within their Strategic Plan Missions and Commitments. This responds to the priorities laid out in the Strategic Plan in response to the Council's motion in June 2022 agreeing cost of living measures should be prioritised. As well as existing Commitments, new activity initiated or prioritised as a response to the crisis has been reflected in performance reporting to OPDSC through the

reporting of emerging Commitments. From September 2023, that approach was widened to incorporate more areas of strategic delivery and commitments that had emerged as part of our agreed approach to the Plan being a live document. The following Grand Challenge Missions were subject to scrutiny during 2023/24:

Committee	Grand Challenge	Missions
5 April 2023	GC 4	2 - Run an open, well governed council in partnership with all our communities 3 - Enable staff to deliver a sustainable and innovative council structure that delivers value for money
3 May 2023	GC1 GC2	4 - Support Glasgow to be a city that is active and culturally vibrant 2 - Support the growth of an innovative, resilient and net zero carbon economy
31 May 2023	GC2	3 - Raise Attainment Among Glasgow's Children and Young People
13 Sept 2023	GC1	1 - End child poverty in our city using early intervention to support families 3 - Improve the health and wellbeing of our local communities
11 Oct 2023	GC2	1 - Support Glasgow residents into sustainable and fair work 2 - Support the growth of an innovative, resilient and net zero carbon economy 3 - Raise attainment amongst Glasgow's children and young people
15 Nov 2023	GC3	1 - Deliver sustainable transport and travel aligned with the city region 2 - Become a net zero carbon city by 2030
10 Jan 2024	GC4	1 - Create safe, clean and thriving neighbourhoods 2 - Run an open, well governed council in partnership with all our communities 3 - Enable staff to deliver a sustainable and innovative council structure that delivers value for money
7 Feb 2024	GC1 GC2	4 - Support Glasgow to be a city that is active and culturally vibrant 2 - Support the growth of an innovative, resilient and net zero carbon economy
6 March 2024	GC2	3 - Raise attainment amongst Glasgow's children and young people

The Committee has continued to receive updates from officers on the ongoing review of the performance manual and approach to reporting, including a new approach making the use of [case studies](#) to provide deeper dives into examples of actions taken and outcomes.

- (d) The [Performance Manual](#) sets out how the Council monitors, manages and reports progress and performance to management, elected members and the public. This includes performance against delivery of the Strategic Plan, service performance, equalities, benchmarking and citizens' views on services. During 2022/23 an in depth review of the Council's Performance Manual was conducted. The updated manual was presented to OPDSC in autumn 2023 and there have been two follow up reports to the Committee on areas of development including dashboards and the use of case studies in performance reporting.
- (e) The [Glasgow Community Plan 2024-34](#) details a city-wide, shared priority local outcome of Family Poverty | Reducing Poverty & Inequalities in Glasgow's Communities. Details of this outcome and the enablers to assist the achievement of the outcome are outlined in the Plan, as is how the Partnership should organise itself to ensure good outcomes and effective decision making.

The Glasgow Community Plan was approved by the Glasgow Community Planning Partnership's Strategic Partnership on 13 February 2024. Within 12 months of this plan being approved, a Citywide Action Plan (CAP) will be set by the Partnership detailing the actions partners will take to reduce Family Poverty and inequalities in Glasgow's communities. The CAP will be supplemented with associated and interconnected local action plans for each of the 23 Area Partnerships. These will have an explicit link to statutory responsibilities and city-wide priorities of the partners, providing strategic focus for 'one plan for one area'.

The Partnership will evaluate the current implementation of Locality Planning in Glasgow (Thriving Places) and recommendations will be put in place to ensure an integrated approach, reducing duplication, and putting into operation one plan for one area. The Partnership will set a Performance Management Framework detailing the outcomes for short (1 year), medium (3 years) and long term (10 years). These outcomes will state clearly and specifically what will be different for the communities of Glasgow in relation to Family Poverty.

- (f) The Council has a defined process for responding to [Asset Transfer Requests](#) and [Participation Requests](#), both of which build on existing channels for communities to enter into dialogue regarding service design and delivery. The [People Make Glasgow Communities](#) programme works across the Council Family and builds on the Property and Land Strategy 2020-2030 and ongoing work to empower communities to make their own decisions, and meet the changing needs of neighbourhoods.
- (g) The Council's approach to risk management is well embedded. The Corporate Risk Management Policy and Framework, and the Pentana risk management system, continue to operate across the Council Family and the Framework is subject to regular review. The Corporate Risk Register is supplemented by Service and ALEO Risk Registers; a Risk Register specifically recording the risks to the Council which arise by virtue of providing services through subsidiaries and relevant associates, and programme and project Risk Registers. The Council operates a Risk Management Forum which considers risks across the Council Family and regular reports are provided to the Corporate Management Team and the Finance and Audit Scrutiny Committee. It has been agreed that during 2024/25 the Council's Corporate Management Team will sit as a Risk Board every six months and that this will include 'deep dives' into a sample of corporate risks.

- (h) Implemented in July 2017, the Council's Business Continuity Policy and Framework continues to be applied across Council Services and continues to form the basis of the review and update of Business Impact Analyses and Business Continuity Plans.

The Framework is reviewed and refreshed every two years, with the latest re-launch in May 2024. Through the Business Continuity Forum (BCF), an officer forum chaired by SIIT, the business continuity community continues to drive improvements in planning; share information and experiences, and support the Council's ability to sustain service delivery in the event of disruption. At the start of 2024, membership of the BCF was formally expanded to include ALEOs. Representation of the wider Council Family is allowing for broader engagement and participation and feedback on this approach has been positive. The annual BC workplan continues to drive engagement and the review, testing and updating of business continuity materials and richer understanding of corporate priorities and dependencies across the Council Family.

- (i) A publicised [Whistleblowing Policy](#) is in place and is publicised throughout the Council and community. Effective counter fraud and anti-corruption arrangements are in place and are consistent with the main principles set out in the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption (2014).
- (j) An integral part of the stewardship of Council funds, the [Financial Regulations, Management and Control: A Code of Practice](#) aims to ensure that the Council's financial transactions are conducted in a manner which demonstrates openness, integrity and transparency. The most recent update to the Code of Practice was approved by the Council on 19 May 2022. Since 2004, financial management and reporting has been undertaken through the SAP software package which provides ledger, accounts payable, accounts receivable and banking services. A Financial Controls Framework is in place for the Council Family, setting out the existing seven key controls and how they are applied operationally to mitigate risk and vulnerability to fraud and error. This was relaunched in March 2022.
- (k) The statutory [Complaints Handling Procedure](#), which manages and monitors formal contact with members of the public, and the associated reports to senior management and the Operational Performance and Delivery Scrutiny Committee, continued to operate in 2023/24. The most recent report was presented to OPDSC on [15 November 2023](#).
- (l) The [2023 – 2027 Council Sustainable Procurement Strategy](#) was approved by the City Administration Committee on 23 March 2023 and sets out the vision, objectives and actions that direct and govern procurement activities across the Council Family. The [Standing Orders Relating to Contracts](#) are regularly reviewed and define how the Council will conduct the business of procuring works, goods and services. The most recent update to the Standing Orders Relating to Contracts was approved by the Council on 19 May 2022.
- (m) The Council's asset management arrangements are evolving to ensure a more collaborative arrangement between all seven asset classes (property, information, ICT, infrastructure, open spaces, fleet, and the civic Collections) and key objectives for each are aligned to the Council's Strategic Plan grand challenges and missions. This will inform how the Council shapes its assets to deliver outcomes and ensure the Council knows and efficiently uses assets to support service delivery and achieve an improved asset base.

- (n) Information and data security and records management have a high profile within the Council. In 2023/24, the Council continued to operate both the Information Security and Integrity Board and Extended Information Security Board to oversee the development, maintenance, and operation of the information governance framework. The Board is supported by a series of sub-groups to ensure information security policies, processes and guidance continue to be fit for purpose; that these are communicated and staff receive the required training; that information security and cyber risks are identified and mitigated, and that the required levels of cyber and information security controls and defences are identified, applied and implemented. In 2023/24, the Council made four reports to the Information Commissioner's Office (ICO) in relation to information security breaches. No action was taken by the ICO.

Maintaining Public Services Network (PSN) accreditation is key to the Council's effective sharing of information with third party organisations, which in turn underpin a number of core Council services. The Council achieved PSN certification during 2023/24 following a gap of some years. The council is engaging with its ICT provider to ensure accreditation is maintained in 2024/25. The council is due to be audited by the Department for Work and Pensions (DWP) in 2024/25 to assess our compliance with the DWP Memorandum of Understanding which addresses in detail how DWP data is protected and used.

- (o) The Council Family structure is subject to continual review to ensure it remains fit for purpose, delivers best value and takes account of new and emerging matters and requirements, including legislative changes. In recent years, the Council Family Review programme has implemented structural changes and this continued in 2023/24. During the year, a comprehensive review of City Building (Glasgow) LLP was commenced and work is ongoing to conclude this piece of work. The latest update on the Council Family Review in relation to Glasgow Life (concluded in 2022/23) was presented to the Operational Performance and Delivery Scrutiny Committee on [7 February 2024](#).
- (p) The ALEO Governance Framework operates at political, strategic and operational levels to govern and oversee the relationship between the Council and its subsidiaries and relevant associates. These arrangements continued to apply throughout 2023/24. The Council Family Review programme has identified some potential enhancements to the ALEO Governance Framework and these were reported to OPDSC on [31 May 2023](#), with a further update to the [7 February 2024](#) meeting.
- (q) The Council regularly publishes information about itself and the services it provides and makes the information available in a wide variety of forms and formats. The Council engages with stakeholders, including citizens, in a number of ways, including the annual Household Survey of over 1,000 citizens to establish views on matters ranging from service delivery to the development of strategy. Results of the 2023 Glasgow Household Survey were reported to OPDSC on [13 September 2023](#). A dedicated web page provides a [Consultation Hub](#) to co-ordinate consultation with residents and businesses.
- (r) The Council operates Codes of Conduct for employees and elected members are required to adhere to the nationally prescribed Councillors' Code of Conduct.

5. Review of effectiveness

5.1 The Council's governance arrangements set out above operated across 2023/24 and were regarded as fit for purpose in accordance with the governance framework. The governance framework is continually reviewed to reflect best practice, new legislative requirements and the expectations of stakeholders. The effectiveness of the framework, including the system of internal control, is considered at least annually and is informed by:

- (a) The work of the members of the Corporate Management Team, including statutory officers, who have responsibility for the development and maintenance of the governance environment. Throughout 2023/24, arrangements continued to operate to ensure that officers were clear on their role and responsibilities and that officers were compliant with the CIPFA Statements on “The Role of the Chief Financial Officer in Local Government” and “The Role of the Head of Internal Audit in Public Service Organisations 2019”.
- (b) Oversight by the Director of Legal and Administration, who was the Council's Monitoring Officer for 2023/24.
- (c) The Head of Audit and Inspection's annual report and the work of the Internal Audit section. The latest external 5-yearly quality review of the section was completed in April 2021 and reported to the Finance and Audit Scrutiny Committee on [5 May 2021](#). This report concluded that the section conforms with the requirements of the Public Sector Internal Audit Standards 2017 (PSIAS). The Internal Audit section continues to hold BSi quality accreditation under ISO9001:2015. Internal Audit continue to present a register of all outstanding audit recommendations to the Finance and Audit Scrutiny Committee on a regular basis. The Internal Audit Plan for 2023/24 was approved by the Finance and Audit Scrutiny Committee on [23 March 2023](#).
- (d) Observations made by external auditors and other review agencies and inspectorates.
- (e) The completion of a self-assessment questionnaire by Service Directors and Managing Directors/Chief Executives of subsidiaries and relevant associates. This questionnaire is aligned to the principles contained in the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government, and requires assessments to be made of the extent to which arrangements within each Service/organisation comply with these principles. The responses to the questionnaires are confirmed on a sample basis by Internal Audit, as part of a rolling programme of corporate governance reviews.
- (f) The completion of signed statements of internal control by all Service Directors and the Managing Directors/Chief Executives of subsidiaries and relevant associates. Such statements were received for 2023/24, declaring that “There are, in my opinion, no significant matters that require to be raised in this Certificate, which is provided to support Glasgow City Council's Statement of Internal Control for the financial year 2023/24, as it is my opinion that the procedures which have been designed to ensure proper governance and financial control are operating adequately”.
- (g) The exercising, by the two Scrutiny Committees, of respective remits including scrutiny of the performance of Services, subsidiaries and relevant associates, including financial management, statutory and other performance, and outcomes set through the GCPP

Community Plan, which are relevant to partnership working and monitoring internal financial control, corporate risk management and corporate governance, and receiving and considering summaries of internal and external audit reports. In accordance with the Council's Standing Orders, all Committees are required to undertake an annual evaluation of effectiveness. Self assessments for all Committees have been undertaken during 2023/24:

- [Operational Performance and Delivery Scrutiny Committee](#)
- [Finance and Audit Scrutiny Committee](#)
- [Wellbeing, Equalities, Communities, Culture and Engagement City Policy Committee](#)
- [Economy, Housing, Transport and Regeneration City Policy Committee](#)
- [NetZero and Climate Progress Monitoring City Policy Committee](#)
- [Education, Skills and Early Years City Policy Committee](#)
- [Environment and Liveable Neighbourhoods City Policy Committee](#)

- (h) The [CIPFA Financial Management Code](#) provides guidance for good and sustainable financial management in local authorities. By complying with the principles and standards within the code authorities will be able to demonstrate their financial sustainability. Council management undertook a self-assessment against the Financial Management Code during 2023/24, which confirmed overall compliance with the Code's requirements.

- 5.2 Senior officers have been advised on the implications of the result of the review of the effectiveness of the governance framework by Internal and External Audit and plans to address weaknesses and ensure continuous improvement of the systems are in place.

6. Governance Developments and Future Activity

- 6.1 In June 2021, Audit Scotland and the Accounts Commission published a revised Code of Audit Practice. The Code explains the revised arrangements for the audit of Best Value, this is now based on an annual thematic report. Ernst and Young (EY) have been appointed by the Accounts Commission as external auditor of Glasgow City Council for financial years 2022/23 to 2026/27, this includes all Best Value Audits during this period.
- 6.2 For the 2022/23 financial year, EY completed the Best Value Audit on the theme of 'Leadership of the development of the new local strategic priorities by Councils following the local government elections in May 2022', the audit specifically focussed on:
- The clarity of the council's vision and priorities
 - How effectively community views have been reflected
 - The alignment of financial, workforce, asset and digital plans
 - How the priorities reflect the need to reduce inequalities and climate change.
- 6.3 The Council engaged fully with EY throughout the audit process. The best value audit report, recommendations and management responses contained within have been agreed by officers as factually correct and achievable for implementation. An action plan for the recommendations has been agreed, with full implementation expected by 31 March 2025.
- 6.4 The 2022/23 Annual Audit Report by EY was considered by the Finance and Audit Scrutiny Committee on [20 March 2024](#). The report contained a number of important conclusions and recommendations for the Council, covering:

- Production of the financial statements
- Financial sustainability considerations
- Governance, reflecting the issues noted in the 2022/23 Annual Governance Statement
- Financial management capacity
- Performance management reporting

In total, 41 recommendations were made by EY in 2022/23 across the Annual Audit Report and Best Value report. Progress has been reported through the Finance and Audit Scrutiny Committee. As at March 2025, 19 recommendations have been implemented, with 22 ongoing or partially implemented.

7. Update on significant governance issues previously reported

ICT Service and Security

- 7.1 The 2021/22 Annual Governance Statement included the unsatisfactory audit opinion relating to ICT security and service delivered via the Council's provider. The improvements required are being progressed by the Council through an agreed action plan. Whilst a number of higher risk areas are now mostly mitigated, there are other areas where remediation is still ongoing. Therefore the Council Group remained exposed to significant risk in this area during 2023/24. The Council's Future of ICT project, and the planned recruitment of a Cyber Security Manager, will seek to address remaining issues. The Council's Future of ICT project, and the planned recruitment of a Cyber Security Manager, will seek to address remaining issues.

SAP P1 Incident

- 7.2 In January 2023, a failed update to the Council's SAP ERP system resulted in a significant period of downtime for this key system, impacting Accounts Payable/Receivable, Payroll, Treasury and Banking, and Financial Ledger reporting. This also impacted on the ability to report financial performance between January and March 2023. The system was fully functional for 2023/24 and the 2022/23 outturn position was verified and reported following additional assurance activity over transactions occurring in the affected period. A lessons learned exercise has been conducted by the Council and its ICT provider. Internal Audit has completed a review of the actions undertaken following the incident to mitigate the risk of a reoccurrence. Based on the audit work carried out a reasonable level of assurance can be placed upon the control environment relating to the lessons learned process. However, two recommendations have been agreed with management and these will be monitored for completion during 2024/25.

Servitor Upgrade

- 7.3 During 2022/23 an unsatisfactory Internal Audit report was issued to City Building (Glasgow) LLP in relation to an upgrade to its Servitor system. The audit concluded that expected project management processes were not fully followed in implementing the new Servitor system. This resulted in significant operational and financial issues immediately following go-live in July 2022. There was also a significant impact on transactional activity between CBG and Council Services/ALEOs, with a subsequent significant impact on CBG's cash flows. The ability to produce accurate management accounts and the production of the GCC Group financial statements were also adversely impacted.

Of the original four recommendations, two have been implemented, with two high priority recommendations ongoing as at May 2024. These relate to the finalisation of Servitor reconciliations and rectification of Servitor interfacing issues.

City Building

- 7.4 During 2022/23 Internal Audit investigated a number of whistleblowing allegations relating to City Building. Significant compliance matters covering key governance, procurement and HR practices were identified. This resulted in a delay to the signing of the 2021/22 City Building financial statements, and a qualification by the external auditor on the 2022/23 Council Group's accounts. Council and Wheatley Housing Group Management, as Joint Venture Members, appointed Brodies LLP to undertake a forensic investigation.

The City Building external auditor signed the 2021/22 Accounts in March 2024. Their Annual Audit Findings Report noted that they had "identified a significant deficiency in respect of the overall control environment within the business". The 2022/23 City Building accounts were signed in March 2025 and work has commenced on the audit of the 2023/24 accounts. In response to the investigation findings, a City Building Glasgow Partnership Steering Group was established jointly by the Council and the Wheatley Housing Group senior officers to review City Building. The workstreams of the review included governance, procurement, HR and finance with an action plan agreed by all parties. Internal Audit has confirmed that the recommendations in relation to control weaknesses originally identified within procurement and HR have been implemented. Management have undertaken a comprehensive update of the remaining elements of the action plan, which relate to the future strategy of the Joint Venture.

The Public Sector Internal Audit Standards (1110.A1) state:

"The internal audit activity must be free from interference in determining the scope of internal auditing, performing work and communicating results. The chief audit executive must disclose such interference to the board and discuss the implications."

During 2023/24 there have been instances where Internal Audit has not been able to operate in compliance with this element of the Standards in relation to City Building. Internal Audit has ongoing concerns around CBG Executive Management culture in relation to the role of audit and governance, which is undermining normal audit processes and relationships. The Council's Section 95 officer has also had cause to write to the Joint Venture members outlining similar concerns. A response outlining their instructions for corrective action by CBG has been provided by the Joint Venture members.

8. Significant governance issues

8.1 Scottish Events Campus Limited (SEC)

During 2023/24, an external health and safety audit was conducted which highlighted a number of areas for improvement. A robust remediation plan was immediately implemented and appropriate mitigations put in place to ensure the continued safe operation of the SEC venues. An augmented programme of internal and external health and safety audits is also being introduced. Scrutiny on progress is being reported through the SEC Board.

8.2 Senior Officer Exit Payments

The 2023/24 Remuneration Report includes Strain on the Fund costs and a Compensation for Loss of Office payment relating to former senior officers. Following publication of the Remuneration Report, concerns were raised with the Chief Executive by the Leader of the Council and the City Treasurer regarding these payments. The Council also received questions and requests under Freedom of Information legislation in relation to the financial terms associated with these departures. An initial review of the underlying documentation and process relating to these packages was carried out by the council's Monitoring Officer and Head of Audit and Inspection.

As a result of this initial review, it was determined that the most appropriate way to address the questions raised in relation to these exit packages was to instruct an independent, external investigation into the circumstances in which the payments were made and the approval processes which led to them. The council therefore instructed Brodies LLP to investigate and prepare a report on these matters. Thereafter Brodies instructed a Kings Counsel to prepare an Opinion to confirm the findings of this review. The scope of this review and detailed findings were considered by the Finance and Audit Scrutiny Committee on [11 March 2025](#).

The Brodies review, supported by the KC, highlighted a number of significant governance issues and recommended a number of improvements to the Council's governance arrangements. External audit have also made recommendations and the Council notes that the matter may be considered by the Accounts Commission.

Management have developed enhanced governance arrangements, procedural changes and updates to the Council's Scheme of Delegated Functions to address the issues and recommendations highlighted by Brodies. A paper outlining a review of arrangements for the departure of senior officers was considered by the Wellbeing, Equalities, Communities, Culture and Engagement City Policy Committee on [17 April 2025](#). This paper included changes to arrangements which will be presented to the City Administration Committee for approval. Further work is also ongoing in relation to the Scheme of Delegated Functions and the external audit recommendations. The Head of Audit and Inspection will provide updates on progress with these actions to the Finance and Audit Scrutiny Committee.

9. Internal Audit Opinion

- 9.1 The Council has a system of internal control designed to manage risk to a reasonable level. Internal controls cannot eliminate the risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.
- 9.2 Based on the audit work undertaken, the assurances provided by Service Directors and Managing Directors/Chief Executives of subsidiaries and relevant associates, and noting the issues outlined at Sections 7 and 8 above, it is the Head of Audit and Inspection's opinion that limited assurance can be placed upon the adequacy and effectiveness of the governance and control environment which operated during 2023/24 in the council and its subsidiaries and relevant associates.

10. Certification

It is our opinion that limited assurance can be placed upon the adequacy and effectiveness of the systems of governance and internal control that operate in Glasgow City Council and its subsidiaries and relevant associates. The self-assessments, the statements of internal control signed by Service Directors and Managing Directors (of subsidiaries and relevant associates) and the work undertaken by Internal Audit has shown that, with the exception of those matters listed above, the arrangements in place are operating as planned. However, improvements are specifically required in relation to senior officer exit payments, ICT services and resilience, health and safety arrangements at SEC, and governance arrangements at City Building. Work is ongoing to address these matters and officers will monitor and report on their implementation.

We will continue to review and enhance, as necessary, our governance arrangements.

Councillor Susan Aitken
Leader of the Administration
8 May 2025

Susanne Millar
Chief Executive
8 May 2025

Remuneration report for the year ended 31 March 2024

1. Introduction

The remuneration report is set out in accordance with the Local Government Accounts (Scotland) Regulations 1985 (as amended by the Local Authority Accounts (Scotland) Amendment Regulations 2011). These Regulations require various disclosures about the remuneration and pension benefits of senior councillors and senior employees.

All information disclosed in the tables at 4.1 to 4.6 and 5.1 to 5.3 in this remuneration report has been audited by Ernst & Young LLP. The other sections of the remuneration report have been reviewed by Ernst & Young LLP to ensure that they are consistent with the Financial Statements.

2. Definitions

The term senior councillor means the Leader of the Council, the Lord Provost or a councillor who holds a significant position of responsibility in the council's management structure, all as defined by regulation 2 of the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007(3).

The term senior employee means any employee of Glasgow City Council and its subsidiaries:

- Who has responsibility for the management of the local authority to the extent that the person has the power to direct or control the major activities of the authority (including activities involving the expenditure of money), during the year to which the report relates, whether solely or collectively with other persons; or
- Who holds a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of the Local Government and Housing Act 1989 (4); or
- Whose annual remuneration, including any remuneration from a local authority subsidiary body, is £150,000 or more.

The term 'remuneration' means gross salary, fees and bonuses, taxable allowances and expenses and compensation for loss of employment. It excludes pension contributions paid by the council. Pension contributions made to a person's pension are disclosed as part of the pension benefits disclosure.

The term 'pension benefits' covers in-year pension contributions for the employee or councillor by the council and the named person's accrued pension benefits at the reporting date.

3. Remuneration policy

Elected members

The full council sets the remuneration levels for senior councillors and senior employees. Its role is to ensure the application and implementation of fair and equitable systems for pay and for performance management within the guidelines of, and as determined by, Scottish Ministers and the Scottish Government. In reaching its decisions, the council has regard to the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities; the council's policies for the improvement of the delivery of public services; and the funds available to the council.

The remuneration of senior councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (SSI No. 2007/183) and amendments. The regulations provide for the grading of councillors for the purposes of remuneration arrangements, as either the Leader of the Council, the Civic Head (which is the Lord Provost in Glasgow), senior councillors or councillors. The Leader of the Council and the Civic Head cannot be the same person for the purposes of payment of remuneration. A senior councillor is a councillor who holds a significant position of responsibility in the council's political management structure.

The salary that is to be paid to the Leader of the Council is set out in the regulations. For 2023/24, the maximum salary for the Leader of the Council is £60,304. The regulations permit the council to remunerate one Civic Head and set out the maximum salary that may be paid to that Civic Head. For 2023/24, the maximum salary for the Civic Head is £45,228.

The regulations also set out the remuneration that may be paid to senior councillors and the total number of senior councillors the council may have. The maximum yearly amount that may be paid to a senior councillor is 75% of the total yearly amount payable to the Leader of the Council. The council is able to exercise local flexibility in the determination of the precise number of senior councillors and their salaries within these maximum limits. The council pays senior councillor supplements to city conveners, chairs of committees and the leaders of the Labour and Green opposition parties. In 2023/24 the council had no more than 24 senior councillors at any one time and the total senior councillor salary paid to these councillors, excluding the Leader of the Council and the Civic Head, did not exceed £783,924. The table at 4.1 shows the total remuneration paid to any councillors that held a senior councillor post at any point in 2022/23 or 2023/24 and includes the remuneration of the Leader of the Council and the Civic Head.

The regulations also permit the council to pay contributions or other payments as required to the Local Government Pension Scheme in respect of those councillors who elect to become councillor members of the pension scheme. The Glasgow City Council Members' Allowances Scheme, for those councillors who elect to join the scheme, was agreed at a meeting of the full council on 17 May 2007.

Senior employees

The salaries of senior employees within the council are set based upon the salary points of the leadership job family, as set out in the council's Pay, Grading and Benefits Structure. These arrangements were originally agreed through approval of the Workforce Pay and Benefits Review report at a special meeting of the council's Executive Committee on 13 October 2006 and may be amended each year to allow for cost of living increases as negotiated by the Scottish Joint Council (SJC), for the general workforce and the Scottish Negotiating Council for Teachers (SNCT). The council does not pay bonuses or performance related pay. All council employees are eligible to join the Local Government Pension Scheme (LGPS). The scheme is described in section 5 entitled 'Pension Benefits'.

Subsidiaries

The council has a number of subsidiary bodies, which are governed via their company documents, service agreements and boards of directors. The council has responsibility for appointing directors and chairpersons to subsidiary boards. Since the introduction of the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2011, on the 1 July 2011, there has been no remuneration paid to councillors on the board of any subsidiary or any other group entity.

The council does not have any direct control over the remuneration arrangements for the employees of any of these subsidiary bodies. The powers to set remuneration for employees lies solely with the board of each subsidiary body.

Councillor Susan Aitken
Leader of the Administration
8 May 2025

Susanne Millar
Chief Executive
8 May 2025

4. Remuneration

4.1. Remuneration of senior councillors

2022/23 Total Remuneration £	Remuneration of senior councillors (includes the basic councillor salary of £20,099)	Date from	Date to	Year ended 31 March 2024 Total Remuneration £
57,128	Susan Aitken Leader and City Convener for City Region Economy and Just Transition	April 2023	March 2024	60,174
41,440	Jacqueline McLaren Lord Provost	April 2023	March 2024	45,130
41,716	Richard Bell Depute Leader and City Treasurer and Convener for Financial Inclusion	April 2023	March 2024	43,672
32,396	Christy Mearns Depute Lord Provost	April 2023	March 2024	33,513
25,733	George Redmond Leader of the Opposition (Labour)	April 2023	March 2024	28,497
27,151	Ken Andrew Chair of Planning Applications Committee	April 2023	March 2024	28,497
2,039	Malcolm Balfour (note 4) Convener of Contracts and Property Committee	April 2022	May 2022	0
21,314	Philip Braat (note 3) Lord Provost	April 2022	May 2022	0
27,151	Maureen Burke Chair of Operational Performance and Delivery Scrutiny Committee	April 2023	March 2024	28,497
27,151	Graham Campbell Chair of Education, Skills and Early Years City Policy Committee	April 2023	March 2024	28,497
35,606	Christina Cannon City Convener of Education and Early Years	April 2023	March 2024	37,432
36,245	Allan Casey City Convener for Workforce and Homelessness and Addiction Services	April 2023	March 2024	37,432
35,606	Annette Christie City Convener for Culture, Sport and International Relations (and Chair of Glasgow Life)	April 2023	March 2024	37,582
8,581	Malcolm Cunning (note 4) Leader of the Majority Opposition (Labour Group)	April 2022	May 2022	0
28,412	Chris Cunningham City Convener for Health, Care and Caring and Older People (and Chair of IJB)	April 2023	March 2024	28,497
-	Laura Doherty Chair of Wellbeing, Equalities, Communities, Culture and Engagement City Policy Committee	April 2023	March 2024	28,660
2,039	Glenn Elder (note 4) Convener of Planning Applications Committee	April 2022	May 2022	0
42,163	Greg Hepburn Business Manager and City Convener for Open Government	April 2023	March 2024	43,672
2,037	Mhairi Hunter (note 4) City Convener for Health and Social Care Integration	April 2022	May 2022	0
35,606	Ruairi Kelly City Convener for Neighbourhood Services and Assets	April 2023	March 2024	37,432
20,162	Matthew Kerr (note 3) Chair of Licensing Board	April 2022	May 2022	0
20,251	Thomas Kerr (note 3) Leader of the Opposition (Conservative Group)	April 2022	May 2022	0

2022/23 Total Remuneration £	Remuneration of senior councillors (includes the basic councillor salary of £20,099)	Date from	Date to	Year ended 31 March 2024 Total Remuneration £
2,678	Jennifer Layden (note 4) City Convener for Community Empowerment, Equalities and Human Rights	April 2022	May 2022	0
27,151	Frank McAveety Chair of Finance and Audit Scrutiny Committee	April 2023	March 2024	28,497
3,125	David McDonald (note 4) Deputy Leader and City Convener for Culture, Vibrancy and International Cooperation	April 2022	May 2022	0
36,245	Kenneth McLean City Convener for Housing, Development, Built Heritage and Land Use	April 2023	March 2024	37,432
27,151	Elaine McSparran Chair of Environment and Liveable Neighbourhoods City Policy Committee	April 2023	March 2024	28,497
27,151	Anne McTaggart City Convener for Communities and Equalities	April 2023	March 2024	37,600
2,023	David Meikle (note 4) Convener of Finance and Audit Scrutiny Committee	April 2022	May 2022	0
35,606	Angus Millar City Convener for Climate, Glasgow Green Deal, Transport and City Centre Recovery	April 2023	March 2024	37,432
27,151	Jon Molyneux Co-Leader of Green Group	April 2023	March 2024	28,497
2,039	Jane Morgan (note 4) Chair of Operational Performance and Delivery Scrutiny Committee	April 2022	May 2022	0
27,091	Margaret Morgan Convener of Licensing	April 2023	March 2024	27,820
25,733	Lana Reid-McConnell Chair of Net Zero and Climate Progress Monitoring City Policy Committee	April 2023	March 2024	28,497
2,678	Anna Richardson (note 4) City Convener for Sustainability and Carbon Reduction	April 2022	May 2022	0
27,151	Franny Scally Chair of Contracts and Property Committee	April 2023	March 2024	28,497
27,772	Martha Wardrop Chair of Economy, Housing, Transport and Regeneration City Policy Committee	April 2023	March 2024	28,497
27,772	Alex Wilson Chair of Licensing and Regulatory Committee	April 2023	March 2024	28,497
898,444	Total			886,947

Notes:

1. There were no payments in the form of bonuses, benefits in kind or compensation for loss of office. Business expenses are disclosed at note 4.2. The remuneration of Bailie C Mearns and Bailie A Christie shown above includes taxable allowances of £140 and £150 respectively.
2. Salaries are paid four weekly and this can give rise to small differences in the actual payments made from one financial year to the next.
3. These councillors were not in receipt of additional allowances during 2023/24.
4. These former councillors are included in the table for prior year comparisons.

5. During 2023/24 there were changes to the senior councillor positions within the council. These changes have been reflected in table 4.1 and throughout this remuneration report. Further information is available in the public minutes of Glasgow City Council.

www.glasgow.gov.uk/article/1546/Councillors-and-Committees

4.2. Remuneration paid to councillors.

The council paid the following salaries, allowances and expenses to all councillors (including the senior councillors above) during the year:

2022/23 £000	Remuneration	2023/24 £000
1,991	Salaries	2,066
9	Allowances	10
52	Expenses	67
2,052	Total	2,143

Note:

The annual return of councillors' salaries and expenses for 2023/24 is available for any member of the public to view on the council's website at:

<https://www.glasgow.gov.uk/electedmembers>

4.3. Remuneration of senior employees

		Year ended 31 March 2024		
2022/23 Total Remuneration £	Remuneration of senior employees	Salary, fees and allowances £	Compensation for loss of office £	Total Remuneration £
197,522	Annemarie O'Donnell Chief Executive	209,472	0	209,472
134,680 (FYE £103,834)	Robert Anderson Head of Human Resources (to 6 January 2023)	0	0	0
156,490	Martin Booth Executive Director of Finance	164,473	0	164,473
104,813	Colin Edgar Director of Communications and Corporate Governance (from 10 August 2023) Head of Communication and Strategic Partnerships (to 9 August 2023) (note 3)	110,844	0	110,844
110,518	Elaine Galletly Director of Legal & Administration (to 12 September 2023)	50,731 (FYE £116,359)	59,971	110,702
155,090	George Gillespie Executive Director of Neighbourhoods, Regeneration & Sustainability	164,473	0	164,473
141,681	Douglas Hutchison Executive Director of Education Services	156,311	0	156,311
111,010	Jackie Kerr Interim Chief Social Work Officer	111,311	0	111,311
94,105	Michelle McGinty Head of Corporate Policy and Governance (to 9 August 2023)	34,343 (FYE £105,518)	0	34,343
-	Mairi Millar Director of Legal & Administration (from 13 September 2023)	63,231 (FYE £111,494)	0	63,231
137,724	Bernadette Monaghan Director of Community Empowerment & Equalities (to 30 April 2023)	35,692 (FYE £123,186)	0	35,692
115,968	Kevin Rush Director of Regional Economic Growth	122,984	0	122,984
1,459,601	Total	1,223,865	59,971	1,283,836

Notes:

1. There were no payments in the form of bonuses, taxable allowances or expenses, or other benefits in kind. In 2023/24 no senior employees were due to receive a payment for election duties.
2. Salaries are paid four weekly and this can give rise to small differences in the actual payments made from one financial year to the next.
3. This post is included as it is politically restricted by reason of section 2(1) (a), (b) or (c) of Local Government and Housing Act 1989 (4).

4.4. Remuneration of senior employees of subsidiaries

2022/23 Total Remuneration £	Remuneration of senior employees of subsidiaries	Salary, fees and allowances £	Bonus £	Year ended 31 March 2024			Total Remuneration £
				Taxable allowances & expenses £	Benefits in Kind other than in cash £	Payment in Lieu of Employer Pension Contributions £	
118,246	Pauline Barclay Managing Director, City Property (Glasgow) LLP	125,400	0	0	0	0	125,400
170,680	Alan Burns (note 1) Executive Director, City Building (Contracts) LLP	167,803	0	5,142	700	0	173,645
131,557 FYE £140,404	Susan Deighan Chief Executive. Culture and Sport Glasgow t/a 'Glasgow Life'	155,395	0	0	0	0	155,395
279,625	Peter Duthie (note 2) Chief Executive Officer, Scottish Event Campus Ltd	203,945	24,473	25,044	756	30,592	284,810
-	Colin Hartley Director of Operations (<i>from 5 June 2023</i>) Scottish Event Campus Ltd	117,145 FYE £141,664	16,400	14,609	360	0	148,514
84,920	Gary Hay Managing Director, Jobs & Business Glasgow	90,058	0	0	0	0	90,058
13,279	Dr Bridget McConnell Chief Executive, (<i>to 3 May 2022</i>) Culture and Sport Glasgow t/a 'Glasgow Life'	0	0	0	0	0	0
189,179	William McFadyen Director of Finance and Development, Scottish Event Campus Ltd	150,433	21,061	20,289	656	0	192,439
172,518	Deborah McWilliams Director of Live Entertainment, Scottish Event Campus Ltd	141,664	19,833	17,668	431	0	179,596
170,551	Gayle Shepherd Director of People and Technology, Scottish Event Campus Ltd	141,664	19,833	17,668	544	0	179,709
179,425	Daniel Thurlow Director of Exhibition Sales, Scottish Event Campus Ltd	141,663	19,833	17,668	431	0	179,595
178,063	Kathleen Warden Director of Conference Sales, Scottish Event Campus Ltd	141,663	19,833	17,668	598	0	179,762
1,688,043	Total	1,576,833	141,266	135,756	4,476	30,592	1,888,923

Notes:

1. This employee is employed by City Building (Glasgow) LLP but is the Executive Director of City Building (Glasgow) LLP and City Building (Contracts) LLP.
2. The Scottish Event Campus Ltd provides a cash alternative in lieu of employer pension contributions which was fully exercised by Peter Duthie. In 2023/24 the cash alternative payment was £30,592 and is included in the table above. The cash alternative is not taken into consideration for any bonus calculations.

4.5. Remuneration of employees receiving more than £50,000

In accordance with the disclosure requirement of the regulations, the number of employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) are shown in the table below in bands of £5,000. This information includes those senior employees who are subject to the fuller disclosure requirements in table 4.3.

Remuneration in 2023/24					
<i>Total 2022/23</i>	£5,000 band	Teachers	Those receiving compensation for loss of office	Staff (excl teachers)	Total
835	50,000 – 54,999	472	9	377	858
698	55,000 – 59,999	384	6	523	913
252	60,000 – 64,999	306	6	140	452
288	65,000 – 69,999	153	3	64	220
108	70,000 – 74,999	111	5	138	254
32	75,000 – 79,999	67	3	14	84
52	80,000 – 84,999	9	0	19	28
18	85,000 – 89,999	6	2	43	51
9	90,000 – 94,999	8	1	10	19
5	95,000 – 99,999	4	0	6	10
21	100,000 – 104,999	4	0	2	6
3	105,000 – 109,999	4	0	14	18
2	110,000 – 114,999	0	1	5	6
4	115,000 – 119,999	0	1	1	2
0	120,000 – 124,999	0	0	4	4
2	125,000 – 129,999	0	0	0	0
1	130,000 – 134,999	0	0	0	0
0	135,000 – 139,999	0	1	1	2
1	140,000 – 144,999	0	1	0	1
2	155,000 – 159,999	0	0	1	1
0	160,000 – 164,999	0	0	2	2
1	195,000 – 199,999	0	0	0	0
0	205,000 – 209,999	0	0	1	1
2,334	Total	1,528	39	1,365	2,932

4.6. Exit packages

The Code requires disclosure of all exit packages agreed, in rising bands. The table below shows all exit packages that were accrued in the year, of which all were voluntary. Exit package values include redundancy, compensatory lump sum, pension strain, and notional capitalised compensatory added years costs (CAY). The notional capitalised compensatory added years costs are based on an assessment of the present value of all future payments to the retiree until death. Notional capitalised compensatory added years and pension strain costs relating to teachers are based on a calculation provided by the Scottish Public Pensions Agency.

2022/23				Exit packages bands	2023/24			
Number	Cash value £000	Notional CAY value £000	Total £000		Number	Cash value £000	Notional CAY value £000	Total £000
4	21	0	21	£1 - £20,000	23	303	0	303
3	96	0	96	£20,001 - £40,000	25	710	0	710
0	0	0	0	£40,001 - £60,000	17	825	0	825
2	147	0	147	£60,001 - £80,000	10	692	0	692
2	171	0	171	£80,001 - £100,000	11	1,035	0	1,035
2	293	0	293	£100,001 - £150,000	7	870	0	870
0	0	0	0	£150,001 - £200,000	3	502	0	502
0	0	0	0	£200,001 - £250,000	2	467	0	467
0	0	0	0	£250,001 - £300,000	2	537	0	537
0	0	0	0	£300,001 - £350,000	1	317	0	317
13	728	0	728	Total	101	6,258	0	6,258

5. Pension benefits

Pension scheme benefits for councillors and local government employees (excluding teachers) are provided through the Local Government Pension Scheme (LGPS). The LGPS is a funded scheme whereby fund balances are maintained from employee / employer contributions and returns on investments to meet the ongoing and anticipated future costs. Benefits are then paid out of this fund. The LGPS is therefore unique in the Scottish public sector. The other five Scottish public sector schemes (NHS, civil service, police, fire fighter, and teachers) are unfunded, also known as 'pay-as-you-go', where no fund is built up to help cover future payments and employers and employees contribute as if the scheme were funded. One of the objectives of a funded scheme is to reduce the variability of costs over time for employers compared with an unfunded (pay-as-you-go) alternative. The funding mechanism should also minimise inter-generational transfer of liabilities. The LGPS is subject to an actuarial revaluation every three years, and employer contribution rates are re-assessed.

Councillors' benefits earned up to 31 March 2015 are based on career average pay. Pay for each year or part year ending 31 March (other than the pay in final year commencing 1 April) is increased by the increase in the cost of living, as measured by the appropriate indices between the end of that year and the last day of the month in which their membership of the scheme ends. The total of the revalued pay is then divided by the period of membership to calculate average career pay. This is used to calculate the benefits.

For local government employees the LGPS was a final salary pension scheme up to 31 March 2015. This means that benefits are based on the final year's pay and the number of years the person has been a member of the scheme.

For service from 1 April 2015 both Councillors and local government employees are in a career average revalued pension scheme. Each year an amount of pension is earned that is then revalued for inflation until retirement.

From 1 April 2009 a five-tier contribution system was introduced with contributions from members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Up to 31 March 2015 if a person worked part-time their contribution rate was worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned. From 1 April 2015 contribution rates are worked out on actual pay. The tiers and member / Councillor contribution rates for 2022/23 and 2023/24 are as follows:

Whole time pay 2022/23 bandings	Employee contribution rate	Whole time pay 2023/24 bandings
On earnings up to and including £23,000	5.50%	On earnings up to and including £25,300
On earnings above £23,001 and up to £28,100	7.25%	On earnings above £25,301 and up to £31,000
On earnings above £28,101 and up to £38,600	8.50%	On earnings above £31,301 and up to £42,500
On earnings above £38,601 and up to £51,400	9.50%	On earnings above £42,501 and up to £56,600
On earnings of £51,401 and above	12.00%	On earnings of £56,601 and above

At retirement members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The pension accrual rate from 1 April 2015 is 1/49th of pensionable pay. The pension accrual rate from 1 April 2009 to 31 March 2015 was a pension based on 1/60th of final pensionable salary for each year of pensionable service. Prior to 2009 the accrual rate was a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service.

For benefits earned up to 31 March 2015, the LGPS normal pension age for both councillors and employees was 65. Benefits earned from 1 April 2015 have a normal pension age equal to the member's state pension age (or 65 if higher).

The tables at 5.1 - 5.3 summarise the in-year employer contributions and the accrued benefits for all senior councillors, senior employees and senior employees of subsidiaries that held post at some point during 2022/23 or 2023/24. The tables do not include contributions made by employees or councillors to the pension fund.

The value of accrued benefits has been calculated using the age at which the person will first become entitled to receive a full pension on retirement, without reduction, on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; without any adjustments for the effects of future inflation; and total local government service (not just their current appointment). Membership of the pension scheme is voluntary and not all councillors or employees are members.

5.1. Pension benefits of senior councillors

Pension benefits of senior councillors	In year pension contributions		Accrued pension Benefits		
	For year to 31 March 2023 £	For year to 31 March 2024 £		Difference from 31 March 2023 £000	As at 31 March 2024 £000
Susan Aitken	11,026	11,613	Pension	2	12
			Lump Sum	0	0
Jacqueline McLaren	7,963	8,710	Pension	1	4
			Lump Sum	0	0
Richard Bell	8,051	8,429	Pension	1	5
			Lump Sum	0	0
Christy Mearns	6,252	6,441	Pension	1	4
			Lump Sum	0	0
George Redmond	4,966	5,500	Pension	0	1
			Lump Sum	0	0
Ken Andrew	5,240	5,500	Pension	1	6
			Lump Sum	0	0
Malcolm Balfour (note 3)	394	0	Pension	-	-
			Lump Sum	-	-
Philip Braat (note 2)	4,114	0	Pension	-	-
			Lump Sum	-	-
Maureen Burke	5,240	5,500	Pension	2	6
			Lump Sum	0	0
Graham Campbell	5,240	5,500	Pension	1	3
			Lump Sum	0	0
Christina Cannon	6,872	7,224	Pension	1	4
			Lump Sum	0	0
Allan Casey	6,995	7,224	Pension	1	4
			Lump Sum	0	0
Annette Christie	6,872	7,224	Pension	1	4
			Lump Sum	0	0
Malcolm Cuning (note 3)	1,656	0	Pension	-	-
			Lump Sum	-	-
Chris Cunningham	5,483	5,500	Pension	1	5
			Lump Sum	0	0
Laura Doherty	-	5,531	Pension	1	3
			Lump Sum	0	0
Glenn Elder (note 3)	394	0	Pension	-	-
			Lump Sum	-	-
Greg Hepburn	8,137	8,429	Pension	1	6
			Lump Sum	0	0
Mhairi Hunter (note 3)	393	0	Pension	-	-
			Lump Sum	-	-
Ruairi Kelly	6,872	7,224	Pension	1	4
			Lump Sum	0	0
Matthew Kerr (note 2)	3,891	0	Pension	-	-
			Lump Sum	-	-
Thomas Kerr (note 2)	3,891	0	Pension	-	-
			Lump Sum	-	-
Jennifer Layden (note 3)	517	0	Pension	-	-
			Lump Sum	-	-
Frank McAveety	5,240	5,500	Pension	1	8
			Lump Sum	0	0

Pension benefits of senior councillors	In year pension contributions		Accrued pension Benefits		
	For year to 31 March 2023 £	For year to 31 March 2024 £		Difference from 31 March 2023 £000	As at 31 March 2024 £000
David McDonald (note 3)	603	0	Pension	-	-
			Lump Sum	-	-
Kenneth McLean	6,995	7,224	Pension	1	5
			Lump Sum	0	0
Elaine McSporran	5,240	5,500	Pension	1	3
			Lump Sum	0	0
Anne McTaggart	5,240	7,257	Pension	1	3
			Lump Sum	0	0
David Meikle (note 3)	390	0	Pension	-	-
			Lump Sum	-	-
Angus Millar	6,872	7,224	Pension	1	5
			Lump Sum	0	0
Jon Molyneux	5,240	5,500	Pension	1	3
			Lump Sum	0	0
Jane Morgan (note 3)	394	0	Pension	-	-
			Lump Sum	-	-
Margaret Morgan	5,229	5,369	Pension	1	3
			Lump Sum	0	0
Lana Reid-McConnell	4,966	5,500	Pension	0	1
			Lump Sum	0	0
Anna Richardson (note 3)	517	0	Pension	-	-
			Lump Sum	-	-
Franny Scally	5,240	5,500	Pension	1	5
			Lump Sum	0	0
Martha Wardrop	5,360	5,500	Pension	2	8
			Lump Sum	0	2
Alex Wilson	5,360	5,500	Pension	1	5
			Lump Sum	0	0
Total	173,345	171,123	Pension	27	120
			Lump Sum	0	2

Notes:

1. All senior councillors shown in the table above are members of the Local Government Pension Scheme (LGPS).
2. These councillors were not in receipt of additional allowances during 2023/24.
3. These former councillors are included in the table for prior year comparisons.

5.2. Pension benefits of senior employees

Pension benefits of senior employees	In year pension contributions			Accrued pension Benefits	
	For year to 31 March 2023 £	For year to 31 March 2024 £		Difference from 31 March 2023 £000	As at 31 March 2024 £000
Annemarie O'Donnell (note 2)	38,122	357,845	Pension	8	98
			Lump Sum	8	143
Robert Anderson (note 3)	104,452	0	Pension	-	-
			Lump Sum	-	-
Martin Booth	29,932	31,743	Pension	7	60
			Lump Sum	4	61
Colin Edgar	20,007	21,393	Pension	5	37
			Lump Sum	1	15
Elaine Galletly (note 4)	21,137	223,065	Pension	-50	0
			Lump Sum	-65	0
George Gillespie	29,932	31,743	Pension	8	78
			Lump Sum	6	99
Douglas Hutchison	27,344	30,168	Pension	5	29
			Lump Sum	0	0
Jackie Kerr	20,257	21,483	Pension	6	65
			Lump Sum	6	101
Michelle McGinty (note 6)	18,162	20,096	Pension	5	33
			Lump Sum	2	19
Mairi Millar (note 6)	-	20,636	Pension	4	31
			Lump Sum	2	15
Bernadette Monaghan (notes 5 & 6)	77,429	1,586	Pension	-12	0
			Lump Sum	0	0
Kevin Rush	22,382	23,736	Pension	5	37
			Lump Sum	1	11
Total	409,156	783,494	Pension	-9	468
			Lump Sum	-35	464

Notes:

1. All senior employees shown in the table above are members of the Local Government Pension Scheme (LGPS).
2. The pension contributions for the year ended 31 March 2024 include strain on the fund costs prior to the employee retiring on 4 May 2024.
3. The pension contributions for the year ended 31 March 2023 include strain on the fund costs.
4. This employee retired on 12 September 2023 and began to receive their pension benefits from that date, as such no accrued pension benefits are shown. The pension contributions for the year ended 31 March 2024 include strain on the fund costs.
5. This employee retired on 30 April 2023 and began to receive their pension benefits from that date, as such no accrued pension benefits are shown. The pension contributions for the year ended 31 March 2023 include strain on the fund costs.
6. For these employees, pension contributions are reflected for the period to 31 March 2024 taking into consideration pensionable salary earned in the period.

5.3. Pension benefits of senior employees of subsidiaries

Pension benefits of senior employees of Glasgow City Council subsidiaries	In year pension contributions			Accrued pension Benefits	
	For year to 31 March 2023 £	For year to 31 March 2024 £		Difference from 31 March 2023 £000	As at 31 March 2024 £000
Pauline Barclay	22,821	24,202	Pension	6	49
			Lump Sum	2	39
Alan Burns	30,537	32,386	Pension	8	72
			Lump Sum	6	105
Susan Deighan	26,593	30,188	Pension	5	72
			Lump Sum	9	97
Peter Duthie (note 2)	0	0	Pension	n/a	n/a
			Lump Sum	n/a	n/a
Colin Hartley	-	9,608	Pension	n/a	n/a
			Lump sum	n/a	n/a
Gary Hay	14,241	14,555	Pension	3	21
			Lump Sum	0	0
Dr Bridget McConnell	2,563	0	Pension	-	-
			Lump Sum	-	-
William McFadyen	20,251	21,813	Pension	n/a	n/a
			Lump Sum	n/a	n/a
Deborah McWilliams	14,350	15,583	Pension	n/a	n/a
			Lump Sum	n/a	n/a
Gayle Shepherd	18,264	19,833	Pension	n/a	n/a
			Lump Sum	n/a	n/a
Daniel Thurlow	17,708	18,416	Pension	n/a	n/a
			Lump Sum	n/a	n/a
Kathleen Warden	20,432	21,249	Pension	n/a	n/a
			Lump Sum	n/a	n/a
Total	187,760	207,833	Pension	22	214
			Lump Sum	17	241

Notes:

1. All senior employees of subsidiaries shown in the table above are members of the Local Government Pension Scheme (LGPS), with the exception of Scottish Event Campus (SEC) Ltd employees who are all members of a group stakeholder scheme with SEC Ltd. This is a defined contribution scheme and so accrued pension benefits information is not applicable.
2. The SEC provides a cash alternative in lieu of employer pension contributions which was fully exercised by Peter Duthie during 2023/24 (£30,592). The cash alternative is not taken into consideration for any bonus calculations.

6. Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on the 1st April 2017. These regulations place a legislative requirement on the Council to collate and publish, on an annual basis, a range of data on the amount and cost of facility time.

6.1 Relevant Union Officials

What was the total number of your employees who were relevant union officials during the relevant period?

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
189	179.3

6.2 Percentage of time spent on facility time

How many of your employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1% - 50%, c) 51% - 99% or d) 100% of their working hours on facility time?

Percentage of time	Number of representatives
0%	40
1% – 50%	117
51% - 99%	7
100%	25

6.3 Percentage of pay bill spent on facility time

Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

Total cost of facility time	£2,482,929
Total pay bill	£1,180,682,016
Percentage of the total pay bill spent on facility time, calculated as: <i>(total cost of facility time ÷ total pay bill) x 100</i>	0.21%

6.4 Paid trade union activities

As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: <i>(total hours spent on paid trade union activities by relevant trade union representatives during the relevant period ÷ total paid facility time hours) x 100</i>	39%
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Independent auditor's report to the members of Glasgow City Council and the Accounts Commission

Reporting on the audit of the financial statements

Qualified opinion on financial statements

We certify that we have audited the financial statements in the annual accounts of Glasgow City Council and its group for the year ended 31 March 2024 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the group and council-only Comprehensive Income and Expenditure Statements, Movement in Reserves Statements, Balance Sheets, and Cash Flow Statements, the Council Tax Income Account, and the Non-domestic Rate Account, Common Good fund, Sundry Trusts and Funds, and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the 2023/24 Code).

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of affairs of the council and its group as at 31 March 2024 and of the income and expenditure of the council and its group for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2023/24 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for qualified opinion

The financial statement audits for City Building (Glasgow) LLP (a subsidiary of the Group) and City Building (Contracts) LLP (a joint venture) were not completed for the years ending 31 March 2023 and 31 March 2024. As a result, we could not issue group instructions to their auditor nor verify the balances included in the group consolidated financial statements through alternative audit procedures. The group financial statements include net assets related to City Building (Glasgow) LLP and City Building (Contracts) LLP of £121.6 million as of 31 March 2024 (31 March 2023: £67 million) and net income of £97.8 million for the year ended 31 March 2024 (31 March 2023: £87.8 million). Consequently, we were unable to determine whether adjustments to these amounts were necessary.

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit](#)

[Practice](#) approved by the Accounts Commission for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Accounts Commission on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the council and its group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the council. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Conclusions relating to going concern basis of accounting

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of the council and its group to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the current or future financial sustainability of the council and its group. However, we report on the council's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

We report in our Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Executive Director of Finance and the Council for the financial statements

As explained more fully in the Statement of Responsibilities, the Executive Director of Finance is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Executive Director of Finance determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Director of Finance is responsible for assessing the ability of the council and its group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the operations of the council and its group.

The council is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using our understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of the council and its group;
- inquiring of the Chief Executive, Executive Director of Finance, Director of Financial and Business Services and Monitoring Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the council and its group;
- inquiring of the Chief Executive, Executive Director of Finance, Director of Financial and Business Services and Monitoring Officer concerning the policies and procedures of the councils and its group regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the council's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the

degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Reporting on other requirements

Opinion prescribed by the Accounts Commission on the audited parts of the Remuneration Report

We have audited the parts of the Remuneration Report described as audited. In our opinion, the audited parts of the Remuneration Report have been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

Other information

The Executive Director of Finance is responsible for the other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited parts of the Remuneration Report.

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the £121.6 million net assets (31 March 2023: £67 million) and £97.8 million net income (31 March 2023: £87.8 million) related to City Building (Glasgow) LLP and City Building (Contracts) LLP. We have concluded that where the other information refers to these balances or related balances, it may be materially misstated for the same reason.

Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement

Except for the possible effects of the matter described in the basis for qualified opinion section of our report in our opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which we are required to report by exception

Arising solely from the limitation on the scope of our work relating to City Building (Glasgow) LLP and City Building (Contracts) LLP, referred to above:

- we have not received all the information and explanations we require for our audit.

We are required by the Accounts Commission to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration Report are not in agreement with the accounting records; or

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in our Annual Audit Report.

Use of our report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Stephen Reid, (for and on behalf of Ernst & Young LLP),

1 More London Place,
London,
SE1 2AF

❖ **The Scottish Public Services Ombudsman**

If you have gone through the council's complaints process and are still unhappy, you have the right to take your complaint to the Scottish Public Services Ombudsman, Bridgeside House, 99 McDonald Road, Edinburgh, EH7 4NS. Tel: 0800 377 7330.

Generally, if you want to do this, you must contact the Ombudsman within one year.