Item 2
11th June 2024

Glasgow City Region

Cabinet

Report by Executive Director of Finance

Contact: Jon Allen (jon.allen@glasgow.gov.uk)

2023/24 UNAUDITED ANNUAL ACCOUNTS

Purpose of Report

To present to the Cabinet, the unaudited financial statements for year ended 31 March 2024.

Recommendations

It is recommended that the Cabinet:-

(1) Approve the financial statements and the relevant supporting notes, forming part of the unaudited annual accounts for year ended 31 March 2024.

GLASGOW CITY REGION – CITY DEAL CABINET JOINT COMMITTEE

Unaudited Annual Accounts

for the Year ended 31 March 2024

GLASGOW CITY REGION – CITY DEAL CABINET JOINT COMMITTEE

Unaudited Annual Accounts Year ended 31 March 2024

Contents **Page**

- Management Commentary 2
- Annual Governance Statement 7
- Statement of Responsibilities 12
- Comprehensive Income and Expenditure Statement 14
- Balance Sheet 15
- Cash Flow Statement 16
- Notes to the Accounts 17

❖ Management Commentary

History and Statutory Background

Glasgow City Region, one of the largest regions in the UK, is Scotland's economic powerhouse. With a combined population of 1.8 million (NRS Mid-2022 Population Estimates Scotland), it provides 34% of the nation's jobs (ONS Business Register and Employment Survey) and a base to almost 30% of Scotland's businesses (ONS UK Business Counts). Its economy produced an approximate £53 billion of Gross Value Added (GVA) in 2022, making it the largest city region economy in Scotland and the fifth largest in the UK (ONS Regional gross value added (balanced) by industry: city and enterprise regions).

Our ground-breaking £1.13 billion City Deal, the first in Scotland and one of the largest in the UK, is an agreement between the UK government, the Scottish government and the eight member authorities across Glasgow City Region.

The eight participating member authorities are East Dunbartonshire Council, East Renfrewshire Council, Glasgow City Council, Inverclyde Council, North Lanarkshire Council, Renfrewshire Council, South Lanarkshire Council and West Dunbartonshire Council.

The City Deal provides over £1 billion funding from the UK and Scottish governments and is set to transform the physical and social landscape – creating thousands of new jobs, homes, supporting business growth, improving transport connectivity and unlocking land in key sites for development.

In 2014 eight councils agreed to establish a Joint Committee to govern the City Deal and determine the strategic economic development priorities for Glasgow City Region.

Glasgow City Council is the Accountable Body.

An Assurance Framework sets out the operational structure of the Joint Committee, how its functions are governed and the role of the Accountable Body.

Structure

The Joint Committee, known as the Glasgow City Region Cabinet (the Cabinet), is made up of the Leaders of the participating member authorities. The Cabinet is responsible for decision making in relation to the City Deal and for determining the strategic economic development priorities for Glasgow City Region. Meetings are held quarterly and are open to the public, with papers available through the Glasgow City Region website.

The Glasgow City Region Programme Management Office (GCR PMO) acts as the secretariat for the Cabinet and is the central point for appraisal and monitoring of all aspects of City Deal. The Cabinet is

supported by a Chief Executives' Group (CEG), which oversees the management of the GCR PMO in its delivery of the operational functions of the Cabinet.

The CEG is also supported by a number of sub-groups, comprised of officers from the member authorities focused on driving wider economic growth. Consultation continues to take place with the Glasgow City Region and the UK and Scottish Governments through ongoing officer liaison and an Annual Conversation event in September each year. Governance arrangements align to the Assurance Framework and the Programme Business Case. The City Deal is also supported by a programme of internal and external audits.

Strategic Aims

Over its lifetime to 31 March 2035, it was originally estimated that the City Deal would:

- Deliver £2.2 billion in additional GVA per annum (a 4% uplift) across the City Region;
- Support an additional overall increase of around 29,000 jobs in the City Region;
- Create 15,000 construction jobs through the City Deal construction programme;
- Work with 19,000 unemployed residents and support over 5,500 back into sustained employment;
- Lever in an estimated £3.3 billion of private sector investment to support the delivery of the projects within the infrastructure programme;
- Spread the benefits of economic growth across the Region, ensuring deprived areas benefit.

Programme Performance

This report marks the ninth year of the Glasgow City Region Cabinet Joint Committee and the establishment of our partnership and covers the period ending 31 March 2024.

The past year has seen Glasgow City Region make the biggest leap forward since 2014 when the City Deal began, with boosted funding and resources and a vastly extended Regional remit - from 5G to Innovation, a new low carbon masterplan for the Clyde, the £74 million Shared Prosperity Fund Investment Plan, and a winning bid for a £160 million local investment zone.

The March 2023 Budget Statement heralded the Region as one of **three pilot UK Innovation Accelerators**, sharing £100 million UK Government funding for 11 ambitious local projects.

In April 2023, our eight councils commenced delivery of the £74 million **UK Shared Prosperity Fund Investment Plan**, the only region in Scotland to take a collective approach and one which will bring a range of wider opportunities and benefits.

June welcomed news of our successful bid to be one of **two new Investment Zones** in Scotland following a joint selection process by the UK and Scottish Governments. The Chancellor's Autumn 2023 statement, increased this funding to £160 million in targeted investment, tax reliefs and other incentives over ten years. An Open Call for ambitious project funding bids which ran from January to the end of March 2024 generated 41 project bids from across the three key themes. Work continues to engage with government and local organisations to further shape our proposals.

In August 2023, the First Minister formally announced the **migration of Clyde Mission** from the Scottish Government to Glasgow City Region, appointing us as lead with £1.5 million funding for a team to shape an ambitious masterplan for the river and to manage a further £25 million heat decarbonisation fund.

In November we launched a new **Action Plan for the Region's innovation economy**, together with partners Innovate UK and Scottish Enterprise. Further, in December Glasgow City Region was announced as one the successful **UK 5G Innovation Regions** which will share a funding pot from the UK Government of £36 million. Our 5G project will deliver wide-ranging economic and community benefits demonstrating the demand for, and benefits of 5G and advanced wireless technologies across the social housing and health and social care sectors.

In the past year we also continued to press forward with our £1.13 billion City Deal which remains one of the largest and most advanced in the UK.

We celebrated some key milestones, with the opening of the M8 bridge at Sighthill, the spans sailing up the river for the Partick – Govan bridge and the completion and formal opening of Greenock Ocean Terminal.

The Deal is also set to bring vital social and economic benefits to thousands of local young people, residents, communities and businesses over its lifetime through the many contract opportunities for local businesses *and* from the specific requirement set by the Region for City Deal contractors to provide jobs, work experience, training and support for qualifications for targeted groups and young people. In fact, over 1,500 local young people, communities and businesses have already benefitted.

So far local people have benefitted from **330** employment opportunities through the Region's City Deal and hundreds of local young people are continuing to benefit from **Apprenticeship** and **New Entrant** positions, providing a vital start to their careers. Figures to date show that City Deal contractors have delivered **80 Apprenticeships** and **226** New Entrant positions as part of community benefits requirements written into their contracts.

In terms of business opportunities, local companies have won over **£150 million** worth of Tier One City Deal contracts which is 57% of all Tier One contracts, **£54.5 million** of which has been awarded to local SMEs. This equates to over 130 local companies winning over 272 of the City Deal contracts.

Work has also progressed on the development of a new Regional website which will enable Communities to post up requests for goods or services to be met by our Contractors.

A review of the City Deal Programme has been underway, approved by the governments in December 2022. This has been prompted by ongoing challenges from the impact of construction cost inflation and issues around resource and materials resulting from wider global economic, political and fiscal conditions. This has been an extensive exercise and all proposed changes have been provided by Member Councils to the Glasgow City Region Programme Management Office.

The review of the City Deal Programme has continued and resulted in some project changes and whilst the majority of the existing 21 infrastructure projects continues, there have been some necessary deferrals and changes to the sub-projects within the overall programme.

Further changes to the Programme have resulted from opportunities that have arisen. In particular, the emerging plans for the Glasgow Airport Access Project (GAAP) have been superseded by the proposals for a region-wide Clyde Metro scheme. It has been agreed that a proportion of the GAAP funds will be used to support the Case for Investment for the Clyde Metro scheme and discussions are ongoing with the Governments regarding the reallocation of the remaining GAAP funds for a new regional project, as well as providing additional funds to ameliorate the impact of inflationary pressures on some of the existing projects. This process is still underway with the Government sign off expected in 2024/25.

The partnership of eight councils is strong and working well. Glasgow City Region has a proven track record in delivery, with a clear plan in place, and one that we will continue to finesse and review.

The Region will continue to explore opportunities for future centralised funding opportunities and further powers.

Next year we expect to see even greater successes.

Financial Performance

The cost of running the Glasgow City Region – City Deal Cabinet Joint Committee is the main item of expenditure of the Cabinet. Salary costs and any administrative expenses incurred by the GCR PMO are re-imbursed in full by the participating member authorities.

The 2023/24 gross expenditure budget for the GCR PMO was set at £1.751 million (2022/23: £1.568 million). This, together with balances brought forward from previous years of £1.392 million (2022/23: £1.084 million) and additional 2023/24 funding (excluding that carried forward into 2024/25) of £1.144 million (2022/23: £0.590 million), provided total available resources of £4.287 million for the year (2022/23: £3.242 million).

Expenditure of £2.357 million was incurred in the year, this gave an unfavourable budget variance of £0.606 million. This, together with the favourable income variance, resulted in an additional resource balance of £1.929 million (2022/23: £1.392 million) which has been carried forward into 2024/25 and future years and will be used to meet agreed priorities.

The accounts have been prepared on a going concern basis.

❖ Annual Governance Statement 2023/24

Role and responsibilities

The Glasgow City Region Cabinet is a Joint Committee established under Section 57 of the Local Government (Scotland) Act 1973, by the eight member authorities.

The accountable body of the Joint Committee is Glasgow City Region Cabinet which meets four times annually. The Cabinet comprises the Leaders of the participating authorities and is responsible for the strategic direction of the organisation and for approving the annual budget and business plan. The Cabinet is supported by a Chief Executives' Group, and the Programme Management Office acts as a secretariat.

The matters reserved to the member authorities for decision making which cannot be dealt with by the Cabinet are as follows:

- Any material financial decisions over and above what has been committed through the City Deal or other programme.
- Any amendment of the Joint Committee.
- Any requests for the addition of another local authority as member authority.
- Approval by a member authority to enter into a grant agreement in relation to a specific City Deal project.

Accountable Body

Glasgow City Council is the accountable body for the Glasgow City Region Cabinet. As accountable body, the Council holds and disburses the City Deal and Shared Prosperity grant funding; manages the budget for the Programme Management Office (PMO); signs grant offers with the Scottish and UK Governments; and makes disbursements to member authorities and other bodies as appropriate under the terms of the grant agreement.

Cabinet meetings

Regular meetings of the Glasgow City Region Cabinet are held on a quarterly basis. Occasional ad hoc meetings are also held as required. Cabinet meeting dates are listed in the Council Diary which is available at:
Committee Information - Calendar (glasgow.gov.uk)

Representation

The Glasgow City Region Cabinet is comprised of the Council Leaders (or their nominee) of each of the eight member authorities and is chaired by the Leader of Glasgow City Council as accountable body.

Chief Executives' Group

A management group has been established comprising the Chief Executive of each of the member authorities (or their nominee). The group has responsibility on a collective basis for the overall supervision and management and for the monitoring of the performance of the PMO in delivering the City Deal. The group is chaired by the Chief Executive of Glasgow City Council as accountable body.

Programme Management Office

The PMO undertakes the administrative role required to support the Cabinet and its support groups. The PMO is delivered by Glasgow City Council as accountable body, and the role includes:

- Provision of administrative and technical support services
- Preparation and circulation of meeting minutes and agendas
- Publishing the Cabinet processes and outcomes
- Facilitating engagement by the stakeholders, and
- Managing Cabinet communications including the Glasgow City Region website.

Support Groups

A number of support groups have been created to support the delivery of the City Deal and share knowledge and information. The remit of these groups has been agreed by the Chief Executives and includes the following areas:

- Lead Officers Group
- Finance Strategy Group
- Communications and Marketing Group
- Audit Support Group

Scope of responsibility

As the accountable body for the Glasgow City Region Cabinet, Glasgow City Council is responsible for ensuring that its business, including that of the PMO, is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a statutory duty to make arrangements to secure best value under the Local Government in Scotland Act 2003.

In discharging this overall responsibility, the Cabinet is responsible for putting in place proper arrangements (known as the governance framework) for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk. Key

elements of the governance framework are noted below. The framework was in place throughout 2023/24.

The Council has approved and adopted a Local Code of Corporate Governance (the Code), which is consistent with the principles 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. A copy of The Code is available on the council's website at:
Local Code of Corporate Governance - Glasgow City Council

The work of the Cabinet is governed by the Code and by its Assurance Framework. This includes requirements for the preparation and production of a number of key policy documents including an Economic Strategy, a Procurement Strategy and a Risk Management Strategy. These documents set out the Cabinet's objectives together with the main risks facing the programme and the key controls in place to mitigate those risks. A Risk Register is maintained to facilitate detailed risk monitoring, and an Annual Implementation Plan is produced each year to support the Programme Business Case, which is the business case for overall delivery of the Programme. Scrutiny is provided by Internal Audit and by the Cabinet's External Auditor, Ernst & Young.

The Cabinet complies with the CIPFA Statement on "*The Role of the Chief Financial Officer in Local Government 2016*". The Glasgow City Council Executive Director of Finance has overall responsibility for the PMO's financial arrangements and is professionally qualified and suitably experienced to lead the finance function and to direct finance staff.

The Cabinet complies with the requirements of the CIPFA Statement on "The Role of the Head of Internal Audit in Public Organisations 2019". The appointed Chief Internal Auditor has responsibility for the internal audit function and is professionally qualified and suitably experienced to lead and direct internal audit staff. The Internal Audit service generally operates in accordance with the CIPFA "Public Sector Internal Audit Standards 2017".

The accountable body, Glasgow City Council has assessed its compliance with the CIPFA Financial Management Code (2019), which became mandatory from 2021/22 onwards. The assessment in August 2022 indicated the Council was compliant with each of the requisite financial management standards.

The accountable body, Glasgow City Council has a publicised Whistleblowing Policy in place and 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).

Review of effectiveness

The Council and Glasgow City Region Cabinet have systems of internal control designed to manage risk to a reasonable level. Internal controls cannot eliminate risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is an ongoing process designed to identify and prioritise the risks to the achievement of the Glasgow City Region Cabinet's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised.

The Assurance Framework is subject to regular review to ensure that it provides an effective governance platform for the Cabinet.

Update on Significant Governance Issues Previously Reported

As part of the Internal Audit plan for Glasgow City Council for 2021/22, one unsatisfactory audit opinion was issued in relation to ICT. Whilst a number of higher risk areas are now mostly mitigated, there are other areas where remediation is still ongoing. The improvements required do not specifically relate to the Cabinet and are currently being progressed within Glasgow City Council.

Significant Governance Issues

Glasgow City Council's Head of Audit and Inspection has confirmed that there are no significant governance issues that require to be reported as a result of the work undertaken by Internal Audit in 2023/24 in relation to the remit of the Glasgow City Region Cabinet. Each member Local Authority Head of Internal Audit is required to submit an Assurance Statement for 2023/24 in relation to the control environment in their authority[1]. From the perspective of the Glasgow City Region Cabinet, no new significant governance issues have been reported by the Internal Audit teams of the member authorities during the year, however the issue reported in previous years in relation to ICT arrangements within Glasgow City Council has not yet been fully resolved.

Internal Audit Opinion

Glasgow City Region Cabinet 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.

Assurance work undertaken within the Glasgow City Region Cabinet in 2023/24 included:

- Relationship Management and Stakeholder Engagement.
- Financial Monitoring Phase 1
- SPF Assurance Framework Compliance[2]
- A review of the implementation of recommended actions arising from previous audit work.

[1] One Assurance Statement has yet to be received but will be obtained prior to August 2024 Cabinet.
[2] This audit will be reported to Cabinet in August 2024.

Based on the audit work undertaken and the assurances provided by the member authorities, it is the Head of Audit & Inspection's opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the governance and control environment which operated during 2023/24.

Certification

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the systems of governance that operate in the Glasgow City Region Cabinet. We consider the governance and internal control environment operating during 2023/24 to provide reasonable and objective assurance that any significant risks impacting on the Glasgow City Region Cabinet's ability to achieve its objectives will be identified and actions taken to avoid or mitigate the impact.

Where areas for improvement have been identified and action plans agreed, we will ensure that they are treated as priority and progress towards implementation is reviewed by the Chief Executives' Group and the Cabinet.

Statement of Responsibilities

1. The accountable body's responsibilities

The accountable body is required:

- To make arrangements for the proper administration of the financial affairs of the Glasgow City Region – City Deal Cabinet Joint Committee and to ensure that one of its officers has the responsibility for the administration of those affairs. In Glasgow City Council, that officer is the Executive Director of Finance.
- To manage its affairs to secure economic, efficient and effective use of the resources and safeguard its assets.
- To ensure the Annual Accounts are prepared in accordance with legislation (the Local Authority Accounts (Scotland) Regulations 2014 and the Coronavirus (Scotland) Act 2020) and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003); and
- To approve the Annual Accounts for signature.

These Unaudited Annual Accounts will be submitted to Cabinet for consideration at its meeting on 11 June 2024 subsequently to be approved for signature by 30 November 2024.

2. Responsibilities of the Executive Director of Finance, Glasgow City Council

The Executive Director of Finance in Glasgow City Council is responsible for the preparation of the statement of accounts of the Glasgow City Region – City Deal Cabinet Joint Committee, 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 judgments and estimates that were reasonable and prudent;
- Complied with the legislation; and
- Complied with the Code (in so far as it is compatible with legislation).

The Executive Director of Finance has also:

- Kept proper 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 Region – City Deal Cabinet Joint Committee as at 31 March 2024 and the transactions for the year then ended.

Martin Booth BA, FCPFA, MBA
Executive Director of Finance
Glasgow City Council

11 June 2024

3. Comprehensive Income and Expenditure Statement for the year ended 31 March 2024

2022/23 £	Service	Note	2023/24 £
1,849,506	Gross expenditure	3	2,357,474
(1,554,207)	Gross income	3	(1,471,139)
295,299	**Cost of Services**		**886,335**
(295,299)	Interest and investment income	3	(886,335)
(295,299)	**Financing and Investment Income and Expenditure**		**(886,335)**
0	**(Surplus) or Deficit on the Provision of Services**		**0**
0	**Other Comprehensive (Income) and Expenditure**		**0**
0	**Total Comprehensive (Income) and Expenditure**		**0**

Comprehensive Income and Expenditure Statement – shows income and expenditure incurred in the year relating to the provision of services for the Glasgow City Region – City Deal Cabinet Joint Committee.

4. Balance Sheet as at 31 March 2024

31 March 2023 £		Note	31 March 2024 £
1,669,271	Short-term debtors	7	2,822,065
1,669,271	**Current Assets**		**2,822,065**
(1,669,271)	Short-term creditors	6	(2,822,065)
(1,669,271)	**Current Liabilities**		**(2,822,065)**
0	**Net Assets / (Liabilities)**		**0**
0	**Usable Reserves**		**0**
0	Unusable Reserves		0
0	**Total Reserves**		**0**

Balance Sheet – The balance sheet of the Glasgow City Region – City Deal Cabinet Joint Committee shows that there were no reserve balances as at 31 March 2024 (31 March 2023: £0).

The unaudited accounts were issued on 11 June 2024

Martin Booth BA, FCPFA, MBA
Executive Director of Finance
Glasgow City Council

11 June 2024

5. Cash Flow Statement for the year ended 31 March 2024

2022/23 £	Revenue Activities	2023/24 £
0	Surplus or (Deficit) on the Provision of Services	0
	Adjustments for non-cash items:	
(319,108)	(Increase) / decrease in debtors	(1,152,794)
319,108	Increase / (decrease) in creditors	1,152,794
0	**Net cash inflow / (outflow) from activities**	**0**
0	**Cash and cash equivalents at the beginning of the reporting period**	**0**
0	**Cash and cash equivalents at the end of the reporting period**	**0**

Cash Flow Statement – provides an analysis of non-cash movements, reconciling the surplus or deficit on provision of services and details the changes in cash and cash equivalents of the Glasgow City Region – City Deal Cabinet Joint Committee.

❖ Notes to the accounts

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

1. Statement of 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 Glasgow City Region – City Deal Cabinet Joint Committee.

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 Glasgow City Region – City Deal Cabinet Joint Committee will not significantly curtail the scale of its operation. Wherever accounting principles and legislative requirements are in conflict the latter shall apply.

1.3 These accounts are prepared on a going concern basis. In accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, the Glasgow City Region – City Deal Cabinet Joint Committee is required to prepare its Financial Statements on a going concern basis unless informed by the relevant national body of the intention of dissolution without transfer of services or function to another entity. The Annual Accounts are prepared on the assumption that the Glasgow City Region – City Deal Cabinet Joint Committee will continue in operational existence for the foreseeable future.

Based on the Cabinet Agreement, the cost of running the Glasgow City Region – City Deal Cabinet Joint Committee is the main item of expenditure of the Cabinet. Salary costs and any administrative expenses incurred by the Glasgow City Region – City Deal Cabinet Joint Committee are re-imbursed in full by the member authorities. Funding is provided on an annual basis, and £2.115 million budget has been agreed with the member authorities for 2024/25. Together with balances of £1.929 million brought forward from previous years and additional 2024/25 funding, the Glasgow City Region – City Deal Cabinet Joint Committee holds total available fund resources of £4.044 million for the year end 31 March 2025 (31 March 2024: £3.142 million). On this basis the Glasgow City Region – City Deal Cabinet Joint Committee

considers the going concern basis to be appropriate for the period at least 12 months from the date of the approval of these financial statements, up until March 2025.

1.4 Suppliers' invoices received up to 31 March 2024 have been included in the accounts. In addition, expenditure has been accrued, in accordance with the Code, where the goods or services were received by 31 March 2024. Salaries and wages earned to 31 March 2024 are included in the accounts for 2023/24 irrespective of when the actual payments were made.

1.5 Income includes all sums due in respect of contributions from member authorities and interest accruing from the City Deal Infrastructure Fund Grant prior to distribution.

1.6 There were no complex transactions or potential future uncertainties requiring critical judgements or estimations of uncertainty in preparing the 2023/24 accounts.

1.7 There is no Movement in Reserves Disclosure as reserves require a legislative background and GCR is not a separate legal organisation.

1.8 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 are authorised for issue. Two types of event may be identified and this firstly includes those events that provide evidence of conditions that existed at the end of the reporting period – the Financial Statements are adjusted to reflect such events. Secondly, it includes those events 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.

2. Accounting Standards Issued not Adopted

There are no accounting standards which have been issued, but not adopted, that would have a material effect on the 2023/24 Financial Statements of the Glasgow City Region – City Deal Cabinet Joint Committee.

3. Income and Expenditure

The table below provides a detailed breakdown of income and expenditure of the Glasgow City Region – City Deal Cabinet Joint Committee during 2023/24 with prior year comparatives.

	Note	2022/23 £	2023/24 £
Income			
Expenditure re-imbursement from Member Authorities	**4**	(1,038,920)	(810,178)
Grants and contributions received		(515,287)	(660,961)
Interest		(295,299)	(886,335)
Total income		**(1,849,506)**	**(2,357,474)**
Expenditure			
Employee costs		1,166,069	1,431,231
Supplies and services		683,437	787,061
Third Party Payments		0	139,182
Total expenditure		**1,849,506**	**2,357,474**
(Surplus) or deficit for period		0	0
(Surplus) brought forward		0	0
Accumulated (surplus) or deficit		**0**	**0**

4. PMO Budget and Funding

Based on the initial agreement signed by member authorities, parameters were set out to determine the method of funding for the Glasgow City Region – City Deal Cabinet Joint Committee. The Contribution Sum is to be calculated as a proportion of the Glasgow City Region – City Deal Cabinet Joint Committee budget, based on the population of each member authority's area and expressed as a percentage of the total population within the areas of the member authorities. In 2023/24 there were additional unbudgeted grant and contribution receipts, resulting in a changed share of the Glasgow City Region – City Deal Cabinet Joint Committee net cost to member authorities of £810,178.

A breakdown of each member's share of the net cost of running the Glasgow City Region – City Deal Cabinet Joint Committee is shown in the table below:

Member Authority	Net Cost 2023/24 £
East Dunbartonshire Council	(47,719)
East Renfrewshire Council	(42,291)
Glasgow City Council	(278,296)
Inverclyde Council	(33,623)
North Lanarkshire Council	(149,559)
Renfrewshire Council	(78,831)
South Lanarkshire Council	(141,376)
West Dunbartonshire Council	(38,483)
Total	**(810,178)**

5. Employee Benefits

As at 31 March 2024 18 full time and 1 part time permanent members of staff of the Glasgow City Region – City Deal Cabinet Joint Committee were employed on a secondment basis by Glasgow City Council.

In accordance with International Accounting Standard 19 (IAS 19) – Employee Benefits, the employing councils are required to disclose certain information concerning assets, liabilities, income and expenditure, of the pension scheme. As the Cabinet does not directly employ staff, the staff pension costs of the Glasgow City Region – City Deal Cabinet Joint Committee will be reflected in the figures disclosed in the financial statements of Glasgow City Council.

The Code requires that employee benefits are recognised in the accounts when they are earned rather than when they are paid. As a result, there is a requirement to consider notional entitlements to annual leave earned but not taken as at 31 March 2024. Employees providing professional services to the Glasgow City Region – City Deal Cabinet Joint Committee are contracted to Glasgow City Council and therefore any notional liability will have been included within their accounts as they hold the contracts of employment.

6. Creditors

The creditors figure for 2023/24 of £2,822,065 (2022/23: £1,669,271), comprises the following:

Creditors	31 March 2023 £	31 March 2024 £
Short Term Creditors		
Audit Scotland	15,640	16,415
Data City	7,000	329
Renfrewshire Council	0	7,641
Harvey Nash Recruitment	0	25,213
Health Foundation	110,904	43,228
Green Action Trust	0	54,160
Union Direct	0	12,857
Spirit Media	0	41,886
Mott MacDonald	139,950	0
CITB	3,208	0
Dundee Council	312	0
West Lothian Council	99	0
UK Government	0	690,918
City Region Credit Recharge	1,392,158	1,929,418
Total sundry creditors	**1,669,271**	**2,822,065**

7. Short-Term Debtors

The short-term Debtors figure for 2023/24 of £2,822,065 (2022/23: £1,669,271), comprises the following:

Short-term debtors	31 March 2023 £	31 March 2024 £
Balance held by Glasgow City Council on behalf of the Glasgow City Region – City Deal Cabinet Joint Committee	1,602,227	2,805,132
Glasgow City Council - prepayment	0	16,859
SiteGround Hosting - prepayment	0	74
East Renfrewshire Council	67,044	0
Total sundry debtors	**1,669,271**	**2,822,065**

8. Remuneration

The Glasgow City Region – City Deal Cabinet Joint Committee does not directly employ any members of staff, with all services being provided by staff of the member authorities on a secondment basis. A remuneration disclosure in respect of elected members and chief officers of the Councils, including those with authority and responsibility for the Glasgow City Region – City

Deal Cabinet Joint Committee are included in the Annual Accounts of each of the member authorities.

Details of the remuneration of key management personnel are also included in the similar Glasgow City Council disclosure as follows:

Total 2022-23 £	Senior Employee/Full Time Equivalent	Total 2023-24 £
115,968	**Kevin Rush** – Director of Regional Economic Growth (FTE 1)	122,984

The number of other employees receiving more than £50,000 remuneration for the year (including those staff in the above table) are also included in the similar Glasgow City Council disclosure as follows:

2022-23 Number of Employees	Remuneration band	2023-24 Number of Employees
2	£50,000 – £59,999	4
4	£60,000 – £69,999	0
1	£70,000 – £79,999	4
1	£80,000 – £89,999	2
0	£90,000 – £99,999	0
0	£100,000 – £109,999	0
1	£110,000 – £119,999	0
0	£120,000 – £129,999	1

9. Related Parties

Glasgow City Council is the Accountable body responsible for the Glasgow City Region – City Deal Cabinet Joint Committee. The Glasgow City Region – City Deal Cabinet Joint Committee uses the administering body's financial and payroll systems and banking facilities. Glasgow City Council is also the employer of the permanent members of staff employed by the Glasgow City Region – City Deal Cabinet Joint Committee. Also refer to Note 5. Employment Benefits and Note 8. Remuneration.

Member authorities are considered to be related parties based on the influence that they may be able to exert and have been included in the table below.

2022/23 Expenditure £	2022/23 Income £	2022/23 Debtors £	2022/23 Credit Recharge (Note 6) £	Related Body	2023/24 Expenditure £	2023/24 Income £	2023/24 Debtors £	2023/24 Credit Recharge (Note 6) £
1,849,506	912,456	1,602,227	(474,021)	Glasgow City Council	2,357,474	1,630,935	2,822,065	(658,570)
	61,192		(82,088)	East Dunbartonshire Council		70,519		(113,732)
	94,232	67,044	(72,348)	East Renfrewshire Council		64,265		(100,393)
	88,116		(59,609)	Inverclyde Council		55,396		(81,905)
	236,784		(258,475)	North Lanarkshire Council		189,779		(357,654)
	146,086		(135,203)	Renfrewshire Council		106,374		(187,478)
	221,292		(242,519)	South Lanarkshire Council		179,279		(336,271)
	89,348		(67,895)	West Dunbartonshire Council		60,927		(93,415)
1,849,506	**1,849,506**	**1,669,271**	**(1,392,158)**	**Totals**	**2,357,474**	**2,357,474**	**2,822,065**	**(1,929,418)**

10. Auditor Remuneration

Audit Scotland had agreed with the Glasgow City Region – City Deal Cabinet Joint Committee that the audit fee would be £10,560 for the 2023/24 financial year (2022/23: £18,960). No fees were payable in respect of other services provided by the appointed auditor.

11. Events After the Balance Sheet Date

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