GLASGOW CITY COUNCIL

ANNUAL ACCOUNTS

For the year ended 31 March 2022

(Pre-Audit Inspection Copy)

GLASGOW CITY COUNCIL

Annual Accounts for the Year ended 31 March 2022

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❖ Management Commentary

Introduction

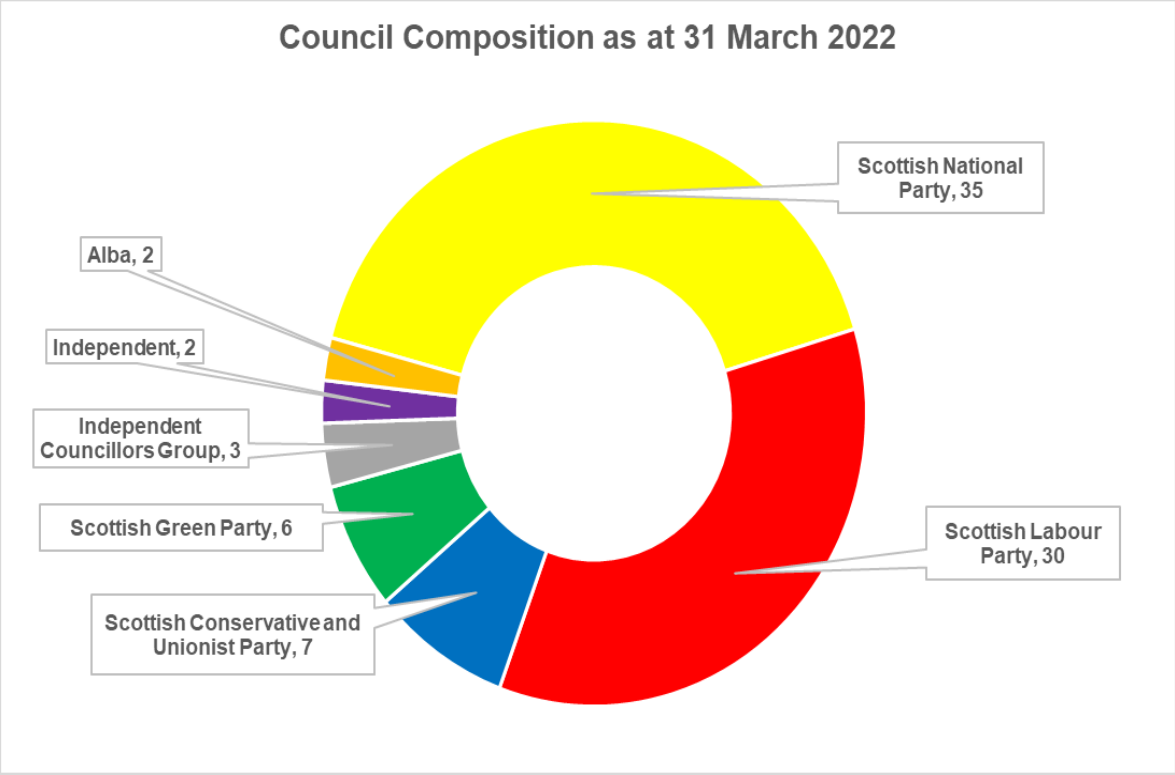
Glasgow City Council is the main provider of services to the city's growing population of 635,640 residents and those who visit, work and do business in the city. Our resources are focused on the provision of Education, Social Work and other services, as well as supporting investment in the city's infrastructure.

This publication represents the Annual Accounts of both Glasgow City Council (the council) and its group for the year ended 31 March 2022, which have been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code). The Code is based on International Financial Reporting Standards (IFRS), with interpretation appropriate to the public sector.

These accounts reflect the ongoing impact of Covid-19 and the various restrictions implemented during the year.

Political Structure

The city council is made up of 23 multi-member wards, electing 85 councillors. The make-up of the council as at 31 March 2022 is outlined below.

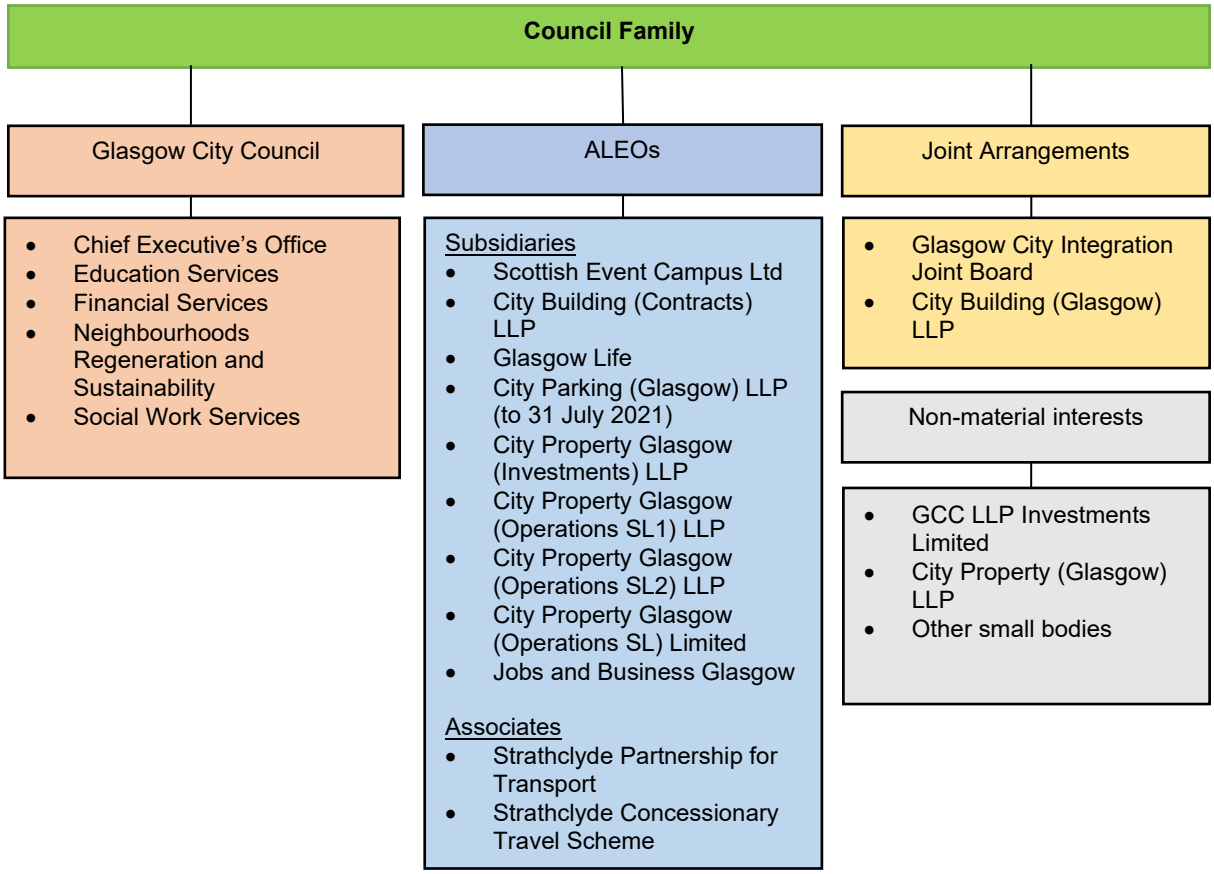


No formal coalition agreements are in place and the Scottish National Party have formed a minority administration.

Organisational Structure

The city 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 member of the council family are incorporated within the council's group accounts in line with proper accounting practice. The key elements of the current organisational structure of the council is as follows.

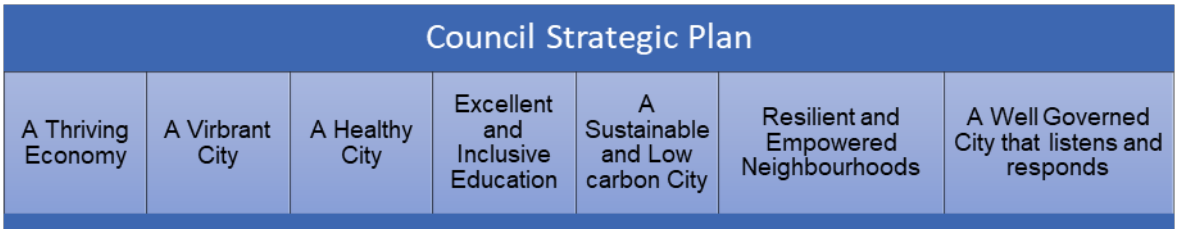


On 31 July 2021 City Parking (Glasgow) LLP ceased trading and the functions of the company were incorporated within Neighbourhoods, Regeneration and Sustainability.

Full details of the ALEOs, joint arrangements and non-material interests can be found in the council's group accounts on pages 83 to 111.

Strategic Objectives

The council's Strategic Plan 2017 to 2022 was approved at Council on 2 November 2017. This sets out the council's vision to have a world class city with a thriving, inclusive economy where everyone can flourish and benefit from the city's success. The Plan sets out 7 cross cutting themes:



Each theme has a number of outcomes that we wish to achieve over the life of the plan and in turn is supported by a number of detailed actions.

The Glasgow Community Plan sets out 3 focus areas (economic growth, resilient communities and a fairer more equal Glasgow) and 2 priority areas (childcare and transport). These are the important issues where we believe we can make a difference by acting with our partners.

Alignment of the Strategic and Community Plan

Community Plan Theme	ECONOMIC GROWTH	RESILIENT COMMUNITIES	A FAIRER MORE EQUAL GLASGOW
Lead Strategy	GLASGOW ECONOMIC STRATEGY	RESILIENT CITY STRATEGY	FAIRER GLASGOW STRATEGY
Specific Aspects of the Strategy Community Planning will focus on	• Raising Health • Skills for all • Linking Education to Employment opportunities • Ensuring Inclusive Growth is part of city deal/master planning of projects	• Mental health and wellbeing • Social isolation • Empowering Glaswegians	• Attitudes • Child poverty • Participation • Work and worth
Linked Council Strategic Plan Themes	• A Thriving Economy • A Healthier City • Excellent and Inclusive Education • A Vibrant City • A Sustainable and Low Carbon City	• Resilient and Empowered Neighbourhoods • A Healthier City • Excellent and Inclusive Education • A Well Governed City that Listens and Responds	• A Healthier City • A Thriving Economy • A Well Governed City that Listens and Responds • Excellent and Inclusive Education • A Vibrant City
Linked Council Strategic Plan Commitments that Deliver Community Plan Priorities	• Deliver Economic Strategy and City Deal • Ensure Benefits to Glaswegians • Improve Attainment • Improve % Positive Destination • Employer Connections • Community Learning • Tourism and Visitor Strategy • Cultural Strategy	• Neighbourhood Empowerment • Participatory Budgeting • Invest in Community Facilities • Community Asset Management • Volunteers/skills • City Charter • Consult on Service Redesign • Review Funding to 3rd Sector • Liveable communities • Planning and licensing decisions • Local festivals fund • Housing	• Address Child Poverty, Summer Schemes and Free School Meals • Support for Carers • Age Friendly • Financial Inclusion Strategy • Employment Programmes • Cost of the School Day • Outdoor Play • Equality and Diversity in Education • Financial inclusion

In response to Covid 19 the Glasgow Community Planning Partners have updated the Community Action Plan. This has been informed by the work of the Social Recovery Taskforce which was established in July 2020 with the key aim of addressing the social and equality impacts of the pandemic. The update takes account of new priority areas such as Covid recovery, climate and links back to the original Community Action Plan focus areas. Further details on the updated plan can be found here: Glasgow Community Planning Partnership Covid 19 Update

Performance Management

Our Corporate Performance Management Framework sets out 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, improve benchmarking reporting and activity, and streamline how we gather residents' views on services.

The target audience for much of the reporting output is the City Administration Committee (CAC), the 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 and the Annual Performance Report (APR), Annual Service Plan and Improvement Reports (ASPIRs), 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.

Services have reviewed the impact of the pandemic on the current Council Plan commitments and timescales, in order to better reflect strategies, decisions and policies agreed by council since 2017. This process identified no significant revisions or amendments to commitments and actions have been updated as they are every year.

In response to the pandemic the Chief Executive's Renewal and Recovery Plan was produced and is currently monitored by a cross council Board. It is a high level plan incorporating the council's established vision, values and outcomes, the original Council Strategic Plan, the Renewal framework and other council decisions. In addition, outcomes have been expanded to reflect the key priorities of tackling child poverty, driving inclusive growth and tackling the climate emergency through existing strategies.

On 15 September 2021 OPDSC received the Council Strategic Plan Progress Report 2020/21 which outlined progress across each of the council's 105 strategic plan commitments and the 231 associated actions. A summary of the status of each of these actions is outlined below:

Status	No	
Complete – Action completed	99	43%
Green - Progress is as expected. It is estimated that the agreed commitment will be achieved by 2022 or earlier	106	45%
Amber - There are some areas of slippage in targets and/or timescales.	25	11%
Red - Progress does not appear to be as originally agreed in the action or there are circumstances that have prevented delivery of the action.	0	0%
Unavailable at the time of reporting	1	1%
Total	231	100%

A further update on progress to March 2022 will be provided to an appropriate committee after the Council's summer recess.

The council has also concluded a review of our corporate performance management arrangements. The findings from this review will be presented to the appropriate Committee after the Council summer recess and inform the development of an updated Corporate Performance Framework

Best Value Audit Report

Audit Scotland's Best Value Assurance Report (BVAR) was presented to full council on 13 September 2018 with the findings and recommendations noted and the Best Value Action Plan approved. The report contained seven recommendations across the following themes:

- Continued refinement of the corporate Performance Management Framework
- Continued partnership working to implement the Homelessness Strategy; to further strengthen relationships with the third sector, and to deliver locality planning and encourage community engagement
- Further consideration of the potential impact of Equal Pay claims
- Monitoring of benefits realised from transformation activity and changes to the Council Family structure.

The final action plan update was provided to FASC on 11 March 2020 and noted progress in each of the recommendations, with the majority of specific actions reported as complete. The progress of those actions that form part of longer-term ongoing plans and strategies continues to be overseen by, and reported to, existing governance structures, including the CMT and CAC. Audit Scotland continues to review activities under the various elements of Best Value.

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.

The Corporate Risk Register contains a total of 26 risks and each has been aligned to the seven strategic themes within the Council's Strategic Plan. A primary alignment has been identified but, given their cross-cutting nature, a number of risks align to several strategic themes. The corporate risk register has also been updated to reflect the uncertainties and threats to the council's strategic objectives arising from Covid-19.

There are 8 risks assessed as very high i.e. those with a risk score of 15 and over, as listed below by theme:

Theme: A Vibrant City	
Title: Failure to maximise Glasgow's cultural and sporting assets to aid the City's social and economic recovery and advance the health and wellbeing of Glaswegians	
Risk: Glasgow's cultural and sporting assets are not maximised to contribute to the social and economic recovery of the city and advance the health and wellbeing of Glaswegians	Mitigating Actions and Strategies: • Glasgow Life Business and Budget Plan, • Glasgow's Tourism and Visitor Plan • Glasgow's Cultural Plan • Heritage Strategy • Major Projects including: Burrell Collection Refurbishment Kelvin Hall Phases I and II, and

	Mackintosh 2018-28 • Contemporary Art Strategy, Music Strategy, Euro 2020 and Cycling World Championships 2023

Theme: A Healthier City	
Title: Poverty and Inequality	
Risk: The council and citizens may be impacted by continued social inequality and poverty	Mitigating Actions and Strategies: • Implementation of key economic and development strategies, including Financial Inclusion strategy 2020 to 2025 • Poverty Leadership Panel • Local Child Poverty Action Plan • Holiday Food Programme • Covid-19 Renewal Programme • Glasgow Employability Strategy • Young Person's Guarantee
Title: Duty of care to children and vulnerable adults	
Risk: Failure to fulfil duty of care to children and vulnerable adults	Mitigating Actions and Strategies: • Local Social Work performance management and supervision systems • Adult and Child Protection Committees and monthly review of adult and child protection management information at appropriate HSCP leadership and governance groups • Quarterly meeting of HSCP Chief Officers group • Half yearly local management review process overseen and coordinated by Child Protection team • Multi-agency adult and child protection training programmes • Regular Criminal Justice review of practice • Liaison with national and local partners to review activity and memorandum of Understanding in place between statutory agencies and reviewed annually

Theme: Excellent and Inclusive Education	
Title: Educational Attainment	
Risk: Young people leaving council education establishments may not have achieved their full potential or secure positive destinations	Mitigating Actions and Strategies: • Attainment funding included in Glasgow's Improvement Challenge • Raising Attainment and Closing the Gap Toolkit-Local Improvement Groups

	• Effective use of Education Scotland quality frameworks

Theme: A Sustainable and Low Carbon City	
Title: Inaction / insufficient response to climate and ecological emergency	
Risk: The council may fail to take sufficient action in response to the declared climate and ecological emergency and to meet the revised carbon neutrality target by 2030	Mitigating Actions and Strategies: • Implementation plan to respond to the Climate Emergency Working Group • Partnership working with partners to focus on installation of more electric vehicle charging points and e-bike fleet • Glasgow has already met and exceeded carbon reduction targets for 2020 under the Energy and Carbon Masterplan • Implementation of the Zero Waste Plan and Sustainable Glasgow initiatives including establishment of four thematic hubs • Development of Low Emission Zone and implementation of Spaces for People programme • Circular Economy Route Map • Climate Ready Clyde adaptation partnership

Theme: Well Governed City That Listens and Responds	
Title: Fiscal Uncertainty	
Risk: There may be a reduction in funding / income to the council	Mitigating Actions and Strategies: • Robust budgetary control and reporting to CAC and FASC including the financial impact of Covid-19 • Assurance framework supported by Internal and External Audit • Financial Regulations and Financial Management Code of Practice • Funding Strategy for Equal Pay obligations to phase financial impact over time • Additional funding from the Scottish Government to mitigate the financial impact of Covid-19 • Through COSLA, the council is lobbying for further funding to mitigate the full ongoing impact of Covid-19
Title: Significant Industrial Action	
Risk: There may be significant industrial action	Mitigating Actions and Strategies: • Regular meetings with Trade Unions

	• Involvement of external bodies • Staff communication • Close monitoring of budget options going forward
Title: Failure to deliver the Capital Investment Programme	
Risk: The council may fail to deliver the Capital Investment Programme, to time, budget and specification	Mitigating Actions and Strategies: • The council's model for monitoring the Capital Investment programme is robust and mature • A robust programme governance framework is in place, underpinned by the Corporate Project Management Toolkit • The financial performance monitored and reported to CAC and FASC • All potential funding sources are explored • CAC has approved a process for the engagement with contractors regarding the impact of Covid-19.

All risks are reviewed on a six monthly basis by the Corporate Governance Unit and informed by the Corporate Risk Management Forum which consists of service representatives.

Individual Services maintain and report their own risk registers to their management teams with the corporate risk register reported to the Corporate Management Team and thereafter to FASC. The latest report was considered by FASC on 3 November 2021. The full report can be found here: Half Yearly Corporate Risk Management Report

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**

In 2021-22 the council managed its operational net expenditure within its overall budget. During the year service budgets were adjusted to remove any variances related to Covid-19 and focus on operational performance. At outturn, overspends were reported within Neighbourhoods, Regeneration and Sustainability offset by underspends within Financial Services and Chief Executives.

The key reasons for these variances are outlined below:

- Neighbourhoods, Regeneration and Sustainability reflect overspends in Refuse Collection and Disposal due to increased staff costs, above inflationary increases in the residual waste sector and a shortfall in income

- Financial Services reflects an underspend due to lower NDR discretionary relief charges

- Chief Executive's office reflects underspends due to additional income within Economic Development

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 and the provision of updates throughout the year.

Services have spent between 99.9% and 101.2% of their final budget resulting in a net overspend in total net direct service expenditure of £1.8m.

These costs are inclusive of £36.5m net financial implications within services associated with Covid-19. These implications have been fully funded by the Scottish Government in 2021/22.

- **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 continues 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 underspend of £112.4 million. This reflects an operational underspend of £18.2 million within the IJB related mainly to vacancies, the impact of Covid-19 on demand and delivery of services including prescribing. In addition, there are £94.2 million of local and national priorities which will not be completed until future financial years and require funding to be carried forward. 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. This is higher than normal and reflects both the scale of the funding received and the timing of this funding. In the second half of the financial year £139 million of funding was received, continuing the trend from 2020/21 when £115 million was received. This compares to £8 million in 2019/20. The timing of this funding has made it difficult to secure full spend before the financial year end.

Additional costs associated with the impact of Covid-19 amounted to £33.8 million for the financial year 2021/22. These costs are being met by the Scottish Government and therefore have no impact on the financial position outlined above.

In line with proper accounting practice this underspend is reflected within the council's accounts as a prepayment of income from the IJB. This has no net impact on the council's overall financial position.

- **Funding**

The principal sources of finance utilised by the council in 2021/22 were General Revenue Grant of £1,158.192 million, Non-Domestic Rate Income of £223.812 million and capital grants and contributions of £95.222 million provided by the Scottish Government and Council Tax of £243.174 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 recent years. This funding represents only around 14% 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 93.92% (2020/21 92.13%). The actual value of Council Tax income received was £243.174 million, £3.964 million more than budgeted (2020/21 £4.237 million less 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 authorities. The amount retained by local authorities 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 £223.812 million in 2021/22. In year collection amounted to 90.05% (2020/21 89.42%).

Related Companies

Surpluses totalling £5.100 million were received by the council, £0.900 million less than budget (2020/21 £6.000 million less than budget). This reflected lower returns from City Building (Contracts) LLP due to the ongoing impact of Covid-19 and significant increases in labour and material prices.

- **Financing Costs**

Financing costs (see note 1.10 on page 26) associated with the council's debt portfolio were underspent by £17.205 million. This reflects the application of capital receipts from asset sales (£3.504 million) and the ongoing impact of lower interest rates. The capital interest rate charged by the council's Loans Fund in the year was 3.71%. This underspend will partially support contributions to the Culture and Recreational Fund (£2.500 million) for ongoing cultural activities, the Insurance Fund (£4.000 million) to meet potential future insurance liabilities, the Repairs and Renewals Fund (£4.500 million) to meet future property commitments and the Capital Fund (£7.000 million) to smooth the impact of future years financing costs.

- **Covid-19**

During 2021/22 Covid-19 continued to have a significant impact on the council and its operations. The council's response was to sustain existing service provision as far as possible, and specifically to target support at the most vulnerable within our community. The restrictions imposed to mitigate the impact of the pandemic resulted in council facilities being closed for long periods, a redesign of existing and new services to operate safely and the introduction of new working methods including home and hybrid working to ensure continuity of services.

The financial impact of this response resulted from the ongoing loss of income, mainly associated with sports and cultural activities and parking and additional expenditure associated with staffing, supplies and information technology.

This Scottish Government have provided additional funding to support specific activities and general funding to meet the general impact identified by councils. The total amount of additional funding provided to Glasgow City Council amounted to over £150 million and was mainly focused on:

- Business support - grants to various types of businesses to sustain them during lockdown periods and support their recovery

- Education Recovery - additional teaching and support staff, ICT, supplies

- Vulnerable people - food provision for children, hardship payments, Scottish Welfare Fund and the Council Tax Reduction Scheme

- Lost income – reflecting the reduction in income levels particularly in relation to sport and cultural, parking, and other income streams

In addition to the above the Scottish Government continued Non-Domestic Rates (NDR) relief in 2021/22 for businesses in the retail, hospitality, and leisure sectors. This is estimated to have been worth £113 million to these sectors within Glasgow.

Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement records an accounting net income of £978.699 million. This is represented by an increase in Unusable Reserves of £1,031.480 million and a decrease in Usable Reserves of £52.781 million (as shown in the Movement in Reserves Statement and detailed in note 6, page 38 to 41).

The Financial Statements show a decrease in the General Fund Reserve balance of £44.193 million for the year. This results in a total General Fund Reserve balance of £195.928 million. Having accounted for earmarked reserves of £162.602 million, General Fund unearmarked reserves total £33.326 million, which represents 1.9% of the net budgeted expenditure. The council's policy remains to maintain balances at 2% of the net budgeted expenditure over the medium term.

- **Balance Sheet**

The council's Balance Sheet shows Net Assets of £2,573.955 million as at 31 March 2022 (2020/21 £1,620.672 million).

Long-term assets amount to £5,343.943 million as at 31 March 2022 (2020/21 £4,877.646 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 £15.557 million (2020/21 £14.682 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 over two years old totalling £6.872 million (2020/21 £3.571 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 £1,404.000 million (2020/21 £1,447.587 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 accounted for as a defined contribution scheme and, therefore, 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 2021/22 actuarial report shows a £572 million reduction in the net pension liability, which is £575 million as at 31 March 2022.

- **Capital expenditure and sources of finance**

The council's capital expenditure and sources of finance are detailed in note 18.5 on page 57. Gross capital expenditure for the year totalled £145.030 million. Of the total expenditure, £119.788 million was met from

government grants, revenue contributions and other receipts. This results in a balance of £25.242 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 2022 was £28.280 million (see note 8 on page 44). Capital receipts from asset sales achieved during the year totalled £3.504 million.

- **Prudential indicators**

The Capital Financing Requirement (CFR) defines the underlying need to borrow for capital purposes. As at 31 March 2022, the CFR was £2,386 million, while gross external borrowing stood £354 million lower at £2,032 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 2022, the ratio of financing costs to net revenue stream was 7.53%. 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 joint financial position of the council and its subsidiaries and associates. The Group Balance Sheet shows Net Assets of £2,936.975 million as at 31 March 2022 (2020/21 £1,722.359 million).

The 2021/22 Annual Accounts show an overall group pension liability of £647.031 million. These liabilities, falling due in future years, will be financed by future years' annual pension contributions and returns on investments. It is expected that future revenue streams, aligned with the group's budget process and service reform programme, will provide sufficient resources to finance future liabilities.

Outlook

In 2022/23 the council will continue to focus on recovery from Covid-19. The council renewal programme will reflect on the experiences of the previous year and identify how our workforce, infrastructure, technology and processes need to adapt to meet the needs of the city in a post Covid-19 environment. Underpinning all of these activities will be a process of customer and community engagement and prudent control of the council's financial resources.

On 5 May 2022 local government elections resulted in the Scottish National Party remaining as the largest single party in the council but without an overall majority. No formal coalition agreements are in place and the Scottish National Party have formed a minority administration. A new strategic plan is currently under development outlining the council's objectives and outcomes over the next 5 years. A new performance management framework will be aligned to the outcomes of this strategic plan to ensure robust and meaningful monitoring of outcomes. This plan and framework will be available in the autumn.

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. The latest projection identifies gaps of £39.9 million and £37.1 million in 2023-24 and 2024-25 respectively. The council will be preparing its financial forecasts for the next three years and undergoing the normal budget process to consider the appropriate action to address any projected financial shortfalls.

In late March, the Burrell collection reopened following a £70m refurbishment. The donation of the Collection by Sir William Burrell and his wife, Constance, Lady Burrell, is one of the world's greatest personal art

collections, renowned for its quality of Chinese art, exquisite stained glass and intricate tapestries, as well as its breadth of fine art. On reopening, the museum's gallery space has increased by 35%, allowing important and unique objects from the Collection, which have not been seen for decades, or have never been on permanent display, to go on show. In total 225 displays will spread across 24 galleries. The displays include innovative digital elements such as video walls, interactives and hybrid systems created to help people engage with the stories behind the Collection.

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 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 Scotland Act 2003); and
- Approve the Annual Accounts for signature.

These Annual Accounts will be considered by the Finance and Audit Scrutiny Committee in August 2022 and are planned to be submitted to the City Administration Committee to be approved for signature no later than 30 November 2022.

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 2022 and the transactions for the year then ended.

Martin Booth BA FCPFA MBA

Executive Director of Finance
30 June 2022

❖ 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. 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, 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.

Comprehensive Income and Expenditure Statement for the Year ended 31 March 2022

2020/21 Expenditure £000	*2020/21 Income £000*	*2020/21 Net Expenditure £000*	**Service**	**Note**	**2021/22 Expenditure £000**	**2021/22 Income £000**	**2021/22 Net Expenditure £000**
128,684	(20,163)	108,521	Chief Executive's Office		179,289	(25,657)	153,632
203,351	(152,271)	51,080	Development and Regeneration Services		0	0	0
748,155	(106,064)	642,091	Education Services		805,921	(114,084)	691,837
358,247	(293,764)	64,483	Financial Services		375,480	(288,792)	86,688
228,962	(37,786)	191,176	Neighbourhoods and Sustainability		0	0	0
0	0	0	Neighbourhoods, Regeneration and Sustainability		449,404	(232,151)	217,253
1,127,980	(654,079)	473,901	Social Work Services		1,126,698	(620,530)	506,168
135,292	(1,721)	133,571	Related Companies and Joint Boards		121,842	(1,931)	119,911
438	0	438	Equal Pay Obligations		29,806	0	29,806
2,931,109	**(1,265,848)**	**1,665,261**	**Cost of Services**		**3,088,440**	**(1,283,145)**	**1,805,295**
0	(5,088)	(5,088)	(Gain) or loss on the disposal of Property, Plant and Equipment		0	(1,779)	(1,779)
0	**(5,088)**	**(5,088)**	**Other Operating (Income) and Expenditure**		**0**	**(1,779)**	**(1,779)**
(499)	(2,240)	(2,739)	(Surplus) or deficit on Trading Operations (where not included elsewhere)		0	0	0
103,812	0	103,812	Interest payable		101,140	0	101,140
0	(7,525)	(7,525)	Interest and investment income		0	(4,445)	(4,445)
26,000	0	26,000	Net interest on the net defined benefit liability	**12**	24,000	0	24,000
0	(557)	(557)	Income, expenditure and changes in the fair value of investment properties		0	(5)	(5)
129,313	**(10,322)**	**118,991**	**Financing and Investment (Income) and Expenditure**		**125,140**	**(4,450)**	**120,690**
0	(1,197,255)	(1,197,255)	Non-ring fenced government grants	**13**	0	(1,158,192)	(1,158,192)
0	(238,445)	(238,445)	Non-Domestic Rates	**13**	0	(223,812)	(223,812)
0	(231,895)	(231,895)	Council Tax		0	(243,174)	(243,174)
0	(125,927)	(125,927)	Capital grants and contributions	**13**	0	(95,222)	(95,222)
0	**(1,793,522)**	**(1,793,522)**	**Taxation and Non-specific Grant Income**		**0**	**(1,720,400)**	**(1,720,400)**
3,060,422	**(3,074,780)**	**(14,358)**	**(Surplus) or Deficit on the Provision of Services**		**3,213,580**	**(3,009,774)**	**203,806**
			Items that will not be reclassified to the (Surplus) or Deficit on the Provision of Services				
		(10,625)	(Surplus) or deficit on revaluation of Property, Plant and Equipment				(466,505)
		18,000	Actuarial (gains) or losses on Pension Assets and Liabilities	**12**			(716,000)
		7,375	**Other Comprehensive (Income) and Expenditure**				**(1,182,505)**
		(6,983)	**Total Comprehensive (Income) / Expenditure**				**(978,699)**

Movement in Reserves Statement for the Year ended 31 March 2022

	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 at 31 March 2020	**155,406**	**40,349**	**14,999**	**27,735**	**238,489**	**1,375,200**	**1,613,689**
Movement in reserves during 2020/21:							
Total Comprehensive Income and (Expenditure)	14,358	0	0	0	14,358	(7,375)	6,983
Adjustments to usable reserves permitted by accounting standards	16,536	0	0	0	16,536	(16,536)	0
Adjustments between accounting basis and funding basis under regulations (note 7)	60,891	0	0	10,391	71,282	(71,282)	0
Net Increase or (Decrease) before transfers to other statutory reserves	**91,785**	**0**	**0**	**10,391**	**102,176**	**(95,193)**	**6,983**
Transfers (to) or from other statutory reserves (note 8)	(7,070)	6,705	365	0	0	0	0
Increase or (Decrease) in the year	**84,715**	**6,705**	**365**	**10,391**	**102,176**	**(95,193)**	**6,983**
Balance at 31 March 2021	**240,121**	**47,054**	**15,364**	**38,126**	**340,665**	**1,280,007**	**1,620,672**
Adjustment for consolidation of City Parking	2,917	0	0	0	2,917	(28,333)	(25,416)
Adjusted Balance at 31 March 2021	**243,038**	**47,054**	**15,364**	**38,126**	**343,582**	**1,251,674**	**1,595,256**
Movement in reserves during 2021/22:							
Total Comprehensive Income and (Expenditure)	(203,806)	0	0	0	(203,806)	1,182,505	978,699
Adjustments to usable reserves permitted by accounting standards	16,865	0	0	0	16,865	(16,865)	0
Adjustments between accounting basis and funding basis under regulations (note 7)	150,797	0	0	(16,637)	134,160	(134,160)	0
Net Increase or (Decrease) before transfers to other statutory reserves	**(36,144)**	**0**	**0**	**(16,637)**	**(52,781)**	**1,031,480**	**978,699**
Transfers (to) or from other statutory reserves (note 8)	(10,966)	(1,950)	12,916	0	0	0	0
Increase or (Decrease) in the year	**(47,110)**	**(1,950)**	**12,916**	**(16,637)**	**(52,781)**	**1,031,480**	**978,699**
Balance at 31 March 2022	**195,928**	**45,104**	**28,280**	**21,489**	**290,801**	**2,283,154**	**2,573,955**

Notes 6 to 8 on pages 38 to 44 provide further details on the Movement in Reserves Statement

Balance Sheet as at 31 March 2022

31 March 21 £000		Note	£000	31 March 22 £000
2,242,617	Other land and buildings		2,740,270	
115,092	Vehicles, plant, furniture and equipment		105,989	
756,051	Infrastructure assets		780,645	
23,372	Community assets		23,372	
120,350	Assets under construction		107,543	
43,297	Corporate surplus assets		40,697	
3,300,779	**Property, Plant and Equipment**	**19**		**3,798,516**
1,417,490	Heritage assets	**20**		1,417,576
558	Investment property			563
13,263	Intangible assets	**21**		20,676
23,959	Long-term investments	**27**		24,636
121,597	Long-term debtors	**27**		81,976
4,877,646	**Long-term Assets**			**5,343,943**
30,712	Short-term investments	**27**		40,309
5,389	Inventories			4,341
260,786	Net short-term debtors	**23**		391,213
246,519	Cash and cash equivalents	**24**		185,239
8,775	Assets held for sale	**22**		8,480
552,181	**Current Assets**			**629,582**
(129,302)	Short-term borrowing	**27**		(84,512)
(499,590)	Short-term creditors	**25**		(691,619)
(7,792)	Short-term provisions	**26**		(35,314)
(3,104)	Donated inventories account			(1,075)
(639,788)	**Current Liabilities**			**(812,520)**
(21,369)	Long-term provisions	**26**		(21,073)
(1,318,285)	Long-term borrowing	**27**		(1,319,488)
(1,147,000)	Net pensions liability	**12**		(575,000)
(682,713)	Deferred liabilities	**28**		(671,489)
(3,169,367)	**Long-term Liabilities**			**(2,587,050)**
1,620,672	**Net Assets**			**2,573,955**
240,121	General Fund Reserve	**6,7**		195,928
47,054	Revenue Reserve Funds	**6,8**		45,104
15,364	Capital Reserve Fund	**6,8**		28,280
38,126	Capital Grants Unapplied Account	**6,7**		21,489
340,665	**Usable Reserves**			**290,801**
1,280,007	Unusable Reserves	**6,7**		2,283,154
1,620,672	**Total Reserves**			**2,573,955**

The unaudited accounts were
issued on 30 June 2022

Martin Booth BA FCPFA MBA
Executive Director of Finance
30 June 2022

Cash Flow Statement for the Year ended 31 March 2022

2020/21 £000		Note	**2021/22 £000**
(14,358)	(Surplus) or Deficit on the Provision of Services		203,806
(457,881)	Adjustments to (Surplus) or Deficit on the Provision of Services for non-cash movements		40,633
29,022	Adjustments for items included in the (Surplus) or Deficit on the Provision of Services that are investing or financing activities		(108,602)
(443,217)	**Net cash flows from operating activities**	**31**	**135,837**
179,588	Investing activities	**32**	18,855
72,910	Financing activities	**33**	(93,412)
(190,719)	**Net (increase) or decrease in Cash and cash equivalents**		**61,280**
(55,800)	Cash and cash equivalents at the beginning of the reporting period		(246,519)
(246,519)	**Cash and cash equivalents at the end of the reporting period**		**(185,239)**

❖ 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 2022 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 2021/22 (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, 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.

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 due to the council for the year of account. Government grants and other contributions are accounted for on an accruals basis and are recognised as income when the conditions of entitlement have been satisfied and there is reasonable assurance that the monies will be received. An impairment loss has been made for bad and doubtful debts and is recognised within Cost of Services.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts.

1.2. Supplies and services

Suppliers' invoices received up to 31 March 2022 are included, together with the specific accrual of invoices received after that date for material amounts, provided the goods or services were received in 2021/22. 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 to the Comprehensive Income and Expenditure Statement when the council is demonstrably committed to a termination.

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) 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 47 to 52.

1.7. Value Added Tax

VAT payable is included as an expense only to the extent that it is not recoverable from Her 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

The Public Private Partnership (PPP) agreement for the provision of secondary 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 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 operator, 3ED Glasgow Limited 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 of 8.37% 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 operator; and

- Lifecycle replacement costs – recognised as Long-term Assets on the Balance Sheet.

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 in excess of the council's *de minimis* level of £6,000 is recognised as a Long-term Asset. 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 are initially 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 and intangible 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.

- Assets held for sale – lower of carrying value of the asset at the date it was declared held for sale and fair value less cost of sale.

- 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.

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, which are held according to valuations for insurance purposes. The insurance policies are renewed annually and reviewed as part of the annual accounts closedown procedures. In addition there are external periodic revaluations of elements of the collections as necessary, the last of these was in 2017. 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.

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.

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 26 on page 64.

1.22. Contingent liabilities

Contingent liabilities are included in note 29 on page 69 to 70 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 28 on page 69.

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 27 on pages 64 to 69.

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

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 Unapplied Account and transferred to the Capital Adjustment Account 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 38 to 41, and in note 8 on page 44.

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 2022/23 Code:

- Annual Improvements to IFRS Standards 2018 – 2020 Cycle.
- Amendments to IAS16 Property, Plant and Equipment: Proceeds before Intended use.

The Code requires implementation from 1 April 2022 therefore there is no impact on the 2021/22 annual accounts.

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

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.

- Covid-19 funding was received in 2021/22 from Scottish Government, the funding streams were assessed to judge whether funding was principal or agency.

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 item in the council's Balance Sheet at 31 March 2022 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	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. The value of the net pensions liability at 31 March 2022 is £575m, this consists of pension assets £5,307m and pension liabilities of £5,882m. A 1% movement on assets and liabilities would be £53m and £59m respectively, both significant sums. Note 12 on page 47 provides further disclosure on Pension costs.	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 £107 million. Similarly, a 0.1% increase in the rate of salary increase and pension increase rates would increase the liability by £15 million and £92 million respectively. In terms of life expectancy, an increase of 1 year is estimated to equate to an increased liability of between £176 million and £294 million.

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 2022

2020/21 Net Expenditure Chargeable to the General Fund £000	*2020/21 Adjustments £000*	*2020/21 Net Expenditure in the CIES £000*	**Service**	**2021/22 Net Expenditure Chargeable to the General Fund £000**	**2021/22 Adjustments £000**	**2021/22 Net Expenditure in the CIES £000**
93,233	15,288	108,521	Chief Executive's Office	123,910	29,722	153,632
57,121	(6,041)	51,080	Development and Regeneration Services	0	0	0
585,408	56,683	642,091	Education Services	631,117	60,720	691,837
132,938	(68,455)	64,483	Financial Services	148,718	(62,030)	86,688
152,519	38,657	191,176	Neighbourhoods and Sustainability	0	0	0
0	0	0	Neighbourhoods, Regeneration and Sustainability	174,882	42,371	217,253
426,439	47,462	473,901	Social Work Services	455,913	50,255	506,168
130,268	3,303	133,571	Related Companies and Joint Boards	113,094	6,817	119,911
7,462	(7,024)	438	Equal Pay Obligations	29,806	0	29,806
1,585,388	**79,873**	**1,665,261**	**Net Cost of Services**	**1,677,440**	**127,855**	**1,805,295**
(1,677,173)	**(2,446)**	**(1,679,619)**	**Other (Income) and Expenditure**	**(1,641,296)**	**39,807**	**(1,601,489)**
(91,785)	**77,427**	**(14,358)**	**(Surplus) or Deficit on the Provision of Services**	**36,144**	**167,662**	**203,806**
		155,406	**Opening General Fund Balance**			**240,121**
		0	Adjustment for Consolidation of City Parking			2,917
		91,785	Surplus/(Deficit) on General Fund in Year			(36,144)
		(7,070)	Transfers (to)/from Other Statutory Reserves			(10,966)
		240,121	**Closing General Fund Balance**			**195,928**

5.2. Note to the Expenditure and Funding Analysis – Adjustments

2020/21 Adjustments for Capital Purposes £000	*2020/21 Net Change for the Pensions Adjustments £000*	*2020/21 Other Differences £000*	*2020/21 Total Adjustments £000*	**Service**	**2021/22 Adjustments for Capital Purposes £000**	**2021/22 Net Change for the Pensions Adjustments £000**	**2021/22 Other Differences £000**	**2021/22 Total Adjustments £000**
14,883	1,963	(1,558)	15,288	Chief Executive's Office	21,863	7,396	463	29,722
(11,372)	3,896	1,435	(6,041)	Development and Regeneration Services	0	0	0	0
51,845	8,984	(4,146)	56,683	Education Services	51,764	23,554	(14,598)	60,720
587	4,537	(73,579)	(68,455)	Financial Services	630	16,181	(78,841)	(62,030)
29,950	9,629	(922)	38,657	Neighbourhoods and Sustainability	0	0	0	0
0	0	0	0	Neighbourhoods, Regeneration and Sustainability	26,939	21,777	(6,345)	42,371
22,024	24,691	747	47,462	Social Work Services	(864)	51,092	27	50,255
0	0	3,303	3,303	Related Companies and Joint Boards	0	0	6,817	6,817
0	0	(7,024)	(7,024)	Equal Pay Obligations	0	0	0	0
107,917	**53,700**	**(81,744)**	**79,873**	**Cost of Services**	**100,332**	**120,000**	**(92,477)**	**127,855**
(105,339)	**25,300**	**77,593**	**(2,446)**	**Other (Income) and Expenditure**	**(78,538)**	**24,000**	**94,345**	**39,807**
2,578	**79,000**	**(4,151)**	**77,427**	**(Surplus) or Deficit on the Provision of Services**	**21,794**	**144,000**	**1,868**	**167,662**

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 2022 stands at £195.928 million, a decrease of £44.193 million from the previous year. A cumulative total of £162.602 million has been earmarked within the General Fund Reserve (31 March 2021 £205.646 million), this consists primarily of expenditure commitments in future years £161.846 million (31 March 2021 £204.916 million), £44.106 million of these expenditure commitments relate to Covid-19 (31 March 2021 £89.349 million). There is also an unrealised gain relating to investments of £0.756 million (31 March 2021 £0.730 million). In line with proper accounting practice, any 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. The uncommitted balance of the General Fund Reserve is £33.326 million (31 March 2021 £34.475 million).

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 44 provides information on these reserves showing the purpose of the reserve and an analysis of the movement in reserves from 1 April 2020 to 31 March 2022.

6.1.3. Capital Grants Unapplied Account

In accounting for grants and other contributions related to capital investment, the Capital Grant Unapplied represents the total grant and other contributions received, for which expenditure has not yet been incurred.

6.2. Unusable Reserves

Unusable Reserves in the Balance Sheet comprises the following reserves:

2020/21 £000	**Unusable Reserves**	**2021/22 £000**
373,808	Capital Adjustment Account	353,925
2,129,039	Revaluation Reserve	2,577,297
(53,381)	Financial Instruments Adjustment Account	(48,741)
(1,147,000)	Pensions Reserve	(575,000)
(22,459)	Employee Statutory Adjustment Account	(24,327)
1,280,007	**Total**	**2,283,154**

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:

2020/21 £000	**Capital Adjustment Account**	**2021/22 £000**
370,913	Balance at 1 April	373,808
0	Adjustment for consolidation of City Parking	(28,333)
370,913	Revised Balance at 1 April	345,475
	Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(110,720)	Charges for depreciation and impairment	(118,462)
(33,269)	Revaluation losses	(16,189)
(1,672)	Amortisation of Intangible assets	(2,634)
557	Movement in the fair value of investment property	5
1,518	Revenue expenditure funded from capital under statute	(2,955)
(5,342)	Disposals	(2,097)
3,775	Adjusting amounts written out of the Revaluation Reserve	1,382
	Capital financing applied in the year:	
112,092	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	92,817
3,444	Application of grants to capital financing from Capital Grant Unapplied	19,042
9,785	Use of the capital receipts reserve	3,504
645	Derecognition of lease liability	372
19,828	Loans Fund principal repayment	29,269
(16)	Home loans principal repayment	(29)
2,270	Capital expenditure charged against the General Fund Reserve	4,425
373,808	**Balance at 31 March**	**353,925**

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:

2020/21 £000	**Revaluation Reserve**	**2021/22 £000**
2,138,725	Balance at 1 April	2,129,039
28,011	Upward revaluation of assets	474,113
(17,386)	Downward revaluation of assets and impairment losses not charged to (Surplus) or Deficit on the Provision of Services	(7,608)
10,625	**Surplus or deficit on revaluation of Property, Plant and Equipment not posted to (Surplus) or Deficit on the Provision of Services**	**466,505**
(3,775)	Accumulated gains on assets sold or scrapped	(1,382)
(3,775)	**Amounts written off to the Capital Adjustment Account**	**(1,382)**
(16,536)	**Difference between fair value depreciation and historic cost**	**(16,865)**
2,129,039	**Balance at 31 March**	**2,577,297**

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:

2020/21 £000	**Financial Instruments Adjustment Account**	**2021/22 £000**
(57,828)	Balance at 1 April	(53,381)
4,447	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	4,640
(53,381)	**Balance at 31 March**	**(48,741)**

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. The Pension Reserve shows a significant shortfall in the benefits earned by past and current employees and the council's share of Strathclyde Pension Fund resources available to meet them. Employers' contribution rates and contribution strategy will be reviewed following the next formal valuation as at 31 March 2023. The following table shows the movement on the Pension Reserve during the year:

2020/21 £000	**Pension Reserve**	**2021/22 £000**
(1,050,000)	Balance at 1 April	(1,147,000)
(18,000)	Actuarial gains or (losses) on Pension Assets/Liabilities	710,000
0	Effect of business combinations and disposals	6,000
(183,000)	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	(250,000)
104,000	Employers' pension contributions paid to Strathclyde Pension Fund	106,000
(1,147,000)	**Balance at 31 March**	**(575,000)**

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:

2020/21 £000	**Employee Statutory Adjustment Account**	**2021/22 £000**
(19,586)	Balance at 1 April for short term accumulating absences	(22,459)
19,586	Settlement or cancellation of accrual made for short term accumulating paid absences at end of preceding year	22,459
(22,459)	Amounts accrued in year for short term accumulating absences	(24,327)
(22,459)	**Balance at 31 March for short term accumulating absences**	**(24,327)**
(7,024)	Balance at 1 April for equal pay	0
7,024	Settlement or cancellation of accrual made for equal pay	0
0	**Balance at 31 March for equal pay**	**0**
(22,459)	**Total Balance at 31 March**	**(24,327)**

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 2020/21 are provided in an additional table to allow comparison:

Accounting adjustments permitted under regulation during 2021/22	31 March 2022 Usable Reserves: General Fund Reserve £000	Capital Grants Unapplied Account £000	Unusable Reserves £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	134,651		(134,651)
Amortisation of Intangible assets	2,634		(2,634)
Capital grant and contributions applied to the Comprehensive Income and Expenditure Statement	(95,222)	(16,637)	111,859
Net gain on sale of Property, Plant and Equipment and Assets held for sale	(1,779)		1,779
Loans Fund principal	(32,744)		32,744
Capital receipts applied	3,504		(3,504)
Capital expenditure charged to General Fund Reserve	(4,425)		4,425
Revenue expenditure funded from capital under statute	2,955		(2,955)
Movement in market value of Investment Properties	(5)		5
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	(4,640)		4,640
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	144,000		(144,000)
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.	1,868		(1,868)
Deferral of equal pay obligations	0		0
Totals	**150,797**	**(16,637)**	**(134,160)**

Comparative Information 2020/21

Accounting adjustments permitted under regulation during 2020/21	31 March 2021 Usable Reserves: General Fund Reserve £000	Capital Grants Unapplied Account £000	Unusable Reserves £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	143,989		(143,989)
Amortisation of Intangible assets	1,672		(1,672)
Capital grant and contributions applied to the Comprehensive Income and Expenditure Statement	(125,927)	10,391	115,536
Net gain on sale of Property, Plant and Equipment and Assets held for sale	(5,088)		5,088
Loans Fund principal	(29,597)		29,597
Capital receipts applied	9,785		(9,785)
Capital expenditure charged to General Fund Reserve	(2,270)		2,270
Revenue expenditure funded from capital under statute	(1,518)		1,518
Movement in market value of Investment Properties	(557)		557
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	(4,447)		4,447
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	79,000		(79,000)
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.	2,873		(2,873)
Deferral of equal pay obligations	(7,024)		7,024
Totals	**60,891**	**10,391**	**(71,282)**

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 2020 to 31 March 2022. 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 2020 £000	Transfers Out 2020/21 £000	Transfers In 2020/21 £000	Balance at 31 March 2021 £000	Transfers Out 2021/22 £000	Transfers In 2021/22 £000	Balance at 31 March 2022 £000	Purpose of the reserve
Property Repairs and Renewals	4,215	(944)	1,525	4,796	(1,920)	6,002	8,878	For the repair and renewal of council property
Winter Gardens Appeal	40	0	0	40	0	0	40	For the upkeep of the Winter Gardens
Energy Efficiency	411	(351)	188	248	(386)	152	14	For energy efficiency initiatives in council properties
New Technology	9,669	(210)	3,206	12,665	(210)	1,850	14,305	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	0	18	0	0	18	For the purchase of books for the Botanic Gardens
Winter Maintenance Reserve Fund	881	0	6	887	0	0	887	To equalise the effect of severe, mild and average winters
Total Repairs and Renewals Funds	**15,251**	**(1,505)**	**4,925**	**18,671**	**(2,516)**	**8,004**	**24,159**	
Culture and Recreational Fund	12,032	(4,882)	6,714	13,864	(9,821)	4,592	8,635	For the provision of social, cultural, and recreational activities
Insurance Fund	13,066	(11,550)	13,003	14,519	(14,686)	12,477	12,310	For property, motor and liability insurance
Total Revenue Reserves	**40,349**	**(17,937)**	**24,642**	**47,054**	**(27,023)**	**25,073**	**45,104**	
Capital Reserve Fund	14,999	(7,643)	8,008	15,364	(5,266)	18,182	28,280	To fund capital investment projects
Total Revenue and Capital Reserve Funds	**55,348**	**(25,580)**	**32,650**	**62,418**	**(32,289)**	**43,255**	**73,384**	

9. Subjective analysis

2020/21 £000	%	Subjective analysis	**2021/22 £000**	%
		Where the money came from		
(1,766,954)	57.4	Government grants and local taxation	(1,726,301)	57.3
(702,911)	22.9	Other grants, reimbursements and contributions	(726,439)	24.1
(465,804)	15.1	Customer and client receipts	(455,580)	15.1
(5,740)	0.2	Interest	(1,920)	0.1
(296,670)	9.6	Income from other departments	(198,534)	6.6
(2,356)	0.1	Other miscellaneous income	(2,533)	0.1
(5,088)	0.2	Gain on disposal of property, plant and equipment	(1,779)	0.1
296,670	(9.6)	Inter-departmental recharges	198,534	(6.6)
(125,927)	4.1	Capital grants and contributions	(95,222)	3.2
(3,074,780)	**100.0**	**Total income**	**(3,009,774)**	**100.0**
		How the money was spent		
1,055,208	34.4	Employee costs	1,205,497	37.5
212,858	7.0	Premises costs	204,798	6.4
310,658	10.2	Supplies and services	237,841	7.4
49,195	1.6	Transport and plant	42,992	1.3
944,483	30.9	Third party payments	912,208	28.4
499,397	16.3	Transfer payments	537,771	16.7
162,197	5.3	Depreciation, amortisation and impairment	154,149	4.8
103,812	3.4	Financing costs	101,140	3.2
(6,716)	(0.2)	Allocations	(8,282)	(0.3)
26,000	0.8	Net interest on the net defined benefit liability	24,000	0.8
(296,670)	(9.7)	Inter-departmental recharges	(198,534)	(6.2)
3,060,422	**100.0**	**Total expenditure**	**3,213,580**	**100.0**
(14,358)		**(Surplus) or Deficit on the Provision of Services**	**203,806**	

10. Material items

The Code requires disclosure of the nature and amount of material items. During 2021/22 the following items are regarded as material:

Nature	2021/22 £000
A decrease in the net pension liability mainly arising from a decrease in the present value of funded liabilities and an increase in the fair value of employer assets.	572,000

11. Education Services – Public Private Partnership

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 value of the assets held under the PPP scheme are £439.487 million (2020/21 £345.689 million). The in year movement of £93.798 million comprises of £1.647 million of additions and transfer in, an increase of £104.095 million from revaluations (including depreciation revaluations) less £11.944 million depreciation. Under the agreement the council is committed to paying the following sums (in cash terms at today's prices):

2020/21 Total £000	Future repayment periods	Payment for services £000	Repayment of liability £000	Interest £000	2021/22 Total £000
56,142	Within 1 year	28,015	9,590	19,136	56,741
235,391	2 to 5 years	134,867	35,380	67,741	237,988
270,688	6 to 10 years	121,745	35,129	50,458	207,332
562,221	**Total**	**284,627**	**80,099**	**137,335**	**502,061**

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 49 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:

2020/21 £000	**Local Government Pension Scheme**	**2021/22 £000**
	Comprehensive Income and Expenditure Statement	
	Cost of Services:	
157,000	Current service cost	225,000
0	Past service cost	1,000
	Financing and Investment Income and Expenditure:	
26,000	Net interest cost	24,000
183,000	**Total Post-employment Benefits charged / (credited) to the (Surplus) or Deficit on the Provision of Services**	**250,000**
	Other Comprehensive Income and Expenditure	
	Remeasurement of the net defined benefit liability:	
(902,000)	Return on assets	(277,000)
1,200,000	Actuarial (gains) / losses arising on changes in financial assumptions	(402,000)
(173,000)	Actuarial (gains) / losses arising on changes in demographic assumptions	(39,000)
0	Effect of business combinations and disposals	(6,000)
(107,000)	Other experience	8,000
201,000	**Total Post-employment Benefits charged / (credited) to the Comprehensive Income and Expenditure Statement**	**(466,000)**
183,000	Net charge / (credit) to the Surplus or Deficit on the Provision of Services brought forward	250,000
	Movement in Reserves Statement	
(79,000)	Reversal of net (charge) / credit made to the Surplus or Deficit on the Provision of Services in accordance with IAS19	(144,000)
	Actual amount charged against the General Fund balance for pensions in the year:	
104,000	**Employers contribution paid**	**106,000**

12.1.1. Pension assets and liabilities

As explained in the Accounting Policies (see note 1.6, Retirement Benefits on pages 25 to 26) 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 2020.

The credit to the Surplus or Deficit on the Provision of Services from the Pension Reserve per note 12.1 is £144.000 million. The council's net liability in respect of pensions decreased by £572.000 million in 2021/22 to £575.000 million. 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 -0.8% at March 2021 to -0.5% at March 2022.

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 to arrive at a net liability to the council of £575.000 million at 31 March 2022:

2020/21	**Actuarial assumptions**	**2021/22**
	Long-term expected rate of return on assets in the scheme:	
2.0%	Equity investments	2.7%
2.0%	Bonds	2.7%
2.0%	Property	2.7%
2.0%	Cash and net debtors / creditors	2.7%
	Mortality assumptions:	
	Longevity at 65 for current pensioners:	
19.8	Men	19.6
22.6	Women	22.4
	Longevity at 65 for future pensioners:	
21.2	Men	21.0
24.7	Women	24.5
	General assumptions:	
2.8%	Rate of price increases	3.2%
3.6%	Rate of increase in salaries	3.9%
2.8%	Rate of increase in pensions	3.2%
2.0%	Rate for discounting scheme liabilities	2.7%
50.0%	Take-up of option to convert annual pension into retirement lump sum (pre-April 2009 service)	50.0%
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:

2020/21 £000	**Pension Assets and Liabilities recognised in the Balance Sheet**	**2021/22 £000**
6,057,000	Present value of the defined benefit obligation	5,882,000
(4,910,000)	Fair value of plan assets	(5,307,000)
1,147,000	**Net liability arising from defined benefit obligation**	**575,000**

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

2020/21 £000	**Reconciliation of present value of scheme liabilities**	**2021/22 £000**
5,021,000	Opening balance at 1 April	6,057,000
157,000	Current service costs	225,000
117,000	Interest costs	123,000
27,000	Contributions by scheme participants	28,000
	Remeasurement (gains) and losses:	
1,200,000	Actuarial (gains) / losses arising from changes in financial assumptions	(402,000)
(173,000)	Actuarial (gains) / losses arising from changes in demographic assumptions	(39,000)
0	Effects of business combinations and disposals	36,000
(133,000)	Other	8,000
0	Past service costs	1,000
(159,000)	Benefits paid	(155,000)
6,057,000	**Closing balance at 31 March**	**5,882,000**

2020/21 £000	**Reconciliation of the movements in the fair value of scheme assets**	**2021/22 £000**
3,971,000	Opening fair value of scheme assets	4,910,000
91,000	Interest income	99,000
	Remeasurement gain / (loss):	
902,000	Return on assets, excluding the amount included in the net interest cost	277,000
0	Effects of business combinations and disposals	42,000
(26,000)	Other	0
104,000	Contributions by employer	106,000
27,000	Contributions by scheme participants	28,000
(159,000)	Benefits paid	(155,000)
4,910,000	**Closing fair value of scheme assets**	**5,307,000**

12.1.2. Analysis of Pension Fund's Assets

2020/21				2021/22		
Quoted prices in active markets £000	*Prices not quoted in active markets £000*	*Total £000*	**Local Government Pension Scheme assets**	**Quoted prices in active markets £000**	**Prices not quoted in active markets £000**	**Total £000**
79,000	3,000	82,000	Cash and cash equivalents	133,000	2,000	135,000
			Equity Instruments:			
283,000	0	283,000	Consumer	249,000	0	249,000
278,000	2,000	280,000	Manufacturing	233,000	0	233,000
50,000	1,000	51,000	Energy and utilities	55,000	0	55,000
174,000	0	174,000	Financial institutions	146,000	0	146,000
135,000	2,000	137,000	Health and care	177,000	0	177,000
227,000	0	227,000	Information technology	308,000	0	308,000
1,147,000	**5,000**	**1,152,000**	**Sub-total equity instruments**	**1,168,000**	**0**	**1,168,000**
			Private Equity:			
0	878,000	878,000	All	0	1,039,000	1,039,000
			Property:			
0	398,000	398,000	UK	0	448,000	448,000
			Other investment funds:			
46,000	1,672,000	1,718,000	Equities	29,000	1,936,000	1,965,000
0	664,000	664,000	Bonds	0	536,000	536,000
0	2,000	2,000	Commodities	0	2,000	2,000
0	5,000	5,000	Infrastructure	0	5,000	5,000
0	10,000	10,000	Other	0	9,000	9,000
46,000	**2,353,000**	**2,399,000**	**Sub-total other investment funds**	**29,000**	**2,488,000**	**2,517,000**
			Derivatives:			
1,000	0	1,000	Other	0	0	0
1,273,000	**3,637,000**	**4,910,000**	**Total Assets**	**1,330,000**	**3,977,000**	**5,307,000**

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 2023.

The total contributions expected to be made by the council to Strathclyde Pension Fund in the year to 31 March 2023 is £87.000 million.

The weighted average duration of the defined benefit obligation for scheme members is 18 years (2020/21 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 2022, the council's level of participation in the scheme is approximately 10.1%.

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 employer's contribution rate from 1 April 2019 to 31 August 2019 was 17.2%; this increased to 23.0% on 1 September 2019. The last four-yearly valuation was undertaken as at 31 March 2016. The employee rate was 9.9% throughout the year. The next valuation will be as at 31 March 2020 and this will set contribution rates from 1 April 2023. The amount paid over to the Scottish Public Pensions Agency was as follows:

2020/21 £000	**Scottish Teachers Superannuation Scheme**	**2021/22 £000**
54,394	Employer's Contributions	56,197
22,413	Employee's Contributions	23,049
76,807	**Total**	**79,246**

The employer's contributions due to be paid in the next financial year are estimated to be £56.905 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 2021/22 these amounted to £6.033 million (2020/21 £6.124 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 2021/22 the capitalised costs attributable to the early retirals from Glasgow City Council and from predecessor authorities were as follows:

2020/21 £000	**Capital cost of discretionary increases**	**2021/22 £000**
0	Current year	7,000
371,000	In earlier years	332,000
371,000	**Total**	**339,000**

13. Grant income

The council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2021/22:

2020/21 £000	**Grant income in the Comprehensive Income and Expenditure Statement**	**2021/22 £000**
	Credited to Taxation and Non-specific Grant Income	
(1,197,255)	General Revenue Grant	(1,158,192)
(238,445)	Redistribution from Non-Domestic Rates pool	(223,812)
(125,927)	Capital Grant and Contributions	(95,222)
	Credited to Services	
(277,379)	Housing benefit subsidy	(260,869)
(102,889)	Housing investment	(130,061)
(251,609)	Health Board	(261,139)
(19,169)	Criminal Justice	(21,019)
(4,252)	Benefits administration subsidy and initiatives	(3,450)
(31,284)	Attainment funding	(35,528)
(50,723)	Early Learning and Childcare	(56,879)
(17,382)	Various education services grants	(8,970)
(36,210)	Various other grants	(36,519)
(11,373)	Various other contributions	(13,117)
(2,363,897)	**Total**	**(2,304,777)**

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 2021/22, the council billed £263.703 million (2020/21 £218.818 million) on behalf of the Scottish Government. After provisions for bad and doubtful debts, and prior year adjustments, the council contributed £247.569 million to the National Non-Domestic Rates Pool (2020/21 £191.226 million) and received back from the pool £223.812 million in income (2020/21 £238.445 million).

The council bills and collects domestic water and sewerage charges on behalf of Scottish Water along with its own Council Tax. During 2021/22 the council received £2.570 million for providing this service (2020/21 £2.570 million).

The council acted as agent on behalf of the Scottish Government in respect of the disbursement of Covid-19 funding during 2021/22, totalling £120 million, mainly in relation to payments to support business.

15. Auditor remuneration

The council incurred fees of £0.670 million (2020/21 £0.658 million) for the statutory inspection of the Annual Accounts by Audit Scotland. No other services were provided by the appointed auditor in 2021/22 (or 2020/21).

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 53.

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 2022 are as follows:

2020/21 Net Expenditure / (Income) £000	*Debtor / (Creditor) at 31 March 2021 £000*	**Related party transactions and balances**	**2021/22**		**Debtor / (Creditor) at 31 March 2022 £000**
			Expenditure £000	**Income £000**	
(11)	44,463	Scottish Event Campus Ltd	3	(37)	44,840
34,920	(2,260)	City Building (Glasgow) LLP	47,324	(9,939)	4,152
4,264	(4,950)	City Building (Contracts) LLP	15,874	(2,847)	(125)
6,607	32,098	City Parking (Glasgow) LLP	2,698	(1,278)	0
90,372	(12,289)	Culture and Sport Glasgow	99,571	(16,293)	(10,831)
6,417	1,069	City Property Glasgow (Investments) LLP	3,854	(2,403)	188
7,801	4,764	City Property Glasgow (Operations SL1) LLP	(8,311)	282	4,885
7,565	2,067	City Property Glasgow (Operations SL2) LLP	10,085	0	2,123
1,822	65	City Property (Glasgow) LLP	2,454	(486)	(121)
6,277	(675)	Jobs & Business Glasgow	7,172	(1,095)	(683)
10,802	3,528	Strathclyde Partnership for Transport	10,958	0	871
100,978	(2,475)	Strathclyde Pension Fund	107,674	(4,362)	(2,282)
54,394	0	Teachers' Pension Fund	56,197	0	(4,741)
963	1	Clyde Gateway	1,040	(20)	(7)
75,221	(116,872)	Glasgow City Integration Joint Board	340,300	(227,906)	(175,372)
(57)	0	Scotcash	31	(140)	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 £12.704 million (2020/21 £4.630 million), broken down as follows:

2020/21 £000	**Organisation**	**2021/22 £000**
4,630	NHS Greater Glasgow & Clyde	12,704
4,630	**Total**	**12,704**

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 £7.140 million (2020/21 £0 million), broken down as follows:

2020/21 £000	**Organisation**	**2021/22 £000**
0	Enable Scotland	6,067
0	Glasgow Chamber of Commerce	1,073
0	**Total**	**7,140**

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 £2.459 million (2020/21 £3.472 million). The future minimum lease payments due under non-cancellable leases in future years and in cash terms are as follows:

2020/21 £000	**Operating lease commitments**	**2021/22 £000**
142	No later than one year	154
375	Later than one year and not later than five years	268
517	**Total**	**422**

18. Long-term assets

18.1. 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 2018	40 years
Other long-term assets:				
Heritage assets	Not applicable	Declared valuation for insurance purposes, fair value or cost	Not applicable	Not applicable
Investment property	City Property (Glasgow) LLP	Fair value	March 2022	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.	Date declared surplus	40 years

Land and buildings are re-valued 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.

18.2. 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.

18.3. 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.

18.4. Heritage assets

The council's heritage assets comprise museum and gallery collections, which are held according to valuations for insurance purposes, and civic regalia, 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.

18.5. Summary of capital expenditure and sources of finance

2020/21 £000	**Capital expenditure and sources of finance**	**2021/22 £000**
	Capital investment	
138,113	Property, plant and equipment	135,571
23	Heritage assets	15
2,668	Intangible assets	9,263
1	Investment property	0
133	Assets held for sale	181
140,938	**Total expenditure**	**145,030**
	Sources of finance	
13,335	Net borrowing	25,242
9,785	Asset sales	3,504
12	Assets acquired under finance leases	0
115,536	Government grants and other capital contributions	111,859
2,270	Revenue contributions	4,425
140,938	**Total sources of finance**	**145,030**

18.6. Summary of assets held

18.6.1. Intangible assets

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

18.6.2. 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.

18.6.3. 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.

18.6.4. 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.

18.6.5. Community assets

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

18.6.6. Heritage assets

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

18.6.7. 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 £25.067 million (2020/21 £24.632 million), comprising £22.301 million (2020/21 £24.290 million) charged to the Comprehensive Income and Expenditure Statement in respect of interest and £2.766 million (2020/21 £0.342 million) in respect of principal repayments.

The net carrying amount within property, plant and equipment with regard to assets held under finance leases is £496.191 million in respect of other land and buildings and £0.363 million in respect of vehicles, plant, furniture and equipment.

18.7. Commitments under capital investments

The council's approved capital investment programme will continue to progress during 2021/22 and subsequent years. As at 31 March 2022, the council has outstanding commitments on significant contracts for capital investment totalling £116.221 million (31 March 2021 £120.864 million). These outstanding commitments comprise the following:

Project description	Outstanding commitment at 31 March 2022 £000	Contract completion
City Deal - Govan / Partick Bridge	29,501	End 2026
City Deal - Sighthill TRA	12,823	End 2028
Kelvinhall Film & TV Studio	5,547	End 2023
Early Years 1140 Expansion	9,619	End 2023
St Paul's High School Extension	4,515	End 2023
Children's Residential Strategy Phase 2	4,062	End 2023
ICT Development and Innovation	17,258	End 2023
Various other projects (52 contracts)	32,896	Various
Total	**116,221**	

As at 31 March 2022, outstanding obligations to make payments under finance leases are as follows:

2020/21 £000	Finance lease obligations	2021/22 £000
832	Not later than one year	1,336
9,030	Later than one year and not later than five years	11,340
524,890	Later than five years	520,944
534,752	**Total**	**533,620**

The total outstanding obligations are accounted for within short-term creditors (leases expiring within one year) £1.336 million (2020/21 £0.832 million) and deferred liabilities (leases expiring after one year) £532.284 million (2020/21 £533.920 million).

18.8. Fair value measurement of non-financial assets

Surplus assets and assets held for sale are valued at fair value. 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 2021/22, both the income and market valuation techniques were widely adopted in forming opinions of fair value. The resulting valuations for surplus assets of £40.697 million and assets held for sale of £8.480 million were entirely based on level 2 inputs.

18.9 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 2022, to be funded from borrowing, in respect of TIF assets totalled £nil (2020/21 £nil). This is reflected within the 'Summary of capital expenditure and sources of finance', outlined within note 18.5 on page 57. Total TIF debt, to be repaid over the project period, in respect of investment to 31 March 2022, has been calculated in accordance with Local Government Finance Circular No. 8/2016 at £21.773 million (£21.773 million at 31 March 2021).

19. Property, Plant and Equipment

This note details the movement in Property, Plant and Equipment (PPE) during 2021/22. The valuation bases, useful lives and depreciation methods used are disclosed within notes 18.1 and 18.2 (page 56). 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 18.5 (page 57) and 18.7 (page 58).

Movement in PPE 2021/22	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 2021	**2,242,617**	**115,092**	**756,051**	**23,372**	**120,350**	**43,297**	**3,300,779**
Additions	21,065	10,811	38,135	0	65,560	0	135,571
Revaluations	451,957	0	0	0	0	(1,455)	450,502
Impairment	(482)	0	0	0	0	(30)	(512)
Depreciation	(78,010)	(28,527)	(28,178)	0	0	(100)	(134,815)
Disposals	(264)	(343)	0	0	0	(353)	(960)
Other movements	103,387	8,956	14,637	0	(78,367)	(662)	47,951
Net book value at 31 March 2022	**2,740,270**	**105,989**	**780,645**	**23,372**	**107,543**	**40,697**	**3,798,516**
Gross book value	2,861,330	219,853	1,116,031	23,372	107,543	40,944	4,369,073
Accumulated depreciation	(121,060)	(113,864)	(335,386)	0	0	(247)	(570,557)
Net book value at 31 March 2022	**2,740,270**	**105,989**	**780,645**	**23,372**	**107,543**	**40,697**	**3,798,516**

Movement in PPE 2020/21	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 2020	**2,313,894**	**88,371**	**733,875**	**23,359**	**103,111**	**33,524**	**3,296,134**
Additions	13,411	20,582	42,001	13	62,104	2	138,113
Revaluations	(24,823)	0	0	0	0	2,246	(22,577)
Impairment	582	0	0	0	0	0	582
Depreciation	(77,847)	(22,970)	(26,978)	0	0	(43)	(127,838)
Disposals	(305)	0	0	0	0	(913)	(1,218)
Other movements	17,705	29,109	7,153	0	(44,865)	8,481	17,583
Net book value at 31 March 2021	**2,242,617**	**115,092**	**756,051**	**23,372**	**120,350**	**43,297**	**3,300,779**
Gross book value	2,468,647	223,533	1,063,926	23,372	120,350	43,504	3,943,332
Accumulated depreciation	(226,030)	(108,441)	(307,875)	0	0	(207)	(642,553)
Net book value at 31 March 2021	**2,242,617**	**115,092**	**756,051**	**23,372**	**120,350**	**43,297**	**3,300,779**

20. Heritage assets

This note details the movement in Heritage Assets during 2021/22. The valuation bases, useful lives and depreciation methods used are disclosed within notes 18.1 and 18.4 (page 56).

Movement in Heritage assets	Fine art £000	Civic regalia £000	Statues and fountains £000	Total Heritage assets £000
Cost or Valuation:				
At 1 April 2020	1,400,000	560	16,799	1,417,359
Additions in year	0	0	23	23
Revaluations	0	97	0	97
Transfers	0	0	11	11
At 31 March 2021	**1,400,000**	**657**	**16,833**	**1,417,490**
Movement in 2021/22:				
Additions in year	0	0	16	15
Revaluations	0	70	0	71
Transfers	0	0	0	0
At 31 March 2022	**1,400,000**	**727**	**16,849**	**1,417,576**

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 2022
Fountains	5
Statues	51
War memorials	31

21. 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 2021/22 was £2.634 million (2020/21 £1.672 million). There has been no impairment charge in 2021/22 (2020/21 £nil). The movement on intangible asset balances during the year is as follows:

2020/21 £000	**Movement in Intangible assets**	**2021/22 £000**
	Balance at start of year:	
22,127	Gross carrying amounts	19,573
(15,030)	Accumulated amortisation	(6,310)
7,097	**Net carrying amount at start of year**	**13,263**
2,668	Additions	9,263
5,170	Transfers	784
(1,672)	Amortisation for the period	(2,634)
13,263	**Net carrying amount at end of the year**	**20,676**
	Comprising:	
19,573	Gross carrying amounts	28,482
(6,310)	Accumulated amortisation	(7,806)
13,263	**Net carrying amount at end of the year**	**20,676**

22. 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 2022, the valuation of assets held for sale was £8.480 million (£8.775 million as at 31 March 2021).

2020/21 £000	**Assets Held for Sale**	**2021/22 £000**
19,271	Balance at 1 April	8,775
	Assets newly classified as held for sale:	
2,408	Property, plant and equipment	1,174
(164)	Revaluation losses	(255)
	Assets declassified as held for sale:	
(8,748)	Property, plant and equipment	(260)
(4,125)	Assets disposed	(1,135)
133	Expenditure in year	181
8,775	**Balance at 31 March**	**8,480**

23. 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 2021/22, there was an accounting adjustment made to debtors and the associated impairment loss within the Financial Statements of £22.428 million. This mainly related to Council Tax (£15.557 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:

2020/21 £000	**Analysis of net short-term debtors**	**2021/22 £000**
101,811	Bodies external to general government	110,979
118,788	Central government bodies	166,822
5,684	Other local authorities	7,017
34,399	NHS bodies	105,748
104	Public corporations and trading funds	647
260,786	**Total**	**391,213**

24. 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:

2020/21 £000	**Cash and cash equivalents**	**2021/22 £000**
220,004	Short-term deposits	154,945
26,333	Bank current accounts	30,086
182	Cash imprest held by the council	208
246,519	**Total**	**185,239**

25. 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:

2020/21 £000	**Analysis of creditors**	**2021/22 £000**
415,169	Bodies external to general government	493,468
45,815	Central government bodies	186,306
33,525	Other local authorities	3,325
3,156	NHS bodies	6,867
1,925	Public corporations and trading funds	1,653
499,590	**Total**	**691,619**

26. 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 2021/22:

Provisions	Asset decommissioning £000	Employee related legal cases £000	Other outstanding legal cases £000	Other provisions £000	Total £000
Balance as at 1 April 2021	20,808	5,940	249	2,164	29,161
Additional provisions made during the year	591	29,806	96	263	30,756
Costs incurred and charged against provision	(1,603)	(1,176)	(66)	(482)	(3,327)
Unused amounts reversed during the year	0	0	0	(203)	(203)
Balance at 31 March 2022	**19,796**	**34,570**	**279**	**1,742**	**56,387**

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 provision for the assessment of equal pay obligations, £34.077 million. In addition there is provision for the estimated level of holiday pay potentially due, £0.493 million. During 2021/22, £1.152 million equal pay compensation payments have been met from the provision.

Provisions for other outstanding legal cases relates to estimated payments, £0.279 million at 31 March 2022, in respect of the potential clawback of payments made by Municipal Mutual Insurance Limited to former employees of SRC and GDC under occupational disease claims. This follows the Supreme Court ruling on Employers' Liability Insurance 'Trigger' Litigation on 28 March 2012. Payments of £0.066 million were made in respect of claims by former employees of Strathclyde Regional Council (SRC) and Glasgow District Council (GDC) during 2021/22.

Other provisions include estimated future costs in relation to estimated future costs for the recycling contract (£0.915 million), provision for future warranty claims (£0.235 million) and financial guarantees in relation to loan repayments and bond issue relating to group subsidiaries (£0.592 million). During the year, the financial guarantees were amortised, allowing the release of £0.018 million from the provision.

27. Financial instruments

The statement of accounting policies in note 1.24 on page 33, explains the requirement of the reporting basis for financial instruments.

27.1. Categories of financial instruments

Financial instruments in the Balance Sheet at 31 March 2022 comprise the following financial assets and financial liabilities with their measurement bases.

2020/21				**2021/22**		
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:			
4,050	0	4,050	Investments	4,728	0	4,728
0	3,681	3,681	Debtors	0	4,357	4,357
			Short-term:			
30,712	246,519	277,231	Investments	40,309	185,239	225,548
0	215,547	215,547	Debtors	0	365,796	365,796
34,762	**465,747**	**500,509**	**Total financial assets**	**45,037**	**555,392**	**600,429**

2020/21 Amortised cost £000	**Financial liabilities**	**2021/22 Amortised cost £000**
	Long-term:	
1,318,285	Borrowing	1,319,488
53,988	Creditors	54,247
	Short-term:	
129,302	Borrowing	84,512
444,506	Creditors	657,240
1,946,081	**Total financial liabilities**	**2,115,487**

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

Income, expense, gains and losses for the year ended 31 March 2022 and recognised within the Comprehensive Income and Expenditure Statement (page 20) for financial instruments comprise the following:

2020/21 £000	**Income, expense, gains and losses on financial instruments**	**2021/22 £000**
	(Income) and expense from:	
(7,269)	Interest revenue from financial assets measured at amortised cost	(4,242)
104,436	Interest expenses	101,226
36	Management fee	39
97,203	**(Income) and expenses**	**97,023**
	Net (gains) and losses on:	
(880)	Financial assets measured at fair value through profit or loss	(289)
8,268	Financial assets measured at amortised cost	8,338
7,388	**Total net (gains) / losses**	**8,049**
104,591	**Total (income), expense, (gains) and losses**	**105,072**

27.3. 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 2022.

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 2022, 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.

2020/21			**2021/22**	
Carrying Amount £000	*Fair Value £000*	**Valuation of financial liabilities**	**Carrying Amount £000**	**Fair Value £000**
1,447,587	1,907,088	Borrowing	1,404,000	1,726,142

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

27.4. 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.

27.5. 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 Strategy. The following analysis summarises the council's potential maximum exposure to credit risk, based on past experience and current market conditions. No credit limits were exceeded during the financial year and the council expects full repayment on the due date of deposits placed with counterparties.

2020/21				**2021/22**		
£000	*Impairment loss %*	*Estimated maximum exposure to default and un-collectability £000*	**Credit risk**	**£000**	**Impairment loss %**	**Estimated maximum exposure to default and un-collectability £000**
276,337	0	0	Deposits with banks and other financial institutions	225,239	0	0
370,959	9.250	34,313	Customers	484,773	7.499	36,355
647,296		**34,313**	**Total**	**710,012**		**36,355**

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

2020/21 £000	**Aged debt profile**	**2021/22 £000**
224,004	Less than 3 months	377,710
5,430	3 to 6 months	3,407
3,161	6 months to 1 year	6,871
138,364	More than 1 year	96,785
370,959	**Total**	**484,773**

27.6. 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 financial liabilities at nominal value is as follows:

2020/21 £000	**Loans outstanding**	**2021/22 £000**
867,921	Public Works Loans Board	858,919
449,000	Lender Option Buyer Option (LOBO)	449,000
4,923	Market debt	45,110
99,117	Temporary borrowing	24,655
1,420,961	**Total**	**1,377,684**
116,359	Less than 1 year	71,727
45,692	Between 1 and 2 years	17,034
82,512	2 to 5 years	110,096
173,379	5 to 10 years	164,410
107,448	10 to 30 years	110,606
841,571	30 to 50 years	849,811
54,000	50 to 70 years	54,000
1,420,961	**Total**	**1,377,684**

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 £12.785 million (£12.943 million in 2020/21) and an effective interest rate adjustment of £13.531 million (£13.683 million in 2020/21) in respect of LOBOs with stepped interest rates.

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

27.7. Market risk

27.7.1. 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.

According to this assessment strategy, at 31 March 2022, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

2020/21 £000	**Estimated financial effect**	**2021/22 £000**
2,890	Increase in the interest payable on variable rate borrowings	6,063
(781)	Increase in interest receivable on variable rate investments	(3,242)
2,109	**Net impact on the (surplus) or deficit on the provision of services**	**2,821**

2020/21 £000	**Other presentational changes** (no impact on the Comprehensive Income and Expenditure Statement)	**2021/22 £000**
294,405	Decrease in the fair value of fixed rate borrowings	260,131

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

27.7.2. 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.

27.7.3. 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 £0.217 million as at the 31 March 2022 exchange rate (£0.218 million at 31 March 2021). The potential financial impact of exchange rate movements in this respect is not material.

28. 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 2022 is provided in the following table:

2020/21 £000	**Analysis of deferred liabilities**	**2021/22 £000**
80,317	Long-term liability relating to the PPP secondary schools contract	70,726
533,920	Long-term lease liability relating to council properties, vehicles and equipment	532,286
28,096	Developers' contributions received for the provision of recreational greenspace in line with council policy	29,868
40,380	Other	38,609
682,713	**Total**	**671,489**

29. 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 a financial guarantee in relation to bond returns of a group subsidiary (100% of bond return), namely City Property Glasgow (Operations SL) Ltd (original bond issued £195 million). The likelihood of these guarantees being called is assessed annually. As at 31 March 2022, 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 2022, a sum of £19.796 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.

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.

30. Events after the balance sheet date

There were no material events between 31 March 2022 and the date of submission that require to be reflected in the Financial Statements.

31. Cash flow statement - Operating activities

2020/21 £000		**2021/22 £000**
1,041,884	Cash paid to and on behalf of employees	1,024,697
(1,197,255)	General Revenue Grant	(1,158,192)
(251,501)	Non-Domestic Rates receipts from national pool	(237,343)
103,812	Interest paid	101,140
(5,740)	Interest received	(1,920)
(880)	Dividends received	(2,238)
(133,537)	Other net operating cash payments	409,693
(443,217)	**Net cash flows from operating activities**	**135,837**

32. Cash flow statement - Investing activities

2020/21 £000		**2021/22 £000**
157,445	Purchase of property, plant and equipment and intangible assets	129,519
30,000	Purchase of short-term and long-term investments	10,000
(9,785)	Proceeds from sale of property, plant and equipment and intangible assets	(3,504)
1,928	Other receipts from investing activities	(117,160)
179,588	**Net cash flows from investing activities**	**18,855**

33. Cash flow statement - Financing activities

2020/21 £000		**2021/22 £000**
(187,388)	Cash receipts of short-term and long-term borrowing	(100,915)
(1,350)	Other receipts from financing activities	(34,316)
(5,794)	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PPP contracts	40,504
237,876	Repayment of short-term and long-term borrowing	109,917
29,566	Other payments for financing activities	(108,602)
72,910	**Net cash flows from financing activities**	**(93,412)**

❖ Council Tax Income Account

2020/21 £000	**Council Tax**	**2021/22 £000**
408,325	Gross Council Tax levied and contributions in lieu	411,892
	Less :	
(79,038)	Other discounts and reductions	(80,511)
2,095	Prior years' Council Tax	2,842
(23,725)	Provision for bad and doubtful debts	(18,311)
(75,762)	Council Tax Reduction	(72,738)
231,895	**Transfers to Comprehensive Income and Expenditure Statement**	**243,174**

Note: Council Tax Reduction replaced Council Tax Benefit on 1 April 2013. The funding is now included within the General Revenue Grant.

Notes to the Council Tax Income Account

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 10 September 2020)

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	70,006	15,340	150	38,842	921	44,644	240/360	29,758	£924
B	£27,001 - £35,000	80,504	5,288	76	42,833	1117	64,025	280/360	49,797	£1,078
C	£35,001 - £45,000	70,677	4,419	(12)	30,561	952	58,130	320/360	51,671	£1,232
D	£45,001 - £58,000	43,786	3,301	(18)	14,957	586	36,435	1	36,435	£1,386
E	£58,001 - £80,000	30,936	2,657	(88)	8,850	443	25,757	473/360	33,842	£1,821
F	£80,001 - £106,000	14,131	1,245	(52)	3,236	207	11,922	585/360	19,373	£2,252
G	£106,001 - £212,000	6,479	332	(51)	1,200	103	5,745	705/360	11,251	£2,714
H	Over £212,000	674	31	(5)	69	15	613	882/360	1,502	£3,396
									233,629	
					Add:	Class 17 and 24 dwellings			29	
					Less:	Provision for non-payment			(11,683)	
						Band D Equivalent			**221,975**	

Note: The charges above exclude the water and sewerage element of the Council Tax.

❖ Non-Domestic Rates Income Account

2020/21 £000	**Non-Domestic Rates**	**2021/22 £000**
505,308	Gross rates levied and contributions in lieu	496,004
	Less :	
(286,490)	Relief and other deductions	(232,301)
(10,842)	Provision for bad and doubtful debts	(13,089)
207,976	**Net Non-Domestic Rate Income**	**250,614**
(16,750)	Prior years - adjustments	(3,045)
191,226	**Contribution to National Non-Domestic Rates Pool**	**247,569**
238,445	Sum due from central rates pool	223,812
238,445	**Income credited to Comprehensive Income and Expenditure Statement**	**223,812**

Notes to the Non-Domestic Rates Income Account

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 2017. The uniform business rate for 2021/22 was set by the Scottish Government at 49.0p (49.8p in 2020/21). In response to the impact of Covid-19, the Scottish Government introduced Retail, Hospitality, Leisure and Airport relief in 2020/21 which significantly increased the level of reliefs applicable and extended this relief to cover all of 2021/22. 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 £18,000. 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 £95,000 respectively.

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**	
	2020/21	**2021/22**	*2020/21 £000*	**2021/22 £000**
Industrial and freight	2,095	2,092	49,406	49,500
Commercial subjects				
Shops	8,321	8,294	293,396	292,521
Offices	8,867	8,809	231,974	228,930
Hotels, boarding houses etc.	319	302	28,865	29,349
Others	3,940	3,913	113,419	111,939
Miscellaneous and formula valued subjects	4,781	4,734	283,260	260,973
Total	**28,323**	**28,144**	**1,000,320**	**973,212**

❖ 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 £23.417 million as at 31 March 2022 (£22.694 million at 31 March 2021).

Common Good Fund Movement in Reserves Statement

	Total Usable Reserves £000
Balance at 1 April 2020	**18,698**
Movement in reserves during 2020/21:	
Total Comprehensive Income and (Expenditure)	3,996
Increase or (Decrease) in the year	**3,996**
Balance at 31 March 2021	**22,694**
Movement in reserves during 2021/22:	
Total Comprehensive Income and (Expenditure)	723
Increase or (Decrease) in the year	**723**
Balance at 31 March 2022	**23,417**

Comprehensive Income and Expenditure Statement for the year ended 31 March 2022

2020/21 Expenditure £000	*2020/21 Income £000*	*2020/21 Net Expenditure £000*	**Service**	**Note**	**2021/22 Expenditure £000**	**2021/22 Income £000**	**2021/22 Net Expenditure £000**
521	(1)	520	Common Good Fund		333	(9)	324
521	**(1)**	**520**	**Cost of Services**		**333**	**(9)**	**324**
0	(3,867)	(3,867)	Interest and investment income		0	(1,345)	(1,345)
47	(696)	(649)	Income, expenditure and changes in the fair value of investment properties		596	(298)	298
47	**(4,563)**	**(4,516)**	**Financing and Investment (Income) and Expenditure**		**596**	**(1,643)**	**(1,047)**
568	**(4,564)**	**(3,996)**	**(Surplus) or Deficit on the Provision of Services**	**7**	**929**	**(1,652)**	**(723)**
		(3,996)	**Total Comprehensive (Income) and Expenditure**				**(723)**

Balance Sheet as at 31 March 2022

2020/21 £000		**Note**	**2021/22 £000**
3,003	Investment property	**2, 3**	3,029
16,636	Long-term investments	**4**	19,117
19,639	**Long-term Assets**		**22,146**
2,926	Short-term investments	**4**	1,271
17	Inventories		16
14	Net short-term debtors		0
174	Cash and cash equivalents	**5**	78
3,131	**Current Assets**		**1,365**
(76)	Short-term creditors		(94)
(76)	**Current Liabilities**		**(94)**
22,694	**Net Assets**		**23,417**
22,694	Usable Reserves	**6**	23,417
22,694	**Total Reserves**		**23,417**

Notes to the Common Good Fund

1. Accounting policies

1.1 The financial statements for the year ended 31 March 2022 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 2021/22 (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 Comprehensive 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 valuations have been reported on the basis of 'material valuation uncertainty' due to Covid-19. This recognises the uncertainty associated with valuations although no effects on valuation have been evidenced at this point. 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 78).

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 2021/22, both the income and market valuation techniques were widely adopted in forming opinions of fair value. The resulting valuation was £3.029 million at 31 March 2022.

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 2022 was £20.388 million (£19.562 million at 31 March 2021). 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 2022 was 5.76%.

5. Cash and cash equivalents

Cash and cash equivalents of £0.078 million represents the balance held in the council's loans fund at 31 March 2022 (£0.174 million at 31 March 2021).

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 2021/22 the Surplus on the Provision of Services increased by £0.723 million, £0.108 million in relation to unrealised gains and £0.615 million in relation to ordinary activities. At 31 March 2022, the usable reserves balance is £23.417 million, £2.093 million relates to unrealised gains and £21.324 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 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:

2020/21 £000		**2021/22 £000**	**%**
	Where the money came from		
(4,331)	Interest and (gains)/losses on investments	(1,371)	83
(232)	Rental income	(272)	16
(1)	Other receipts	(9)	1
(4,564)	**Total income**	**(1,652)**	**100**
	How the money was spent		
0	Civic hospitality	75	8
290	Grants	0	0
47	Investment property costs	596	64
146	Treasury management	160	17
85	Other supplies and services	98	11
568	**Total expenditure**	**929**	**100**
(3,996)	**(Surplus) or Deficit on the Provision of Services**	**(723)**	

❖ 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 2022, with an overall balance of £18.255 million (£17.579 million at 31 March 2021).

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 2020/21 £000	**Name of Fund**	**Objectives**	**Balance 2021/22 £000**
Charities			
1,157	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	1,213
1,004	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	1,064
3,489	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	3,587
5,650		**Charities**	**5,864**
Non-Charities			
20	Glasgow Education Trust	General purpose – education in schools	21
64	Glasgow Necropolis Fund	For the upkeep of the Necropolis	69
14	Southern Necropolis Lair Fund	For the upkeep of lairs and stones in Southern Necropolis	15
7,944	Art and Museum Purchase Fund	For the purchase of works of art for the council	8,412
305	Donald McPherson	For the purchase of books at the Mitchell Library	327
34	Louis E Campbell Bequests	For the purchase of books at the Mitchell Library	36
115	Mitchell Centenary Fund	For the purchase of books at the Mitchell Library	77
230	Barbara Collier Trust Fund	To advance the education and help assist pupils at Hyndland Secondary School to achieve a place at University	197
0	Lord Provost/Lady Provost Lunch	To raise funds for good causes	0
8,726		**Non-Charities**	**9,154**
14,376		**Total**	**15,018**

Glasgow City Council is not sole trustee			
Balance 2020/21 £000	**Name of Fund**	**Objectives**	**Balance 2021/22 £000**
Charities			
2,775	Blindcraft Trust Fund	Provide support of the blind or visually impaired	2,808
428	Fossil Grove Trust	Provide support for the preservation of fossils at Victoria Park	429
3,203		**Charities**	**3,237**

Of the Sundry Trusts reported, 5 have charitable status, with a Total Reserves balance of £9.101 million at 31 March 2022 (£8.853 million at 31 March 2021). The remaining 9 trusts with non-charitable status have a Total Reserves balance of £9.154 million at 31 March 2022 (£8.726 million at 31 March 2021).

Sundry Trusts and Funds Movement in Reserves Statement

	Total Usable Reserves £000
Balance at 31 March 2020	**14,823**
Movement in reserves during 2020/21:	
Total Comprehensive Income and (Expenditure)	2,756
Increase or (Decrease) in the year	**2,756**
Balance at 31 March 2021	**17,579**
Movement in reserves during 2021/22:	
Total Comprehensive Income and (Expenditure)	676
Increase or (Decrease) in the year	**676**
Balance at 31 March 2022	**18,255**

Comprehensive Income and Expenditure Statement for the Year ended 31 March 2022

2020/21					2021/22		
Charities £000	*Non – Charities £000*	*Total £000*	**Sundry Trusts and Funds**	**Note**	**Charities £000**	**Non – Charities £000**	**Total £000**
162	196	358	Expenditure		430	210	640
(38)	0	(38)	Income		(39)	0	(39)
124	**196**	**320**	**Cost of Services**		**391**	**210**	**601**
(1,531)	(1,545)	(3,076)	Interest and investment income		(639)	(638)	(1,277)
(1,531)	**(1,545)**	**(3,076)**	**Financing and Investment Income**		**(639)**	**(638)**	**(1,277)**
(1,407)	**(1,349)**	**(2,756)**	**(Surplus) or Deficit on the Provision of Services**		**(248)**	**(428)**	**(676)**
(1,407)	**(1,349)**	**(2,756)**	**Total Comprehensive (Income) and Expenditure**		**(248)**	**(428)**	**(676)**

Balance Sheet as at 31 March 2022

2020/21					2021/22		
Charities £000	*Non – Charities £000*	*Total £000*	**Sundry Trusts and Funds**	**Note**	**Charities £000**	**Non – Charities £000**	**Total £000**
8,823	8,758	17,581	Long-term investments	**1**	8,879	9,235	18,114
7	0	7	Short-term debtors		7	0	7
30	18	48	Cash and cash equivalents	**2**	225	80	305
37	**18**	**55**	**Current Assets**		**232**	**80**	**312**
(7)	(50)	(57)	Short-term creditors		(10)	(161)	(171)
(7)	**(50)**	**(57)**	**Current Liabilities**		**(10)**	**(161)**	**(171)**
8,853	**8,726**	**17,579**	**Net Assets**		**9,101**	**9,154**	**18,255**
8,853	8,726	17,579	Usable Reserves	**3**	9,101	9,154	18,255
8,853	**8,726**	**17,579**	**Total Reserves**		**9,101**	**9,154**	**18,255**

Notes to the Accounts

1. Long-term investments

The fair value of investments managed by Ruffer Limited Liability Partnership at 31 March 2022 was £18.064 million (£17.531 million at 31 March 2021). 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 2022 total £0.050 million (£0.050 million at 31 March 2021) 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 £0.305 million represents the balance held in the council's loans fund at 31 March 2022 (£0.048 million at 31 March 2021).

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 2021/22 the Surplus on the Provision of Services totalled £0.676 million, an increase of £0.741 million in relation to unrealised gains and a decrease of £0.065 million in relation to ordinary activities. At 31 March 2022, the usable reserves balance is £18.255 million, £5.540 million relates to unrealised gains and £12.715 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 2021/22 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 that 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 93 to 99.

Basis of consolidation

The Group Financial Statements for the year ended 31 March 2022 have been prepared on the basis of a full consolidation, with all financial transactions and balances of the council and its 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 accounting periods for all entities are for the year to 31 March 2022.

Changes to group structure

On 31 July 2021 City Parking (Glasgow) Limited Liability Partnership ceased trading and the functions of the company were incorporated within Glasgow City Council. There were no other changes within the GCC group structure during the year.

Subsidiaries

- Scottish Event Campus Limited
- City Building (Contracts) Limited Liability Partnership
- Culture and Sport Glasgow, trading as Glasgow Life
- City Parking (Glasgow) Limited Liability Partnership (1 April 2021 – 31 July 2021)
- City Property Glasgow (Investments) LLP
- City Property Glasgow (Operations SL1) LLP
- City Property Glasgow (Operations SL2) LLP
- City Property Glasgow (Operations SL) 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 2022

2020/21 Exp. £000	*2020/21 Income £000*	*2020/21 Net Exp. £000*	**Service**	**Note**	**2021/22 Exp. £000**	**2021/22 Income £000**	**2021/22 Net Exp. £000**
124,933	*(12,337)*	*112,596*	Chief Executive's Office		171,598	(16,011)	155,587
201,541	*(147,545)*	*53,996*	Development and Regeneration Services		0	0	0
746,336	*(105,632)*	*640,704*	Education Services		803,837	(112,847)	690,990
355,513	*(291,067)*	*64,446*	Financial Services		375,254	(284,388)	90,866
227,129	*(33,373)*	*193,756*	Neighbourhoods and Sustainability		0	0	0
0	*0*	*0*	Neighbourhoods, Regeneration and Sustainability		429,901	(223,231)	206,670
1,127,788	*(653,973)*	*473,815*	Social Work Services		1,125,098	(620,371)	504,727
21,846	*(250)*	*21,596*	Related Companies and Joint Boards		19,015	(1,417)	17,598
438	*0*	*438*	Equal Pay Obligation		29,806	0	29,806
133	*(1)*	*132*	Common Good Fund	**6**	159	(3)	156
103	*(31)*	*72*	Sundry Trusts	**6**	280	(31)	249
49,956	*(40,140)*	*9,816*	City Building (Contracts) LLP		82,469	(63,562)	18,907
4,837	*(612)*	*4,225*	City Parking (Glasgow) LLP		2,966	(2,436)	530
1,580	*(34)*	*1,546*	City Property Glasgow (Investments) LLP		1,359	(53)	1,306
101,915	*(14,509)*	*87,406*	Culture and Sport Glasgow		114,220	(23,747)	90,473
6,866	*(51)*	*6,815*	Jobs & Business Glasgow		7,371	0	7,371
21,665	*(19,826)*	*1,839*	Scottish Event Campus Ltd		26,942	(27,356)	(414)
2,992,579	***(1,319,381)***	***1,673,198***	**Cost of Services**		**3,190,275**	**(1,375,453)**	**1,814,822**
0	*(5,088)*	*(5,088)*	(Gain) or loss on the disposal of Property, Plant and Equipment.		94	(1,779)	(1,685)
0	***(5,088)***	***(5,088)***	**Other Operating Expenditure**		**94**	**(1,779)**	**(1,685)**
(499)	*(2,240)*	*(2,739)*	(Surplus) or deficit on Trading Operations where not included above		0	0	0
89,814	*0*	*89,814*	Interest payable		100,193	0	100,193
0	*(10,407)*	*(10,407)*	Interest and investment income		0	(58,788)	(58,788)
27,758	*(0)*	*27,758*	Net interest on the net defined benefit liability	**10**	26,970	0	26,970
4,580	*(27,493)*	*(22,913)*	Income, expenditure and changes in the fair value of investment properties	**14**	7,716	(13,148)	(5,432)
150	*0*	*150*	Minority interest		0	(6)	(6)
121,803	***(40,140)***	***81,663***	**Financing and Investment Income and Expenditure**		**134,879**	**(71,942)**	**62,937**
0	*(1,197,255)*	*(1,197,255)*	Non-ringfenced Government grants		0	(1,158,192)	(1,158,192)
0	*(238,445)*	*(238,445)*	Non-Domestic Rates		0	(223,812)	(223,812)
0	*(231,895)*	*(231,895)*	Council Tax / Community Charge		0	(243,174)	(243,174)
0	*(125,927)*	*(125,927)*	Capital grants and contributions		0	(95,222)	(95,222)
0	***(1,793,522)***	***(1,793,522)***	**Taxation and Non-specific Grant Income**		**0**	**(1,720,400)**	**(1,720,400)**
3,114,382	***(3,158,131)***	***(43,749)***	**(Surplus) or Deficit on the Provision of Services**		**3,325,248**	**(3,169,574)**	**155,674**
		(33,770)	Share of (surplus) or deficit on provision of services by associates				(21,481)
		38	Tax expenses or (receipts) of subsidiaries	**12**			999
		(77,481)	**Group (Surplus) or Deficit**				**135,192**
			Items that will not be reclassified to the (Surplus) or Deficit on the Provision of Services				
		(9,396)	(Surplus) or deficit on revaluation of Property, Plant and Equipment				(481,958)
		67,928	Actuarial (gains) or losses on Pension Assets and Liabilities	**10**			(802,728)
		0	Other unrealised (gains) or losses				(11,738)
		17,050	Share of other comprehensive (income) and expenditure of associates				(53,390)
		(150)	Minority interest				6
		75,432	**Other Comprehensive (Income) and Expenditure**				**(1,349,808)**
		(2,049)	**Total Comprehensive Income**				**(1,214,616)**

Group Movement in Reserves Statement for the year ended 31 March 2022

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 at 1 April 2020	**155,406**	**40,349**	**14,999**	**27,735**	**238,489**	**1,375,200**	**1,613,689**	**109,136**	**(8,546)**	**6,031**	**1,720,310**
Movement in reserves during 2020/21:											
Total Comprehensive Income and (Expenditure)	**(118,146)**	**0**	**0**	**0**	**(118,146)**	**(7,375)**	**(125,521)**	**195,477**	**(67,967)**	**60**	**2,049**
Adjustments between group and authority accounts: Purchase of goods and services between subsidiaries	132,504	0	0	0	132,504	0	132,504	(132,504)	0	0	0
Net Increase or (Decrease) before transfers	**14,358**	**0**	**0**	**0**	**14,358**	**(7,375)**	**6,983**	**62,973**	**(67,967)**	**60**	**2,049**
Adjustments to usable reserves permitted by accounting standards	16,536	0	0	0	16,536	(16,536)	0	0	0	0	
Adjustments between accounting and funding basis under regulations	60,891	0	0	10,391	71,282	(71,282)	0	15,377	(15,377)	0	0
Net Increase or (Decrease) before transfers to other statutory reserves	**91,785**	**0**	**0**	**10,391**	**102,176**	**(95,193)**	**6,983**	**78,350**	**(83,344)**	**60**	**2,049**
Transfers (to) and from other statutory reserves	(7,070)	6,705	365	0	0	0	0	0	0	0	0
Increase or (Decrease) in the year	**84,715**	**6,705**	**365**	**10,391**	**102,176**	**(95,193)**	**6,983**	**78,350**	**(83,344)**	**60**	**2,049**
Balance at 31 March 2021	**240,121**	**47,054**	**15,364**	**38,126**	**340,665**	**1,280,007**	**1,620,672**	**187,486**	**(91,890)**	**6,091**	**1,722,359**
City Parking Opening Entries	**2,917**	**0**	**0**	**0**	**2,917**	**(28,333)**	**(25,416)**	**0**	**0**	**0**	**(25,416)**
Movement in reserves during 2021/22:											
Total Comprehensive Income and (Expenditure)	**(308,732)**	**0**	**0**	**0**	**(308,732)**	**1,182,505**	**873,773**	**170,617**	**195,728**	**(86)**	**1,240,032**
Adjustments between group and authority accounts: Purchase of goods and services between subsidiaries	104,926	0	0	0	104,926	0	104,926	(104,926)	0	0	0
Net Increase or (Decrease) before transfers	**(200,889)**	**0**	**0**	**0**	**(200,889)**	**1,154,172**	**953,283**	**65,691**	**195,728**	**(86)**	**1,214,616**
Adjustments to usable reserves permitted by accounting standards	16,865	0	0	0	16,865	(16,865)	0	0	0	0	0
Adjustments between accounting and funding basis under regulations	150,797	0	0	(16,637)	134,160	(134,160)	0	32,123	(32,123)	0	0
Net Increase or (Decrease) before transfers to other statutory reserves	**(33,227)**	**0**	**0**	**(16,637)**	**(49,864)**	**1,003,147**	**953,283**	**97,814**	**163,605**	**(86)**	**1,214,616**
Transfers (to) and from other statutory reserves	(10,966)	(1,950)	12,916	0	0	0	0	0	0	0	0
Increase or (Decrease) in the year	**(44,193)**	**(1,950)**	**12,916**	**(16,637)**	**(49,864)**	**1,003,147**	**953,283**	**97,814**	**163,605**	**(86)**	**1,214,616**
Balance at 31 March 2022	**195,928**	**45,104**	**28,280**	**21,489**	**290,801**	**2,283,154**	**2,573,955**	**285,300**	**71,715**	**6,005**	**2,936,975**

Group Balance Sheet as at 31 March 2022

31 March 21 £000		Note	£000	31 March 22 £000
2,368,754	Other land and buildings		2,882,060	
122,636	Vehicles, plant, furniture and equipment		112,095	
756,051	Infrastructure assets		780,645	
23,372	Community assets		23,372	
120,350	Assets under construction		107,543	
43,297	Corporate surplus assets		40,697	
3,434,460	**Property, Plant and Equipment**	**13**		3,946,412
1,417,490	Heritage assets			1,417,576
226,418	Investment property	**14**		238,553
13,263	Intangible assets			20,676
38,297	Long-term investments			41,988
183,370	Investments in associates and joint boards	**16**		225,242
40,377	Long-term debtors			42,341
5,353,675	**Long-term Assets**			**5,932,788**
33,638	Short-term investments			41,580
5,707	Inventories			4,631
211,233	Net short-term debtors			391,496
363,373	Cash and cash equivalents	**17**		328,260
8,775	Assets held for sale			8,480
622,726	**Current Assets**			**774,447**
(140,832)	Short-term borrowing			(96,259)
(491,029)	Short-term creditors			(761,556)
(8,280)	Short-term provisions			(35,549)
(3,104)	Donated inventories account			(1,075)
(643,245)	**Current Liabilities**			**(894,439)**
(23,394)	Long-term provisions			(23,417)
(1,978,960)	Long-term borrowing			(1,930,916)
(1,282,243)	Net pensions liability	**10**		(647,031)
(223,616)	Deferred liabilities			(215,056)
(2,421)	Deferred tax liability			(3,420)
(20,178)	Deferred grants	**18**		(19,679)
(21,779)	Deferred income			(11,094)
(58,206)	Liabilities in associates and joint boards	**16**		(25,208)
(3,610,797)	**Long-term Liabilities**			**(2,875,821)**
1,722,359	**Net Assets**			**2,936,975**
240,121	General Fund Reserve			195,928
47,054	Revenue Reserve Funds			45,104
15,364	Capital Reserve Funds			28,280
38,126	Capital Grants Unapplied Account			21,489
340,665	Usable Reserves			290,801
1,280,007	Unusable Reserves			2,283,154
101,687	Group Reserves			363,020
1,722,359	**Total Reserves**			**2,936,975**

The unaudited accounts were issued on 30 June 2022

Martin Booth BA FCPFA MBA
Executive Director of Finance
30 June 2022

Group Cash Flow Statement for the Year ended 31 March 2022

2020/21 £000		**2021/22 £000**
(43,749)	Group (Surplus) or Deficit on the Provision of Services	155,674
(440,924)	Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	59,291
46,907	Adjustments for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	(107,343)
(437,766)	**Net cash flows from operating activities**	**107,622**
158,916	Investing activities	20,872
98,099	Financing activities	(93,381)
(180,751)	**Net (increase) or decrease in Cash and cash equivalents**	**35,113**
(182,622)	Cash and cash equivalents at the beginning of the reporting period	(363,373)
(363,373)	**Cash and cash equivalents at the end of the reporting period**	**(328,260)**

❖ Notes to the Group Financial Statements

1. Group accounting policies

The group accounting policies are those specified for the single entity Financial Statements on pages 24 to 35. Where materially different, the accounting policies of group members have been aligned to those of the single entity. Where group members are not required to prepare their financial statements on an IFRS basis, consolidation adjustments have been made.

The accounting policies of all group members are materially the same as those of the single entity except in the following cases:

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

The net reserves of two combining subsidiaries within the Group are a net liability. The net liabilities of City Building (Contracts) LLP and Culture and Sport Glasgow are a direct consequence of the requirement to fully account for IAS19 Employee Benefits. As with the council's pension liabilities, the 2021/22 Financial Statements show a decrease in the overall group pension liability. These liabilities, falling due in future years, will be financed by annual pension contributions and returns on investments.

The net liability within City Parking (Glasgow) LLP reflects the application of proper accounting practice and the business model, which underpins the operation of the company. In the year to 31 March 2021, members of the City Parking Board approved the transfer of City Parking Operations to Glasgow City Council during 2021/22, together with the transfer of all assets and liabilities, as at the agreed transfer date.

The financial effect of the subsidiaries reporting a net liability in the Group Financial Statements is to reduce group balances and reserves by £29.206 million (£127.110 million in 2020/21).

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 and its associates follows the reporting requirements of IAS19 Employee Benefits. Information relating to the pensions of subsidiaries follows the reporting requirements of FRS102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland).

Glasgow City Council, City Building (Contracts) LLP, Culture and Sport Glasgow, City Parking (Glasgow) LLP, 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 same assumptions as the council in arriving at their net pension liability.

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 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 item in the Group Balance Sheet at 31 March 2022, 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	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. The value of the Group net pensions liability at 31 March 2022 is £647m, this consists of pension assets £5,881m and pension liabilities of £6,528m. A 1% movement on assets and liabilities would be £59m and £65m respectively, both significant sums. Note 10 on page 103 provides further disclosure on Pension costs.	The effects on the net pension liability of changes in individual assumptions can be measured. The actuary has estimated that a 0.5% decrease in the real discount rate would result in an increase to the pension liability of £612.3 million. Similarly, a 0.5% increase in the rate of salary increase and pension increase rates would increase the liability by £85.7 million and £525.9 million respectively. In terms of life expectancy, an increase of 1 year would equate to an increased liability of between £195.6 million and £326.0 million.

3. Group Expenditure and Funding Analysis for the Year ended 31 March 2022

2020/21 Expenditure Chargeable to the General Fund £000	*2020/21 Adjustments £000*	*2020/21 Net Expenditure in the CIES £000*	**Service**	**2021/22 Expenditure Chargeable to the General Fund £000**	**2021/22 Adjustments £000**	**2021/22 Net Expenditure in the CIES £000**
97,308	15,288	112,596	Chief Executive's Office	125,865	29,722	155,587
60,037	(6,041)	53,996	Development and Regeneration Services	0	0	0
584,021	56,683	640,704	Education Services	630,270	60,720	690,990
132,901	(68,455)	64,446	Financial Services	152,896	(62,030)	90,866
155,099	38,657	193,756	Neighbourhoods and Sustainability	0	0	0
0	0	0	Neighbourhoods, Regeneration and Sustainability	164,299	42,371	206,670
426,353	47,462	473,815	Social Work Services	454,472	50,255	504,727
18,293	3,303	21,596	Related Companies and Joint Boards	10,781	6,817	17,598
7,462	(7,024)	438	Equal Pay Obligations	29,806	0	29,806
132	0	132	Common Good Fund	156	0	156
72	0	72	Sundry Trusts	249	0	249
10,276	(460)	9,816	City Building (Contracts) LLP	19,550	(643)	18,907
6,948	(2,723)	4,225	City Parking LLP	(27,851)	28,381	530
9,724	(8,178)	1,546	City Property Glasgow (Investments) LLP	9,321	(8,015)	1,306
9,131	(9,131)	0	City Property Glasgow (Operations SL1) LLP	10,880	(10,880)	0
17,639	(17,639)	0	City Property Glasgow (Operations SL2) LLP	14,327	(14,327)	0
75,869	11,537	87,406	Culture and Sport Glasgow	73,984	16,489	90,473
6,221	594	6,815	Jobs & Business Glasgow	6,947	424	7,371
972	867	1,839	Scottish Event Campus Ltd	(5,023)	4,609	(414)
1,618,458	**54,740**	**1,673,198**	**Cost of Services**	**1,670,929**	**143,893**	**1,814,822**
(1,747,372)	**(3,307)**	**(1,750,679)**	**Other (Income) and Expenditure**	**(1,677,319)**	**(2,311)**	**(1,679,630)**
(128,914)	**51,433**	**(77,481)**	**Group (Surplus) or Deficit**	**(6,390)**	**141,582**	**135,192**
		264,542	**Opening General Fund Balance**			427,607
		128,914	Surplus/(Deficit) on General Fund in Year			6,390
		34,151	Transfers (to)/from Other Statutory Reserves			47,231
		427,607	**Closing General Fund Balance**			**481,228**

Note to the Group Expenditure and Funding Analysis – Adjustments

2020/21 Adjustments for Capital Purposes £000	*2020/21 Net Change for the Pensions Adjustments £000*	*2020/21 Other Differences £000*	*2020/21 Total Adjustments £000*	**Service**	**2021/22 Adjustments for Capital Purposes £000**	**2021/22 Net Change for the Pensions Adjustments £000**	**2021/22 Other Differences £000**	**2021/22 Total Adjustments £000**
14,883	1,963	(1,558)	15,288	Chief Executive's Office	21,862	7,396	464	29,722
(11,372)	3,896	1,435	(6,041)	Development and Regeneration Services	0	0	0	0
51,845	8,984	(4,146)	56,683	Education Services	51,764	23,554	(14,598)	60,720
587	4,537	(73,579)	(68,455)	Financial Services	631	16,181	(78,842)	(62,030)
29,950	9,629	(922)	38,657	Neighbourhoods and Sustainability	0	0	0	0
0	0	0	0	Neighbourhoods, Regeneration and Sustainability	26,939	21,777	(6,345)	42,371
22,024	24,691	747	47,462	Social Work Services	(863)	51,092	26	50,255
0	0	3,303	3,303	Related Companies and Joint Boards	0	0	6,817	6,817
0	0	(7,024)	(7,024)	Equal Pay Obligations	0	0	0	0
0	3,911	(4,371)	(460)	City Building (Contracts) LLP	0	6,047	(6,690)	(643)
837	1,356	(4,916)	(2,723)	City Parking LLP	280	608	27,493	28,381
0	0	(8,178)	(8,178)	City Property Glasgow (Investments) LLP	0	0	(8,015)	(8,015)
0	0	(9,131)	(9,131)	City Property Glasgow (Operations SL1) LLP	0	0	(10,880)	(10,880)
0	0	(17,639)	(17,639)	City Property Glasgow (Operations SL2) LLP	0	0	(14,327)	(14,327)
1,019	21,693	(11,175)	11,537	Culture and Sport Glasgow	890	27,534	(11,935)	16,489
93	216	285	594	Jobs & Business Glasgow	137	265	22	424
4,864	817	(4,814)	867	Scottish Event Campus Ltd	4,609	0	0	4,609
114,730	**81,693**	**(141,683)**	**54,740**	**Cost of Services**	**106,249**	**154,454**	**(116,810)**	**143,893**
(107,958)	**27,058**	**77,593**	**(3,307)**	**Other (Income) and Expenditure**	**(123,626)**	**26,970**	**94,345**	**(2,311)**
6,772	**108,751**	**(64,090)**	**51,433**	**(Surplus) or Deficit on the Provision of Services**	**(17,377)**	**181,424**	**(22,465)**	**141,582**

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 £16.347 million at 31 March 2022 compared to £15.936 million at 31 March 2021. The profit on ordinary activities before taxation for the year to 31 March 2022 was £1.410 million, compared to a loss of £1.062 million for the period to 31 March 2021. 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 unaudited accounts is for the year to 31 March 2022. When available, 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 liabilities of the partnership were £18.127 million at 31 March 2022 compared to £29.604 million at 31 March 2021. The loss on ordinary activities before and after taxation for the year to 31 March 2022 was £4.210 million, compared to £2.311 million for the year to 31 March 2021.

The latest set of unaudited accounts is for the year to 31 March 2022. 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 liabilities of the company were £11.079 million at 31 March 2022, compared to £75.336 million at 31 March 2021. The loss on ordinary activities before and after taxation for the year to 31 March 2022 was £9.494 million, compared to a profit on ordinary activities before and after taxation of £1.909 million for the year to 31 March 2021.

The latest set of unaudited accounts is for the year to 31 March 2022. When available, 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 Parking (Glasgow) Limited Liability Partnership

City Parking (Glasgow) Limited Liability Partnership was incorporated on 23 March 2007 to provide secure off-street parking facilities in the Glasgow area. On 31 July 2021 City Parking (Glasgow) Limited Liability Partnership ceased trading and the functions of the company were incorporated within Glasgow City Council.

The council was the principal member of the partnership, holding 99.999% of the ordinary capital. Under accounting standards, the council had a controlling interest in this company. It is, therefore, included in the Group Financial Statements as a subsidiary for the period to 31 July 2021.

After accounting for the incorporation of net liabilities totalling £25.416 million into Glasgow City Council the net liabilities of the partnership were £0.000 million at 31 July 2021, compared to £22.102 million at 31 March 2021. The loss on ordinary activities before and after taxation for the year to 31 July 2021 was £0.114 million, compared to £0.831 million to 31 March 2021.

The latest set of unaudited accounts is for the period to 31 July 2021. When available, copies of the audited accounts may be obtained from the Executive Director of Finance, Glasgow City Council, 285 George Street, Glasgow G2 1DU.

4.5. 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 £87.214 million at 31 March 2022 compared to £66.925 million at 31 March 2021. The profit on ordinary activities before and after taxation for the year to 31 March 2022 was £4.836 million, compared to £4.513 million for the period to 31 March 2021.

The latest set of unaudited accounts is for the year to 31 March 2022. When available, 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.

4.6. 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 £51.045 million at 31 March 2022 compared to £43.861 million at 31 March 2021. The profit on ordinary activities before and after taxation for the year to 31 March 2022 was £7.185 million compared to £4.552 million for the year to 31 March 2021.

The latest set of unaudited accounts is for the year to 31 March 2022. When available, 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.

4.7. 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 £62.014 million at 31 March 2022 compared to £50.446 million at 31 March 2021. The profit on ordinary activities before and after taxation for the year to 31 March 2022 was £11.568 million compared to £11.272 million at 31 March 2021.

The latest set of unaudited accounts is for the year to 31 March 2022. When available, 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.

4.8. 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 £0.006 million at 31 March 2022 compared to £0.002 million at 31 March 2021. The profit on ordinary activities before and after taxation for the year to 31 March 2022 was £0.004 million compared to £0.002 million at 31 March 2021.

The latest set of unaudited accounts is for the year to 31 March 2022. When available, 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. 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 £15.258 million at 31 March 2022 compared to £14.325 million at 31 March 2021. The total net income for the year to 31 March 2022 was £0.933 million, compared to £1.169 million for the year to 31 March 2021.

The latest set of unaudited accounts is for the year to 31 March 2022. When available, copies of the audited accounts may be obtained from the Managing Director, Jobs & Business Glasgow, 94 Duke Street, Glasgow G4 0UW.

4.10. 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 unaudited accounts is for the year to 31 March 2022. When available, 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 2021/22, Glasgow City Council contributed £10.114 million or 28.26% of the Board's estimated running costs (2020/21 £9.963 million) and its share of the year-end net assets of £136.603 million (2020/21 net assets of £124.215 million) is included in the Group Balance Sheet.

The following table represents the group's share of key financial information extracted from the Strathclyde Partnership for Transport accounts for 2021/22:

2020/21 £000	**Strathclyde Partnership for Transport**	**2021/22 £000**
(20,772)	Gross (income)	(21,681)
(1,634)	(Surplus) or Deficit on the Provision of Services	(1,243)
(3,331)	Other Comprehensive (Income) and Expenditure	(11,145)
79,742	Long-term assets	90,896
50,772	Current assets	51,206
(6,299)	Current liabilities	(5,499)

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:

2020/21 £000	**Strathclyde Partnership for Transport**	**2021/22 £000**
	Amounts owed to GCC	
3,531	Short-term debtors	936
	Amounts owing by GCC	
(3)	Short-term creditors	(65)

4.11. 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 unaudited accounts is for the year to 31 March 2022. When available, 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 2021/22, Glasgow City Council contributed £0.845 million or 20.73% of the Board's estimated running costs (2020/21 £0.839 million) and its share of the year-end net assets of £0.953 million (2020/21 £0.719 million) is included in the Group Balance Sheet.

The following table represents the group's share of key financial information extracted from Strathclyde Concessionary Travel Scheme accounts for 2021/22:

2020/21 £000	**Strathclyde Concessionary Travel Scheme**	**2021/22 £000**
(840)	Gross (income)	(846)
(567)	(Surplus) or Deficit on the Provision of Services	(235)
760	Current assets	1,064
(41)	Current liabilities	(111)

4.12. 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 unaudited accounts is for the year to 31 March 2022. When available, 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 board. In 2021/22, the council contributed £454.693 million (2020/21 £428.368 million) or 30% of the board's running costs and its share of the year end net assets was £87.686 million (2020/21 £58.436 million).

The following table represents the group's share of key financial information extracted from the accounts of Glasgow City Integration Joint Board for 2021/22:

2020/21 £000	**Glasgow City Integration Joint Board**	**2021/22 £000**
(850,276)	Turnover	(917,228)
(35,762)	(Surplus) or Deficit on the Provision of Services	(29,250)
58,436	Current assets	87,686

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:

2020/21 £000	**Glasgow City Integration Joint Board**	**2021/22 £000**
	Amounts Owing by GCC	
(116,872)	Short-term creditors	(175,372)

4.13. 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 2022. 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 2021/22, the council contributed £7.569 million (2020/21 £7.532 million) or 50% of the company's running costs and its share of the year end net liabilities was £25.208 million (2020/21 £58.206 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 2021/22:

2020/21 £000	City Building (Glasgow) Limited Liability Partnership	2021/22 £000
(57,621)	Gross (income)	(87,492)
4,193	(Surplus) or Deficit on the Provision of Services	9,247
20,381	Other Comprehensive (Income) and Expenditure	(42,245)
255	Long-term assets	207
17,398	Current assets	30,099
(16,946)	Current liabilities	(29,842)
(591)	Long-term liabilities excluding pension liability	(348)
(58,322)	Pension liability	(25,324)

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:

2020/21 £000	City Building (Glasgow) Limited Liability Partnership	2021/22 £000
	Amounts owed to GCC	
6,299	Short-term debtors	10,937
	Amounts owing by GCC	
(8,559)	Short-term creditors	(6,785)

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 March 2020.

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 £0.156 million (£0.132 million in 2020/21) and net expenditure on Sundry Trusts of £0.249 million (£0.072 million in 2020/21) 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 2021/22 was to increase council reserves and net assets by £363.020 million (2020/21 net assets increased by £101.687 million) representing the council's net asset in the consolidating entities.

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

The following companies and joint committees have not been consolidated into the Group Financial Statements as they are considered immaterial to the understanding of the 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 2022.

- **City Property (Glasgow) Limited Liability Partnership** is a subsidiary company 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 liabilities of the partnership were £0.534 million at 31 March 2022, compared to £4.045 million at 31 March 2021. The loss available for discretionary division among members for the year to 31 March 2022 was £1.079 million, compared to £0.600 million for the year to 31 March 2021.

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

2020/21 Net Expenditure/ (Income) £000	Debtor / (Creditor) at 31 March 2021 £000		2021/22		Debtor / (Creditor) at 31 March 2022 £000
		City Property (Glasgow) Limited Liability Partnership	**Expenditure £000**	**Income £000**	
1,822	65	Glasgow City Council	2,454	(486)	(121)

- **Scotland Excel** is a Joint Committee established on 1 April 2008 to replace the Authorities Buying Consortium and other similar 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 made a contribution of £0.373 million (2020/21 £0.358 million) representing 9.9% of the organisation's estimated running costs for the year to 31 March 2022.

- **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 made a contribution of £0.052 million (2020/21 £0.072 million) representing 12.5% of the Joint Committee's estimated running costs for the year to 31 March 2022.

- **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. During the year, the council made a contribution of £0.011 million (2020/21 £0.011 million) representing 26.3% of the Joint Committee's running costs for the year to 31 March 2022.

- **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 made a contribution of £0.123 million (2020/21 £0.137 million) representing 31% of the consortium's estimated running costs for the year to 31 March 2022.

- **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 (2020/21 £0.009 million) representing 6.3% of the Joint Committee's estimated running costs for the year to 31 March 2022.

- **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 £0.152 million (2020/21 £0.192 million) representing 9.2% of the organisation's estimated running costs for the year to 31 March 2022.

- **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 made a contribution of £0.440 million (2020/21 £0.357 million) representing 34% of the organisation's running costs for the year to March 2022.

- **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. During the year, the council made a contribution of £0.031 million (2020/21 £0.046 million) representing 3.1% of the organisation's estimated running costs for the year to 31 March 2022.

- **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 made a contribution of £0.010 million (2020/21 £0.010 million) representing 11.9% of the Joint Committee's running costs for the year to 31 March 2022.

- **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 made a contribution of £0.001 million (2020/21 £0.001 million) representing 33.3% of the Joint Committee's running costs for the year to 31 March 2022.

9. Group subjective analysis

2020/21 £000	*%*	**Subjective analysis**	**2021/22 £000**	**%**
		Where the money came from		
(1,766,954)	*55.2*	Government grants and local taxation	(1,726,301)	53.8
(734,107)	*23.0*	Other grants, reimbursements and contributions	(750,150)	23.4
(318,475)	*10.0*	Customer and client receipts	(331,671)	10.4
(52,542)	*1.6*	Interest and investment income	(69,412)	2.2
(296,670)	*9.3*	Income from other departments	(198,534)	6.2
(155,038)	*4.9*	Other miscellaneous income	(195,039)	6.1
296,670	*(9.3)*	Inter-departmental recharges	198,534	(6.2)
(5,088)	*0.2*	Gain on disposal of property, plant and equipment	(1,779)	0.1
(37,963)	*1.2*	Share of surplus from associates and joint boards	(30,728)	1.0
(125,927)	*3.9*	Capital grants and contributions	(95,222)	3.0
(3,196,094)	***100.0***	**Total income**	**(3,200,302)**	**100.0**
		How the money was spent		
1,176,960	*37.8*	Employee costs	1,328,304	39.8
256,710	*8.2*	Premises costs	216,815	6.5
196,007	*6.3*	Supplies and services	192,299	5.8
51,309	*1.6*	Transport and plant	45,730	1.4
945,739	*30.4*	Third party payments	915,513	27.4
499,769	*16.0*	Transfer payments	539,364	16.2
169,010	*5.4*	Depreciation, amortisation and impairment losses	160,065	4.8
94,544	*3.0*	Financing costs	107,909	3.2
(6,716)	*(0.2)*	Allocations	(8,282)	(0.2)
27,758	*0.9*	Net interest on the net defined benefit liability	26,970	0.8
(296,670)	*(9.5)*	Inter-departmental recharges	(198,534)	(6.0)
0	*0.0*	Loss on disposal of property, plant and equipment	94	0.0
4,193	*0.1*	Share of deficit from associates	9,247	0.3
3,118,613	***100.0***	**Total expenditure**	**3,335,494**	**100.0**
(77,481)		**Group (surplus) or deficit for the year**	**135,192**	

10. Pension Costs

10.1. Local Government Pension Scheme

Glasgow City Council, City Building (Contracts) LLP, Culture and Sport Glasgow, City Parking (Glasgow) LLP, 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 2021/22:

2020/21 £000	**Local Government Pension Scheme**	**2021/22 £000**
	Comprehensive Income and Expenditure Statement	
	Cost of Services:	
184,003	Current service cost	258,414
(233)	Past service cost	1,855
	Financing and Investment Income and Expenditure:	
27,758	Net interest cost	26,970
211,528	**Total post-employment benefits charged / (credited) to the Surplus or Deficit on the Provision of Services**	**287,239**
	Other Comprehensive Income and Expenditure	
	Remeasurement of the net defined benefit liability:	
(952,485)	Return on assets	(309,515)
1,375,066	Actuarial (gains) / losses arising on changes in financial assumptions	(455,833)
(192,604)	Actuarial (gains) / losses arising from changes in demographic assumptions	(43,059)
(162,049)	Other Experience	5,679
279,456	**Total post-employment benefits charged / (credited) to the Comprehensive Income and Expenditure Statement**	**(515,489)**
211,528	Net charge / (credit) to the Surplus or Deficit on the Provision of Services brought forward	287,239
	Movement in Reserves Statement	
(94,540)	Reversal of net (charge) / credit made to the Surplus or Deficit on the Provision of Services in accordance with IAS19	(167,516)
	Actual amount charged against the General Fund balance for pensions in the year:	
116,988	**Employers contribution paid**	**119,723**

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 2020.

The following table sets out the principal assumptions used by the actuary to arrive at a net liability to the group of £647.031 million:

2020/21	**Actuarial Assumptions**	**2021/22**
	Long-term expected rate of return on assets in the scheme:	
2.0%	Equity Investments	2.7%
2.0%	Bonds	2.7%
2.0%	Property	2.7%
2.0%	Cash and net debtors/ creditors	2.7%
	Mortality assumptions:	
	Longevity at 65 for current pensioners:	
19.8	Men	19.6
22.6	Women	22.4
	Longevity at 65 for future pensioners:	
21.2	Men	21.0
24.7	Women	24.5
	General assumptions:	
2.8%	Rate of price increases	3.2%
3.5%	Rate of increase in salaries	3.9%
2.8%	Rate of increase in pensions	3.2%
2.0%	Rate for discounting scheme liabilities	2.7%
50.0%	Take-up of option to convert annual pension into retirement lump sum (pre April 2009 service)	50.0%
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	
76%	Equities Investments	79%
14%	Bonds	10%
8%	Property	8%
2%	Cash and Net Debtors/Creditors	3%
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

2020/21 £000	**Pension Assets and Liabilities recognised in the Balance Sheet**	**2021/22 £000**
6,755,573	Present value of the defined benefit obligation	6,527,547
(5,473,330)	Fair value of plan assets	(5,880,516)
1,282,243	**Net liability arising from defined benefit obligation**	**647,031**

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

2020/21 £000	**Reconciliation of present value of scheme liabilities**	**2021/22 £000**
5,558,827	**Opening balance at 1 April**	**6,755,573**
184,003	Current service costs	258,414
129,607	Interest costs	136,833
31,542	Contributions by scheme participants	31,972
	Remeasurement (gains) and losses:	
1,375,066	Actuarial (gains) / losses arising from changes in financial assumptions	(455,833)
(192,604)	Actuarial (gains) / losses arising from changes in demographic assumptions	(43,059)
(162,049)	Other	5,679
(233)	Past service cost (including curtailments)	1,855
(168,586)	Benefits paid	(163,887)
6,755,573	**Closing balance at 31 March**	**6,527,547**

2020/21 £000	**Reconciliation of present value of scheme assets**	**2021/22 £000**
4,439,052	**Opening balance at 1 April**	**5,473,330**
101,849	Interest income	109,863
	Remeasurement gain / (loss):	
952,485	Return on assets, excluding the amount included in the net interest cost	309,515
116,988	Contributions by employer	119,723
31,542	Contributions by scheme participants	31,972
(168,586)	Benefits paid	(163,887)
5,473,330	**Closing balance at 31 March**	**5,880,516**

10.3. Analysis of Pension Fund's Assets

2020/21				2021/22		
Quoted Prices in Active Markets £000	*Prices not quoted in Active Markets £000*	*Total £000*	**Local Government Pension Scheme assets**	**Quoted Prices in Active Markets £000**	**Prices not quoted in Active Markets £000**	**Total £000**
88,159	*3,376*	*91,535*	Cash and cash equivalents	147,400	2,193	149,593
			Equity Instruments:			
315,213	*16*	*315,229*	Consumer	275,842	25	275,867
309,829	*2,264*	*312,093*	Manufacturing	258,185	1,087	259,272
55,761	*1,097*	*56,858*	Energy and utilities	60,923	45	60,968
193,896	*5*	*193,901*	Financial institutions	161,739	56	161,795
150,497	*2,229*	*152,726*	Health and care	196,104	61	196,165
253,108	*0*	*253,108*	Information technology	341,303	0	341,303
1,278,304	***5,611***	***1,283,915***	**Sub-total equity instruments**	**1,294,096**	**1,274**	**1,295,370**
			Private Equity:			
0	*978,965*	*978,965*	All	0	1,151,274	1,151,274
			Property:			
0	*443,655*	*443,655*	UK	0	496,367	496,367
			Other investment funds:			
51,292	*1,863,912*	*1,915,204*	Equities	32,182	2,144,181	2,176,363
0	*739,982*	*739,982*	Bonds	0	593,924	593,924
0	*2,236*	*2,236*	Commodities	0	2,197	2,197
0	*5,583*	*5,583*	Infrastructure	0	5,504	5,504
0	*11,163*	*11,163*	Other	0	9,924	9,924
51,292	***2,622,876***	***2,674,168***	**Sub-total other investment funds**	**32,182**	**2,755,730**	**2,787,912**
			Derivatives:			
1,092	*0*	*1,092*	Other	0	0	0
1,418,847	***4,054,483***	***5,473,330***	**Total Assets**	**1,473,678**	**4,406,838**	**5,880,516**

10.4. Impact on Group Cash Flows

The liabilities show the underlying commitments that the group has in the long run to pay retirement benefits. The total net liability of £647.031 million has a substantial impact on the net assets of the group as recorded in the Group Balance Sheet. Statutory arrangements for funding the deficit mean that the financial position of the group remains healthy. The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme.

The total contribution expected to be made to the Local Government Pension Scheme by the group in the year to 31 March 2023 is £99.167 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:

2020/21 £000	**Defined Contribution Schemes**	**2021/22 £000**
817	Scottish Event Campus Limited	770
157	Jobs & Business Glasgow	185
974	**Total**	**955**

11. Minority interest

The minority interest credited to the Group Comprehensive Income and Expenditure Statement is in recognition of the share of the loss 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 £6.005 million for 2021/22 (2020/21 £6.091 million).

12. Taxation

For the Scottish Event Campus Limited, 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 timing differences on capital expenditure and tax relief for earlier year losses.

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

2020/21 £000	**UK Corporation Tax**	**2021/22 £000**
38	Deferred tax	999
38	**Total**	**999**

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 2022 was £3,946.412 million.

Movement in PPE 2021/22	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 2021	**2,368,754**	**122,636**	**756,051**	**23,372**	**120,350**	**43,297**	**3,434,460**
Additions	21,110	11,535	38,135	0	65,560	0	**136,340**
Revaluations	451,892	0	0	0	0	(1,455)	**450,437**
Impairment	(535)	0	0	0	0	(30)	**(565)**
Depreciation	(82,042)	(30,356)	(28,178)	0	0	(100)	**(140,676)**
Disposals	59,905	1,577	0	0	0	(353)	**61,129**
Other movements	62,976	6,703	14,637	0	(78,367)	(662)	**5,287**
Net book value at 31 March 2022	**2,882,060**	**112,095**	**780,645**	**23,372**	**107,543**	**40,697**	**3,946,412**
Gross book value	3,071,397	252,737	1,116,031	23,372	107,543	40,944	4,612,024
Accumulated depreciation	(189,337)	(140,642)	(335,386)	0	0	(247)	(665,612)
Net book value at 31 March 2022	**2,882,060**	**112,095**	**780,645**	**23,372**	**107,543**	**40,697**	**3,946,412**

Movement in PPE 2020/21	*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 2020	*2,444,199*	*97,797*	*733,875*	*23,359*	*103,111*	*33,524*	***3,435,865***
Additions	*13,766*	*20,975*	*42,001*	*13*	*62,104*	*2*	***138,861***
Revaluations	*(24,823)*	*0*	*0*	*0*	*0*	*2,246*	***(22,577)***
Impairment	*582*	*0*	*0*	*0*	*0*	*0*	***582***
Depreciation	*(82,370)*	*(25,245)*	*(26,978)*	*0*	*0*	*(43)*	***(134,636)***
Disposals	*(305)*	*0*	*0*	*0*	*0*	*(913)*	***(1,218)***
Other movements	*17,705*	*29,109*	*7,153*	*0*	*(44,865)*	*8,481*	***17,583***
Net book value at 31 March 2021	***2,368,754***	***122,636***	***756,051***	***23,372***	***120,350***	***43,297***	***3,434,460***
Gross book value	*2,683,544*	*258,335*	*1,063,926*	*23,372*	*120,350*	*43,504*	*4,193,031*
Accumulated depreciation	*(314,790)*	*(135,699)*	*(307,875)*	*0*	*0*	*(207)*	*(758,571)*
Net book value at 31 March 2021	***2,368,754***	***122,636***	***756,051***	***23,372***	***120,350***	***43,297***	***3,434,460***

13.2. Summary of capital expenditure and sources of finance

2020/21 £000	Capital expenditure and sources of finance	2021/22 £000
	Capital investment	
138,861	Property, plant and equipment	136,340
23	Heritage assets	15
2,668	Intangible assets	9,263
133	Assets held for sale	181
677	Investment property	879
142,362	**Total gross expenditure**	**146,678**
	Sources of finance	
13,335	Borrowing	25,242
9,785	Asset Sales	3,504
12	Assets acquired under finance leases	67
115,536	Government grants and other capital contributions	111,859
3,694	Revenue contributions	6,006
142,362	**Total sources of finance**	**146,678**

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:

2020/21 £000	Investment property	2021/22 £000
(27,493)	Rental income from investment property	(13,148)
4,580	Investment Property Expenditure and Changes in Fair Value	7,716
(22,913)	**Net gain**	**(5,432)**

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:

2020/21 £000	Movement in fair value	2021/22 £000
216,818	Balance at start of year:	226,418
0	Impact of group movements	0
216,818	**Revised balance at start of year:**	**226,418**
677	Additions	879
(435)	Disposals	(1,615)
9,358	Net gain / (loss) from fair value adjustments	12,871
226,418	**Balance at end of year**	**238,553**

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 2021/22, 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 considered level 1, being quoted prices (unadjusted) in active markets for identical assets that can be accessed at the measurement date. The resulting valuation of £326.257 million (2020/21 £315.659 million) comprises £38.527 million with level 1 inputs (2020/21 £37.169 million), £277.825 million with level 2 inputs (2020/21 £269.600 million) and £9.905 million with level 3 inputs (2020/21 £8.890 million).

Fair Value Measurement of assets	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Surplus Properties	0	40,697	0	40,697
Assets held for sale	0	8,480	0	8,480
Commercial Units	0	228,648	9,905	238,553
Unquoted equity investment at cost	25	0	0	25
Other investments	38,502	0	0	38,502
Total	**38,527**	**277,825**	**9,905**	**326,257**

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.

Valuation of financial liabilities	Carrying Amount £000	Fair Value £000
Borrowing	2,027,175	2,316,225

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 a liability within the Group Balance Sheet. By comparison, the group share of the investments in Strathclyde Partnership for Transport, Strathclyde Concessionary Travel Scheme and Glasgow City Integration Joint Board is an asset and is included on the Balance Sheet as a long term investment. Details of the group's share of investments and liabilities in associates and joint ventures are shown below:

2020/21 £000	Investments in Associates and Joint Ventures	2021/22 £000
124,215	Strathclyde Partnership for Transport	136,603
719	Strathclyde Concessionary Travel Scheme	953
58,436	Glasgow City Integration Joint Board	87,686
183,370	**Sub-total**	**225,242**
	Liabilities in Associates and Joint Ventures	
(58,206)	City Building (Glasgow) LLP	(25,208)
(58,206)	**Sub-total**	**(25,208)**
125,164	**Total**	**200,034**

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

2020/21 £000	**Associates and Joint Ventures**	**2021/22 £000**
919,509	**Gross income**	**1,027,247**
79,997	Long-term assets	91,103
127,366	Current assets	170,055
(23,286)	Current liabilities	(35,452)
(58,913)	Long-term liabilities	(25,672)
125,164	**Net asset**	**200,034**

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:

2020/21 £000	**Cash and cash equivalents**	**2021/22 £000**
230,292	Short-term deposits	185,145
132,898	Bank current accounts	142,907
183	Cash imprests	208
363,373	**Total Cash and cash equivalents**	**328,260**

18. Deferred grants

Following the elimination of inter-company transactions, the balance remaining on deferred grants of £19.679 million (2020/21 £20.178 million) represents external funding in support of capital projects.

19. 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 2021 £000**	**Net movement 2021/22 £000**	**Balance at 31 March 2022 £000**
Culture and Sport Glasgow	33,711	9,503	43,214
Jobs & Business Glasgow	14,515	353	14,868
Sundry Trusts - charitable element	8,853	248	9,101
Total	**57,079**	**10,104**	**67,183**

❖ 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. The purpose of the governance framework

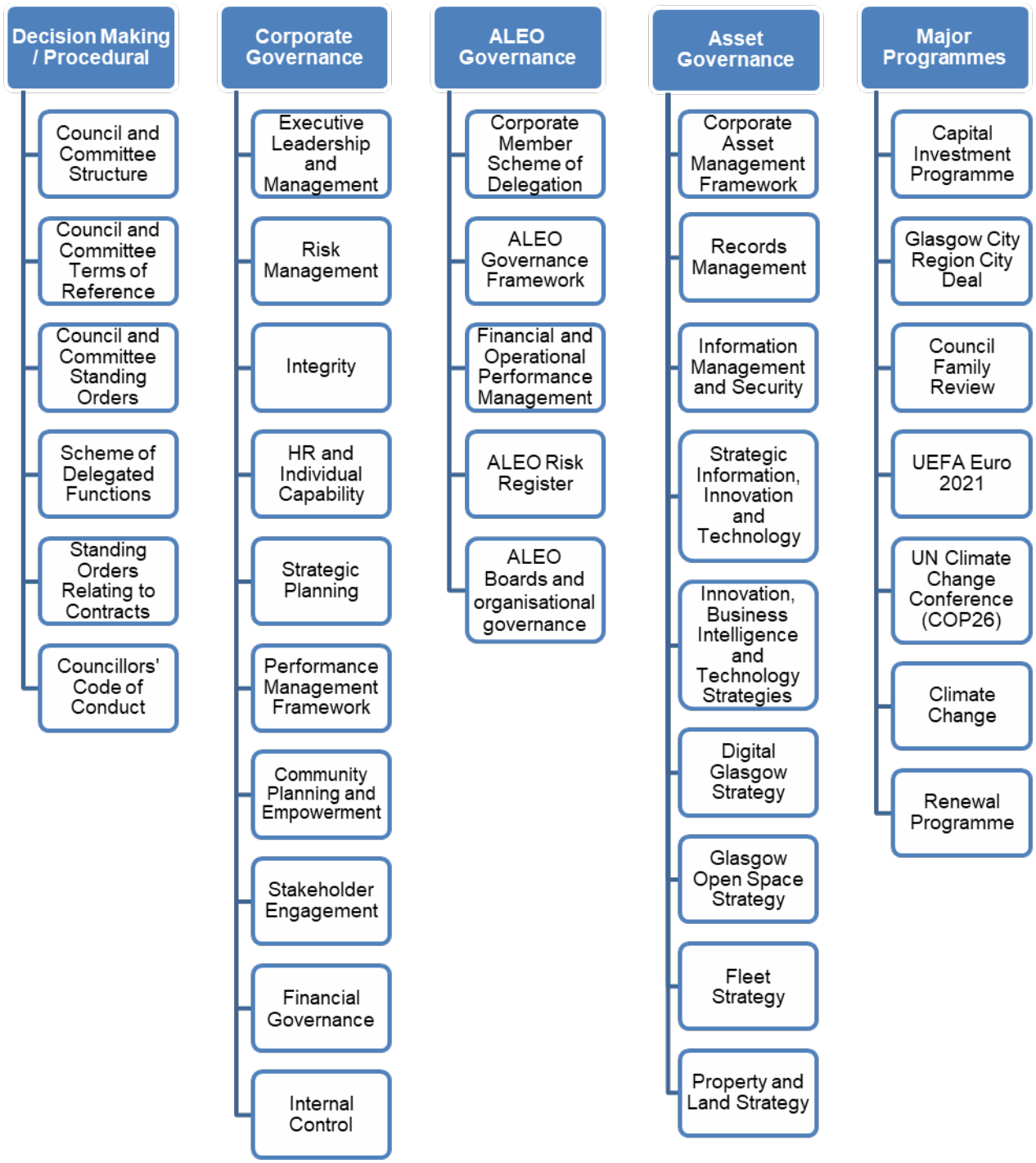
2.1 The Council's governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled. Through the framework, the Council is accountable to, engages with, and leads its communities. The framework enables the Council to monitor the achievement of the strategic objectives set out in the Council's Strategic Plan 2017-2022 and to consider whether those objectives have led to the delivery of appropriate, cost-effective services and outcomes.

3. The governance framework

3.1 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.

3.2 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.

3.3 The Council's governance framework is set out in the diagram below. At the start of the COVID-19 pandemic, the Council responded by making changes to some of its governance arrangements. By 1 April 2021 these had now reverted back to normal practices, although the use of virtual meetings remains in place for many Council and Committee meetings.


Decision Making / Procedural
Council and Committee Structure
Council and Committee Terms of Reference
Council and Committee Standing Orders
Scheme of Delegated Functions
Standing Orders Relating to Contracts
Councillors' Code of Conduct
Corporate Governance
Executive Leadership and Management
Risk Management
Integrity
HR and Individual Capability
Strategic Planning
Performance Management Framework
Community Planning and Empowerment
Stakeholder Engagement
Financial Governance
Internal Control
ALEO Governance
Corporate Member Scheme of Delegation
ALEO Governance Framework
Financial and Operational Performance Management
ALEO Risk Register
ALEO Boards and organisational governance
Asset Governance
Corporate Asset Management Framework
Records Management
Information Management and Security
Strategic Information, Innovation and Technology
Innovation, Business Intelligence and Technology Strategies
Digital Glasgow Strategy
Glasgow Open Space Strategy
Fleet Strategy
Property and Land Strategy
Major Programmes
Capital Investment Programme
Glasgow City Region City Deal
Council Family Review
UEFA Euro 2021
UN Climate Change Conference (COP26)
Climate Change
Renewal Programme
External and Internal Audit and other regulatory inspections

3.4 The main features of the governance framework in operation across 2021/22 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 approved by the Council on 19 May 2022.

(c) The Council operates Codes of Conduct for employees and elected members are required to adhere to the nationally prescribed Councillors' Code of Conduct.

(d) The Council approved its Strategic Plan 2017-2022 on 2 November 2017. This established seven cross-cutting priority themes: for Glasgow to have a thriving economy; excellent and inclusive education, and resilient and empowered neighbourhoods and to be a vibrant city; a healthier city; a sustainable and low carbon city, and a well governed city that listens and responds. The Strategic Plan continues to set out the vision and values of the city and reflects the challenges ahead and the need for the Council to remain focussed on budget strategy; service reform; making best use of workforce and assets, and continuing to explore partnership working and service integration.
Throughout 2021/22, the Plan continued to provide strategic direction. The Strategic Plan continued to be monitored through the Annual Performance Report, which was reported to the City Administration Committee on 30 September 2021, and through reporting to the Operational Performance and Delivery Scrutiny Committee until March 2022.

(e) The Corporate Performance Management Framework 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. In 2019/20, a suite of outcome-based indicators, with a baseline reference point of 2017, was introduced. On 15 September 2021, a report was presented to the Operational Performance and Delivery Scrutiny Committee (OPDSC) on progress against the Strategic Plan. Throughout 2021/22, the OPDSC continued to receive performance reports from Services and ALEOs, which included information on the impact of Covid-19 on priorities, including the issues and challenges faced; the impact on services delivered, and recovery activity.

(f) The ten year Glasgow Community Plan was published in October 2017. This is the Glasgow Community Planning Partnership's (GCPP) Local Outcomes Improvement Plan that sets out shared

priorities for the city. It identifies inclusive growth as a key objective for the city supported by three focus areas of economic growth, resilient communities and a fairer more equal Glasgow, as well as two enabling priority areas of childcare and transport. The Plan complements the partnership working taking place in the city and is published along with ten locality plans setting out how issues within specific communities across the city will be addressed.

The Plan is supported by the Social Recovery Taskforce, established to set out a shared vision to drive the city's response to the impact of Covid in relation to a broad range of themes. The priorities of the Taskforce and its workstreams are embedded in the new Community Action Plan (2022 to 2025) and Performance Management Framework for the Glasgow Community Planning Partnership. Reports on the Taskforce were presented to the Wellbeing, Empowerment, Community and Citizen Engagement City Policy Committee during 2021/22.

(g) 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. An annual report on progress on Asset Transfer Requests was presented to the Wellbeing, Empowerment, Community and Citizen Engagement City Policy Committee (WECCE) on 3 March 2022.

On 25 February 2021, the People Make Glasgow Communities programme was launched. This 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.

(h) 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.

(i) Implemented in July 2017, the Council's Business Continuity Policy and Framework continued 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 underpinned the Council's response to Covid-19, including the prioritisation of services, recovery and resources. Lessons learned workshops have informed opportunities for improvement in business continuity arrangements. Work is ongoing to continually review, test and update service plans.

(j) 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).

(k) 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. In August 2019, a Financial Controls Framework was published 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.

(l) 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 2021/22. The most recent report was presented to OPDSC on 20 October 2021.

(m) Approved by the City Administration Committee on 14 June 2018, the Corporate Procurement and Improvement Strategy 2018-2022 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.

(n) Structural changes across the Council Family have driven the need to review and align asset governance arrangements. The Corporate Asset Management Framework for 2021-2024 creates a consistent reporting model across the seven asset classes (property, information, ICT, infrastructure, open spaces, fleet, and the civic Collections) and key objectives for each, aligned to the Council's seven priority strategic themes, to inform how the Council shapes its assets to deliver outcomes. This will ensure the Council knows and efficiently uses assets to support service delivery and facilitate collaboration across the Council Family to achieve an improved asset base.

(o) Information and data security and records management have a high profile within the Council. In 2021/22, the Council continued to operate the Information Security and Integrity 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 2021/22, the Council did not make any reports to the Information Commissioner's Office (ICO) in relation to information security breaches.

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's PSN compliance was due for renewal in 2017. Technical ICT issues, primarily relating to a legacy call handling system, meant the Council was unable to apply for reaccreditation at that time. Remediation activities continue to progress. The completion of these activities has however been impacted by re-prioritisation of resources to support business continuity initiatives related to Covid-19. Business planning to progress and implement the planned remediation activities remains a high priority and has now been re-baselined. The Council continues to engage with the Government Digital Service. A formal IT Health Check was undertaken in June 2021 but there were delays in getting the required Remediation Action Plan, compounded by staff absences/turnover, and the Code of Connection submission was rejected as incomplete in March 2022. The council is

now engaging with its ICT provider to have an updated ITHC conducted in July 2022 for re-submission. In 2019/20, the Council secured accreditation to the Cyber Essentials Plus standard. We are currently assessing the merits of re-applying for the as the standard is no longer considered appropriate for large complex networks such as the council's.

(p) 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 2021/22. During the year, a comprehensive review of Glasgow Life was initiated and this is ongoing into 2022/23.

(q) 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 2021/22. The Council Family Review programme has identified some potential enhancements to the ALEO Governance Framework and once finalised, these will be rolled out in 2022/23.

(r) The impact of the Covid-19 pandemic continues to affect all aspects of society and the role and operation of the Council and its workforce. It has increased demand for existing and additional Council services and presents further financial pressures during 2021/22 and in the years ahead. Building on the delivery of previous change programmes as an integral part of meeting financial constraints while fulfilling key priorities, the Council developed a Renewal Programme Strategy and Governance Framework that set out the vision, principles and objectives for bringing together the challenges, opportunities and aspirations to support the recovery of services and wider social and economic recovery across the city for the longer-term. This was overseen by a Renewal Programme Board and Political Oversight Group. As part of the development of the new Council Plan, it is anticipated that the key elements of this Renewal Programme will be incorporated into the new Council Plan from 2022.

(s) 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 2021 Glasgow Household Survey were reported to the Operational Performance and Delivery Scrutiny Committee on 15 September 2021. A dedicated web page provides a Consultation Hub to co-ordinate consultation with residents and businesses.

(t) In May 2018, the Council produced its first City Charter, an informal agreement between the Council and citizens that lists shared commitments, aims and standards. Created and developed through consultation with citizens, it sets out citizens' vision for Glasgow, how the Council and citizens can work together and play their part in improving the city and respective roles, responsibilities and rights. The principles of the Charter underpin major programmes across the Council Family, including People Make Glasgow Communities and People Make Glasgow Greener, and will continue to shape how the Council engages with citizens and re-designs services.

4. Review of effectiveness

4.1 The Council's governance arrangements set out above operated across 2021/22 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 2021/22, 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 Administrative Services, who was the Council's Monitoring Officer for 2021/22.

(c) The Head of Audit and Inspection's annual report and the work of the Internal Audit section. The latest external 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 and Audit Scotland continue to use the work of the section in the execution of their annual audit plan. 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 2021/22 was approved by the Finance and Audit Scrutiny Committee on 17 March 2021 and all required fieldwork has been completed.

(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 2021/22, 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 2021/22, 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. An independent assessment of each Council Committee was undertaken during 2021/22, having been delayed due to the COVID-19 pandemic. These reviews were completed by senior officers independent of the Committee to be reviewed and the results were consolidated and reported to the Operational Performance and Delivery Scrutiny Committee on 9 February 2022.

4.2 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.

5. Governance Developments and Future Activity

5.1 Following publication of a Best Value Assurance Report on the Council by Audit Scotland, on behalf of the Accounts Commission, the Council approved its BVAR Action Plan in September 2018. Updates on the BVAR Action Plan were presented to Finance and Audit Scrutiny Committee on 13 March 2019 and 11 September 2019. The final update was presented on 11 March 2020 and noted that the majority of the specific agreed actions were complete with those actions forming part of longer-term ongoing plans, for example, homelessness and Thriving Places, continuing to progress, with oversight by, and reports to, existing governance structures, including the Corporate Management Team and City Administration Committee.

5.2 The following activity is planned, in relation to the governance framework, in 2022/23:

- Develop a new Council Plan following the May 2022 Local Government elections, incorporating any residual actions from the Council's existing Renewal Programme, and reflecting the Glasgow Community Plan.
- Review of the Council's Performance Management Framework, incorporating the work of the Operational Performance and Delivery Scrutiny Committee from 2021/22.
- Continued implementation of the recommendations arising from the Best Value Assurance Report.
- Continuation of the Council Family Review, finalising the review of Glasgow Life, and enhancing the Council's ALEO Governance framework.
- Progressing implementation of a new pay and grading scheme.

6. Update on significant governance issues previously reported

6.1 There remains an ongoing disconnect between the Council's Business Continuity (BC) Plan assumptions for ICT recovery times, and the provisions for Disaster Recovery (DR) in DR plans. Whilst it is recognised that the inherent resilience of the corporate network and key applications has been enhanced in recent years, gaps continue to be identified between BC plan requirements and application level DR plans provided by the Council's ICT provider. There is also still inadequate formal DR plan testing taking place.

6.2 In the 2020/21 Annual Governance Statement, specific mention was made of two other significant matters identified by Internal Audit:

- Suspicious payment activity by a third party leading to concerns around potential money laundering. These investigations have been concluded and the relevant third parties informed.
- The identification of a fraud within the Strathclyde Pension Fund, with a family member of a deceased pensioner continuing to receive a pension over a prolonged period, to the value of circa. £300,000. Investigations have concluded that this was an isolated historic case and that the existing control framework is sufficient to prevent any similar fraudulent activity. The outcome of the investigations were reported to the Strathclyde Pension Fund Committee on 2 March 2022.

7. Significant governance issues

7.1 Where the audit opinion arising from an audit states that the control environment has been assessed as unsatisfactory the concerns highlighted are reported in the Annual Governance Statement. During 2021/22 one unsatisfactory report was issued by Internal Audit relating to the Council's current ICT arrangements. A detailed report was presented to the Finance and Audit Scrutiny Committee on 26 January 2022, outlining concerns relating to ICT security and ICT contract management arrangements. A detailed action plan has been agreed with management and these actions will be monitored by Internal Audit and progress reported to the Finance and Audit Scrutiny Committee during 2022/23.

8. Internal Audit Opinion

8.1 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.

8.2 Based on the audit work undertaken, the assurances provided by Service Directors and Managing Directors/Chief Executives of subsidiaries and relevant associates, and excluding the significant issues noted above, it is the Head of Audit and Inspection's opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the governance and control environment which operated during 2021/22 in the council and its subsidiaries and relevant associates.

9. Certification

It is our opinion that reasonable 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 and that the arrangements in place for the whole of 2021/22 were fit for purpose. 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. We propose over the coming year to take steps 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.

Remuneration report for the year ended 31 March 2022

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 will be audited by Audit Scotland. The other sections of the remuneration report will also be reviewed by Audit Scotland 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;
- 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 officers. 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 2021/22, the maximum salary for the Leader of the Council is £55,817. 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 2021/22, the maximum salary for the Civic Head is £41,862.

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, deputy city conveners and chairs of committees. In 2021/22 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 Lord Provost, did not exceed £725,601. The table at 4.1 shows the total remuneration paid to any councillors that held a senior councillor post at any point in 2021/22 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 officers

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 officers 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 influence 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.

4. Remuneration

4.1. Remuneration of senior councillors

2020/21 Total Remuneration £	**Remuneration of senior councillors (includes the basic councillor salary of £18,604)**	Date from	Date to	**Year ended 31 March 2022 Total Remuneration** £
53,367	**Susan Aitken** Leader and City Convener for Inclusive Economic Growth	April 2021	March 2022	**55,724**
40,025	**Phillip Braat** Lord Provost	April 2021	March 2022	**41,793**
39,200	**David McDonald** Deputy Leader and City Convener for Culture, Vibrancy & International Cooperation	April 2021	March 2022	**40,932**
-	**Christy Mearns** Depute Lord Provost	May 2021	March 2022	**30,115**
21,730	**Malcolm Cunning** Leader of the Majority Opposition (Labour Group)	April 2021	March 2022	**26,709**
-	**Malcolm Balfour** Convener of Contracts and Property Committee	April 2021	March 2022	**26,900**
33,341	**Richard Bell** City Treasurer	April 2021	March 2022	**35,084**
25,328	**Christina Cannon** Convener of General Purposes City Policy Committee	April 2021	March 2022	**26,709**
25,328	**Allan Casey** Convener of Neighbourhoods, Housing & Public Realm City Policy Committee	April 2021	April 2021	**35,281**
	City Convener for Workforce	April 2021	March 2022	
25,579	**Annette Christie** Convener of Wellbeing, Empowerment, Community & Citizen Engagement City Policy Committee	April 2021	March 2022	**26,709**
33,600	**Chris Cunningham** City Convener for Education, Skills & Early Years	April 2021	March 2022	**35,084**
25,579	**Glenn Elder** Convener of Planning Applications Committee	April 2021	March 2022	**26,709**
33,600	**Michelle Ferns** City Convener for Workforce	April 2021	April 2021	**18,184**
38,760	**Greg Hepburn** Business Manager & City Convener for Democratic Renewal	April 2021	March 2022	**40,932**
25,579	**Mhairi Hunter** City Convener for Health and Social Care Integration	April 2021	March 2022	**26,709**
25,579	**Ruairi Kelly** Chair of Contracts and Property	April 2021	April 2021	**26,709**
	Convener for Neighbourhoods, Housing and Public Realm City Policy Committee	April 2021	March 2022	

2020/21 Total Remuneration £	**Remuneration of senior councillors (includes the basic councillor salary of £18,604)**	Date from	Date to	**Year ended 31 March 2022 Total Remuneration** £
25,579	**Matt Kerr** Chair of Licensing Board	April 2021	March 2022	**26,709**
25,579	**Thomas Kerr** Leader of the Opposition (Conservative Group)	April 2021	March 2022	**26,709**
33,600	**Jennifer Layden** City Convener for Community Empowerment, Equalities & Human Rights	April 2021	March 2022	**35,084**
33,600	**Kenneth McLean** City Convener for Neighbourhoods, Housing and Public Realm	April 2021	March 2022	**35,084**
25,579	**David Meikle** Convener of Finance and Audit Scrutiny Committee	April 2021	March 2022	**26,709**
25,579	**Angus Millar** Chair of Environment, Sustainability and Carbon Reduction City Policy Committee	April 2021	March 2022	**26,709**
19,780	**Jon Molyneux** Senior Councillor (Green Group)	April 2021	June 2021	**20,256**
25,579	**Jane Morgan** Chair of Operational Delivery and Performance Scrutiny Committee	April 2021	March 2022	**26,709**
-	**Margaret Morgan** City Convener for Education, Skills and Early Years City Policy Committee	December 2021	March 2022	**21,275**
33,600	**Anna Richardson** City Convener for Sustainability and Cardon Reduction	April 2021	March 2022	**35,084**
25,328	**Rhiannon Spear** Chair of Education, Skills and Early Years City Policy Committee	April 2021	December 2021	**24,007**
-	**Martha Wardrop** Senior Councillor (Green Group)	June 2021	March 2022	**25,025**
25,579	**Alex Wilson** Convener of Licensing and Regulatory Committee	April 2021	March 2022	**26,709**
745,977	**Total**			**876,352**

Notes:

1. Payments include salaries, there were no payments for bonuses or compensation for loss of office. Business expenses are disclosed at note 4.2.

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. During 2021/22 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 the council and the City Administration Committee.

   www.glasgow.gov.uk/CouncillorsandCommittees

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:

2020/21 £000	**Remuneration**	**2021/22 £000**
1,818	Salaries	1,912
0	Allowances	4
17	Expenses	4
1,835	**Total**	**1,920**

Note:

The annual return of councillors' salaries and expenses for 2021/22 is available for any member of the public to view on the council's website at:

https://www.glasgow.gov.uk/index.aspx?articleid=17107

4.3. Remuneration of senior employees

2020/21 Total Remuneration £	Remuneration of senior employees	Year ended 31 March 2022 Salary, fees and allowances £	Compensation for loss of office £	Election duties £	**Total Remuneration** £
186,860	**Annemarie O'Donnell** Chief Executive	188,128	0	36,562	**224,690**
141,716	**Martin Booth** Executive Director of Finance	147,375	0	1,500	**148,875**
216,516	**Carole Forrest** (to 10 April 2021) Director of Corporate Governance and Solicitor to the Council	3,343	0	0	**3,343**
146,548	**Maureen McKenna** (to 10 January 2022) Executive Director of Education Services	114,906	0	0	**114,906**
-	**Douglas Hutchison** (from 17 January 2022) Executive Director of Education Services	30,798 (FYE £133,824)	0	0	**30,798**
146,548	**George Gillespie** Executive Director of Neighbourhoods, Regeneration and Sustainability	147,761	0	0	**147,761**
16,872 **(FYE £99,327)**	**Jackie Kerr** Interim Chief Social Work Officer	100,571	0	0	**100,571**
-	**Kevin Rush** (from 11 April 2021) Director of Regional Economic Growth	110,263 (FYE £110,627)	0	0	**110,263**
-	**Bernadette Monaghan** (from 11 April 2021) Director of Community Empowerment and Equalities	110,077 (FYE £110,627)	0	0	**110,077**
-	**Elaine Galletly** (from 11 April 2021) Director of Legal & Administration	100,071 (FYE £104,496)	0	1,390	**101,461**
-	**Robert Anderson** (from 11 April 2021) Head of Human Resources	98,837 (FYE £98,890)	0	0	**98,837**
-	**Michelle McGinty** (from 18 July 2021) Head of Corporate Policy and Governance	63,417 (FYE £87,020)	0	0	**63,417**
97,689	**Anne Connolly** (to 31 July 2021) (note 1) Strategic Adviser to the Chief Executive	32,786	54,554	0	**87,340**
97,689	**Colin Edgar** (note 1) Head of Communication and Strategic Partnerships	98,837	0	1,500	**100,337**
1,050,438	**Total**	**1,347,170**	**54,554**	**40,952**	**1,442,676**

Notes:

1. Employee included as post is politically restricted by reason of section 2(1) (a), (b) or (c) of Local Government and Housing Act 1989 (4).

2. There were no payments in the form of bonuses, taxable allowances or expenses, or other benefits in kind.

3. 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.

4.4. Remuneration of senior employees of subsidiaries

2020/21 Total Remuneration £	Remuneration of senior employees of subsidiaries	Year ended 31 March 2022 Salary, fees and allowances £	Bonus £	Taxable allowances and expenses £	Benefits in kind other than in cash £	Payment in Lieu of Employer Pension Contributions £	**Total Remuneration £**
232,259	**Peter Duthie** (notes 1 & 2) Chief Executive Officer, Scottish Event Campus Ltd	187,018	0	19,647	598	28,053	**235,316**
153,195	**William McFadyen** (note 2) Director of Finance & Development, Scottish Event Campus Ltd	137,948	0	15,869	698	0	**154,515**
36,332 (FYE £150,135)	**Alan Burns** (note 3) Executive Director City Building (Contracts) LLP	150,739	0	13,630	658	0	**165,027**
146,974	**Dr Bridget McConnell** Chief Executive, Culture and Sport Glasgow t/a 'Glasgow Life'	147,969	0	0	0	0	**147,969**
80,109	**William Taggart** (to 31st July 2021) Managing Director, City Parking (Glasgow) LLP	28,603	0	0	0	0	**28,603**
111,543	**Pauline Barclay** Managing Director, City Property (Glasgow) LLP	112,710	0	0	0	0	**112,710**
77,377	**Gary Hay** Managing Director, Jobs & Business Glasgow	80,731	0	0	0	0	**80,731**
837,789	**Total**	**845,718**	**0**	**49,146**	**1,954**	**28,053**	**924,871**

Notes:

1. The Scottish Event Campus Ltd provides a cash alternative in lieu of employer pension contributions which was fully exercised by Peter Duthie during 2021/22. The cash alternative is not taken into consideration for any bonus calculations.

2. The Scottish Event Campus Remuneration Committee agreed that no bonus will be payable for 2021/22.

3. This officer is employed by City Building (Glasgow) LLP but is the Executive Director of City Building (Glasgow) LLP and City Building (Contracts) LLP.

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 officers who are subject to the fuller disclosure requirements in table 4.3.

		Remuneration in 2021/22			
Total 2020/21	**£5,000 band**	Teachers	Those receiving compensation for loss of office	Staff (excl teachers)	**Total**
963	50,000 – 54,999	475	1	572	1,048
309	55,000 – 59,999	219	0	91	310
253	60,000 – 64,999	133	0	111	244
103	65,000 – 69,999	81	1	72	154
23	70,000 – 74,999	5	0	15	20
45	75,000 – 79,999	6	0	18	24
17	80,000 – 84,999	8	1	40	49
5	85,000 – 89,999	7	1	2	10
7	90,000 – 94,999	2	0	5	7
27	95,000 – 99,999	3	1	15	19
1	100,000 – 104,999	0	0	9	9
6	105,000 – 109,999	0	0	0	0
0	110,000 – 114,999	0	0	7	7
1	120,000 – 124,999	0	0	1	1
0	125,000 – 129,999	0	1	0	1
1	140,000 – 144,999	0	0	0	0
2	145,000 – 149,999	0	0	2	2
1	185,000 – 189,999	0	0	0	0
1	215,000 – 219,999	0	0	0	0
0	220,000 – 224,999	0	0	1	1
1,765	**Total**	**939**	**6**	**961**	**1,906**

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.

2020/21				**Exit packages bands**	**2021/22**			
Number	*Cash value £000*	*Notional CAY value £000*	*Total £000*		**Number**	**Cash value £000**	**Notional CAY value £000**	**Total £000**
8	66	0	66	£1 - £20,000	11	97	0	97
3	93	0	93	£20,001 - £40,000	4	130	0	130
3	155	0	155	£40,001 - £60,000	6	298	6	304
2	148	0	148	£60,001 - £80,000	2	145	0	145
3	235	40	275	£80,001 - £100,000	0	0	0	0
5	574	44	618	£100,001 - £150,000	0	0	0	0
1	161	0	161	£150,001 - £200,000	2	387	0	387
0	0	0	0	£200,001 - £250,000	1	215	0	215
0	0	0	0	£250,001 - £300,000	1	280	0	280
1	225	120	345	£300,001 - £350,000	0	0	0	0
26	**1,657**	**204**	**1,861**	**Total**	**27**	**1,552**	**6**	**1,558**

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 2020/21 and 2021/22 are as follows:

Whole time pay 2020/21 bandings	Employee contribution rate	Whole time pay 2021/22 bandings
On earnings up to and including £22,200	5.50%	On earnings up to and including £22,300
On earnings above £22,200 and up to £27,100	7.25%	On earnings above £22,300 and up to £27,300
On earnings above £27,100 and up to £37,200	8.50%	On earnings above £27,300 and up to £37,400
On earnings above £37,200 and up to £49,600	9.50%	On earnings above £37,400 and up to £49,900
On earnings above £49,600	12.00%	On earnings above £49,900

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 and 5.2, on pages 133 to 135, summarise the in-year employer contributions and the accrued benefits for all senior councillors and senior employees that held post at some point during 2021/22. The tables do not include contributions made by employees or councillors to the pension fund. All councillors that held senior posts at any time are included, where they are members of the scheme.

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 2021 £	For year to 31 March 2022 £		Difference from 31 March 2021 £000	As at 31 March 2022 £000
Susan Aitken	10,300	10,755	Pension	2	9
			Lump Sum	0	0
Philip Braat	7,725	8,066	Pension	1	8
			Lump Sum	1	1
David McDonald	7,566	7,900	Pension	1	9
			Lump Sum	0	1
Christy Mearns	3,433	5,812	Pension	1	2
			Lump Sum	0	0
Malcolm Cunning	4,194	5,155	Pension	0	4
			Lump Sum	0	0
Malcolm Balfour	3,433	5,192	Pension	1	4
			Lump Sum	0	0
Richard Bell	6,435	6,771	Pension	1	3
			Lump Sum	0	0
Christina Cannon	4,888	5,155	Pension	0	2
			Lump Sum	0	0
Allan Casey	4,888	6,809	Pension	0	2
			Lump Sum	0	0
Annette Christie	4,937	5,155	Pension	0	2
			Lump Sum	0	0
Chris Cunningham	6,485	6,771	Pension	1	4
			Lump Sum	0	0
Glenn Elder	4,937	5,155	Pension	0	4
			Lump Sum	0	0
Michelle Ferns	6,485	3,509	Pension	1	3
			Lump Sum	0	0
Greg Hepburn	7,481	7,900	Pension	1	4
			Lump Sum	0	0
Mhairi Hunter	4,937	5,155	Pension	1	5
			Lump Sum	0	0
Ruairi Kelly	4,937	5,155	Pension	1	3
			Lump Sum	0	0

Pension benefits of senior councillors	In year pension Contributions For year to 31 March 2021 £	For year to 31 March 2022 £		Accrued pension Benefits Difference from 31 March 2021 £000	As at 31 March 2022 £000
Matt Kerr	4,937	5,155	Pension	1	3
			Lump Sum	0	0
Thomas Kerr	4,937	5,155	Pension	0	2
			Lump Sum	0	0
Jennifer Layden	6,485	6,771	Pension	1	3
			Lump Sum	0	0
Kenneth McLean	6,485	6,771	Pension	1	3
			Lump Sum	0	0
David Meikle	4,937	5,155	Pension	1	6
			Lump Sum	1	2
Angus Millar	4,937	5,155	Pension	1	3
			Lump Sum	0	0
Jon Molyneux	3,818	3,909	Pension	1	2
			Lump Sum	0	0
Jane Morgan	4,937	5,155	Pension	0	2
			Lump Sum	0	0
Margaret Morgan	3,433	4,106	Pension	1	2
			Lump Sum	0	0
Anna Richardson	6,485	6,771	Pension	1	4
			Lump Sum	0	0
Rhiannon Spear	4,888	4,633	Pension	0	2
			Lump Sum	0	0
Martha Wardrop	3,433	4,830	Pension	1	6
			Lump Sum	1	2
Alex Wilson	4,937	5,155	Pension	0	3
			Lump Sum	0	0
Total	**157,710**	**169,136**	**Pension**	**21**	**109**
			Lump Sum	**3**	**6**

5.2. Pension benefits of senior employees

Pension benefits of senior employees	In year pension contributions		Accrued pension Benefits		
	For year to 31 March 2021 £	For year to 31 March 2022 £		Difference from 31 March 2021 £000	As at 31 March 2022 £000
Annemarie O'Donnell	36,064	36,309	Pension	4	87
			Lump Sum	1	129
Martin Booth	27,351	28,443	Pension	2	48
			Lump Sum	2	55
Carole Forrest	23,453	645	Pension	-2	52
			Lump Sum	0	73
Maureen McKenna	28,284	22,177	Pension	0	86
			Lump Sum	0	176
Douglas Hutchison	0	5,944	Pension	20	20
			Lump Sum	0	0
George Gillespie	28,284	28,518	Pension	1	64
			Lump Sum	1	89
Jackie Kerr	19,092	19,314	Pension	0	54
			Lump Sum	0	90
Kevin Rush	20,881	21,335	Pension	2	30
			Lump Sum	0	10
Bernadette Monaghan	20,383	21,245	Pension	3	9
			Lump Sum	0	0
Elaine Galletly	18,854	19,314	Pension	3	46
			Lump Sum	5	64
Robert Anderson	18,854	19,075	Pension	1	49
			Lump Sum	0	73
Michelle McGinty	15,389	16,471	Pension	2	25
			Lump Sum	1	16
Anne Connolly	18,854	143,404	Pension	-1	51
			Lump Sum	0	87
Colin Edgar	18,854	19,075	Pension	0	28
			Lump Sum	0	13
Total	**294,597**	**401,269**	**Pension**	**35**	**649**
			Lump sum	**10**	**875**

5.3. Pension benefits of senior employees of subsidiaries

Pension benefits of senior employees of Glasgow City Council subsidiaries	In year pension contributions: For year to 31 March 2021 £	In year pension contributions: For year to 31 March 2022 £	Accrued pension Benefits	Difference from 31 March 2021 £000	As at 31 March 2022 £000
Peter Duthie (note 1) Chief Executive, Scottish Event Campus Ltd	0	0	Pension Lump sum	n/a n/a	n/a n/a
William McFadyen (note 1) Director of Finance and Development, Scottish Event Campus Ltd	18,499	19,313	Pension Lump sum	n/a n/a	n/a n/a
Alan Burns Executive Director City Building (Contracts) LLP	22,950	29,093	Pension Lump sum	2 0	60 94
Dr Bridget McConnell Chief Executive, Culture and Sport Glasgow T/A 'Glasgow Life'	24,410	28,454	Pension Lump sum	3 0	79 136
William Taggart Managing Director *(to 31st July 2021)* City Parking (Glasgow) LLP	15,461	5,520	Pension Lump sum	2 1	47 82
Pauline Barclay Managing Director, City Property (Glasgow) LLP	21,527	21,753	Pension Lump sum	3 0	39 35
Gary Hay Managing Director, Jobs and Business Glasgow	11,780	13,539	Pension Lump sum	3 0	15 0
Total	**114,627**	**117,672**	**Pension** **Lump sum**	**13** **1**	**240** **347**

Notes:

1. All senior councillors and senior employees shown in the tables 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. The SEC provides a cash alternative in lieu of employer pension contributions which was fully exercised by Peter Duthie during 2021/22.

6. Trade Union (Facility Time Publication Requirements) Regulations 2017

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.

The latest available report, for reporting year 2020/21, details 233 employees were relevant trade union officials, all of which could have spent a proportion of their working hours on facility time. In terms of facility time as a proportion of their working hours 121 spent 0%, 94 spent 1%-50%, 7 spent 51%-99% and 11 spent 100%. The percentage of the total pay bill spent on facility time was 0.1%. The time spent on paid trade union activities as a percentage of total paid facility hours was 3.76%. This disclosure will be updated to include the 2021/22 details in the audited annual accounts.