
**GLASGOW CITY REGION – CITY DEAL CABINET JOINT
COMMITTEE**

**Audited Annual Accounts
for the Year ended 31 March 2023**

GLASGOW CITY REGION – CITY DEAL CABINET JOINT COMMITTEE

Audited Annual Accounts Year ended 31 March 2023

Contents	Page
• Management Commentary	2
• Annual Governance Statement	8
• Statement of Responsibilities	13
• Independent Audit Report	15
• Comprehensive Income and Expenditure Statement	20
• Balance Sheet	21
• Cash Flow Statement	22
• Notes to the Accounts	23

❖ **Management Commentary**

History and Statutory Background

Glasgow City Region (Region), one of the largest regions in the UK, is Scotland's economic powerhouse. With a combined population of 1.8 million (ONS Population estimates - local authority based by single year of age), it provides 35% of the nation's jobs (ONS Business Register and Employment Survey) and a base to almost 30% of Scotland's businesses (ONS UK Business Counts). Its economy produced an approximate £48 billion of Gross Value Added (GVA) in 2021, making it the largest city region economy in Scotland and the fifth largest in the UK (ONS Regional gross value added (balanced) by industry: city and enterprise regions).

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

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

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

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

Glasgow City Council is the Accountable Body.

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

Structure

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

The Glasgow City Region Programme Management Office (GCR PMO) acts as the secretariat for the Cabinet and is the central point for appraisal and monitoring of all aspects of City Deal. The Cabinet is supported by a Chief Executives' Group (CEG), which oversees the management of the GCR PMO in its delivery of the operational functions of the Cabinet.

The CEG is also supported by a number of sub-groups, comprised of officers from the Member Authorities. To further the existing collaboration between the eight Member Authorities, a distributive leadership model was agreed in June 2016, based around eight portfolios focused on driving wider economic growth. Consultation continues to take place with the Glasgow City Region and the UK and Scottish Governments through ongoing officer liaison and an Annual Conversation event in September each year. Governance arrangements align to the Assurance Framework and the Programme Business Case. The City Deal is also supported by a programme of internal and external audits.

Strategic Aims

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

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

Programme Performance

This report marks the eighth year of the Glasgow City Region – City Deal Cabinet Joint Committee and the establishment of our partnership and covers the period ending 31 March 2023.

Our City Deal was the first to be established in Scotland and to benefit from funding from both the Scottish and UK Governments, and is persistently one of the largest and most advanced of all UK City Deals.

The City Deal continues to provide vital opportunities and support for the Region's businesses and communities. To date, 269 of tier one contracts worth over £142 million have been won by local companies - nearly 60% of the total number of all contracts let. In terms of community benefit

outcomes from contracts, 496 targeted skills and training opportunities have been realised to date, many of which are from priority groups.

A review of the City Deal Programme has been underway, approved by the governments in December 2022. This has been prompted by ongoing challenges from the impact of construction cost inflation and issues around resource and materials resulting from wider global economic, political and fiscal conditions. This has been an extensive exercise and all proposed changes have been provided by Member Councils to the Glasgow City Region – City Deal Cabinet Joint Committee. Despite the significant and unprecedented issues presented by external conditions, we remain fully committed to our City Deal programme of 21 infrastructure projects. A review of the economic impact of a number of proposed significant changes is still underway, with a report planned for February 2024 Cabinet.

In the period of the report, projects continue to move forward at pace, with some major milestones achieved.

The new [Sighthill bridge](#) over the M8 motorway opened at the end of March 2023, a key component of the regeneration of Sighthill in Glasgow – one of the largest projects of its type outside of London. City Deal investment has re-connected an area equivalent in size to 60 football pitches to the near-by city centre. Extensive remediation has addressed historic land contamination, a result of the area's industrial heritage, enabling the construction of thousands of new homes and landscaping to create a new city park.

The official opening of East Renfrewshire's [Greenlaw Business Centre](#) was marked in February with a formal event attended by ministers from both governments. Located in Newton Mearns and funded through £5 million City Deal investment, the 20,000 sq. ft building comprises office suites, meeting rooms, breakout areas and a business lounge. Since opening, it is occupied by 26 businesses and delivering on goals to stimulate economic growth and create employment and opportunities for local SMEs to develop and grow.

Progress also continues on the two new bridges over the River Clyde at Partick – Govan and at Renfrew – Yoker, and we look forward to seeing further evidence of the physical build in the coming months when the bridge spans are floated up the river from the sea.

Ahead of the completion later this year of the City Deal funded **Ocean Terminal**, Inverclyde's new £19.2 million cruise ship visitor centre, the council [announced](#) that the cruise port is set to experience its busiest year since records began, with 91 cruise liners booked into the new pontoon for 2023, a rise of over 25 per cent on last year and more than 150,000 passengers and 38,000 crew members expected to pass through the port over the course of this year. This is a great outcome for the terminal in its second full season since Covid effectively closed down the cruise industry.

In the reporting period, further progress was made in boosting the Region's economy and in the delivery of the Regional Economic Strategy.

Working with private sector partners, the Region's bid to the UK and Scottish Government for a **Clyde Green Freeport** was submitted in June 2022. And while our bid was unsuccessful, further discussions continue with government to pursue a more positive outcome for the Region.

Glasgow City Region is the sole region in Scotland to take a regional approach to the development and delivery of the **UK Government Shared Prosperity Fund (SPF)**. The Region will benefit from an injection of £73.9 million in funding over the three years of the Shared Prosperity Fund - a funding stream that will replace the EU Structural funding. The Region's collective investment plan which set out our proposals to the UK Government for this funding across all eight councils was approved in December. This recognises not only Regional oversight and direction, but also local delivery, ensuring an appropriate geographical spread of investment based on need and opportunity, and alignment with our Regional Economic Strategy.

We also completed the **action plan** for our economic strategy, showing progress on the 12 programmes, some of which will be supported through SPF funding. Work will continue through this year in taking forward and revisiting the various actions.

In June 2022, we launched the **Clyde Peatlands** project which aims to deliver large-scale peatland restoration across the eight Member Authority areas, and in its first twelve months of operation over one million trees were planted in urban and rural areas across the Region through the **Clyde Climate Forest** project. This figure will escalate steeply this year.

Rightly so, the Region has undertaken work to better embed actions to address health inequality across our economic plans, with the **Economies for Healthy Lives** project, and work on **Child Poverty** and **Community Wealth Building**.

As we look forward, on the horizon is an improving economic outlook, with some easing on recent issues around procurement, securing resources, and inflationary cost pressures.

A key piece of work which has been underway this year, is to develop the Local Evaluation Framework for the second City Deal Gateway Review. The Gateway Review is a critical part of our City Deal contract with government and the evaluation will cover progress over the five-year period since the last Review. The Evaluation Framework is an important document, setting out how we intend to evidence the outcomes from City Deal project funding and the proposed contents of the Gateway 2 Final Evaluation Report which will be submitted to the UK government in October 2024. A positive Gateway Review will result in the release of the third tranche of City Deal Government funding of £300 million.

We look forward to a positive evaluation.

Following discussion with both governments, work will progress at speed to prepare a case for an [Investment Zone](#) within the Region.

Our ambitions for a local Investment Zone strongly align with and compliment much of the work already underway for the Regional Economic Strategy e.g. our work on the Vacant and Derelict Land, our recognised success in the delivery and governance of the City Deal and our recent Innovation Accelerator status.

Looking to the year ahead, we have a strong plan in place with the Regional Economic Strategy, and one that is intelligence driven and we hope to continue to build on our previous success.

Financial Performance

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

The 2022/23 gross expenditure budget for the GCR PMO was set at £1.568 million (2021/22: £1.874 million). This, together with balances brought forward from previous years of £1.084 million (2021/22: £0.274 million) and additional 2022/23 funding (excluding that carried forward into 2023/24) of £0.590 million (2021/22: £0.482 million), provided total available resources of £3.242 million for the year (2021/22: £2.630 million).

Expenditure of £1.849 million was incurred in the year, this gave an unfavourable budget variance of £0.281 million. The resultant additional resource balance of £1.392 million (2021/22: £1.084 million) has been carried forward into 2023/24 and future years which will be used to meet agreed priorities.

The accounts have been prepared on a going concern basis.

Councillor Susan Aitken
Glasgow Council Leader and
Chair, Glasgow City Region
Cabinet

Annemarie O'Donnell
Chief Executive
Glasgow City Council

Martin Booth
Executive Director of
Finance Glasgow City
Council

❖ Annual Governance Statement 2022/23

Role and responsibilities

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

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

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

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

Accountable Body

Glasgow City Council is the accountable body for the Glasgow City Region – City Deal Cabinet Joint Committee. As accountable body, the Council holds and disburses the City Deal and Shared Prosperity grant funding; manages the budget for the Glasgow City Region – City Deal Cabinet Joint Committee; signs grant offers with the Scottish and UK Governments; and makes disbursements to Member Authorities and other bodies as appropriate under the terms of the grant agreement.

Cabinet meetings

Regular meetings of the Glasgow City Region Cabinet are held on a quarterly basis. Occasional ad hoc meetings are also held as required. Cabinet meeting dates are listed in the Council Diary which is available at:

<http://www.glasgow.gov.uk/councillorsandcommittees/calendar.asp>

Representation

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

Chief Executives' Group

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

Glasgow City Region Programme Management Office

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

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

Support Groups

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

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

Scope of responsibility

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

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

elements of the governance framework are noted below. The framework was in place throughout 2022/23.

The Council has approved and adopted a Local Code of Corporate Governance (the Code), which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Framework: Delivering Good Governance in Local Government. A copy of The Code is available on the council's website at:

<https://glasgow.gov.uk/index.aspx?articleid=17539>

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

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

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

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

The accountable body, Glasgow City Council has a publicised Whistleblowing Policy in place and effective counter fraud and anti-corruption arrangements are in place and are consistent with the main principles set out in the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption (2014).

Review of effectiveness

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

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

Update on Significant Governance Issues Previously Reported

As part of the Internal Audit plan for Glasgow City Council for 2021/22, one unsatisfactory audit opinion was issued in relation to the ICT arrangements within the Council. Whilst some progress has been made to address this, a number of required actions are outstanding. The improvements required do not specifically relate to the Glasgow City Region – City Deal Cabinet Joint Committee and are currently being progressed within Glasgow City Council.

Significant Governance Issues

Glasgow City Council's Head of Audit and Inspection has confirmed that there are no significant governance issues that require to be reported as a result of the work undertaken by Internal Audit in 2022/23 in relation to the remit of the Glasgow City Region – City Deal Cabinet Joint Committee. Each Member Authority Head of Internal Audit is required to submit an Assurance Statement for 2022/23 in relation to the control environment in their authority. From the perspective of the Glasgow City Region – City Deal Cabinet Joint Committee, no new significant governance issues have been reported by the Internal Audit teams of the member authorities during the year, however the issue reported in 2021/22 in relation to ICT arrangements within Glasgow City Council has not yet been fully resolved.

Internal Audit Opinion

Glasgow City Region – City Deal Cabinet Joint Committee has a system of internal control designed to manage risk to a reasonable level. Internal controls cannot eliminate the risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

Assurance work undertaken within the Glasgow City Region – City Deal Cabinet Joint Committee in 2022/23 included:

- Change Control Arrangements and Contract Management – Phase 2.
- Project Procurement Strategies.
- Programme, Skills, Knowledge & Experience Arrangements.
- A review of the implementation of recommended actions arising from previous audit work.

Based on the audit work undertaken and the assurances provided by the member authorities, 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 2022/23.

Certification

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the systems of governance that operate in the Glasgow City Region – City Deal Cabinet Joint Committee. We consider the governance and internal control environment operating during 2022/23 to provide reasonable and objective assurance that any significant risks impacting on the Glasgow City Region – City Deal Cabinet Joint Committee's ability to achieve its objectives will be identified and actions taken to avoid or mitigate the impact.

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

Glasgow Council Leader and
Chair, Glasgow City Region Cabinet
(Susan Aitken)

Chief Executive
Glasgow City Council
(Annemarie O'Donnell)

Statement of Responsibilities

1. The accountable body's responsibilities

The accountable body is required:

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

I certify that the Annual Accounts have been approved for signature by the Cabinet at its meeting on
13 February 2024

Councillor Susan Aitken
Glasgow Council Leader and Chair,
Glasgow City Region Cabinet

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

The Executive Director of Finance in Glasgow City Council is responsible for the preparation of the statement of accounts of the Glasgow City Region – City Deal Cabinet Joint Committee, in accordance with proper practices as required by legislation and as set out in the Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

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

- Selected suitable accounting policies and then applied them consistently;
- Made judgments and estimates that were reasonable and prudent;
- Complied with the legislation; and
- Complied with the Code (in so far as it is compatible with legislation).

The Executive Director of Finance has also:

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

I certify that the financial statements give a true and fair view of the financial position of Glasgow City Region – City Deal Cabinet Joint Committee as at 31 March 2023 and the transactions for the year then ended.

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

Independent auditor's report to the members of Glasgow City Region - City Deal Joint Committee and the Accounts Commission

Reporting on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the annual accounts of Glasgow City Region - City Deal Joint Committee (the Joint Committee) for the year ended 31 March 2023 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the Joint Committee as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Accounts Commission on 18/05/2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the Joint Committee in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not

provided to the Joint Committee. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

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

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

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

Risks of material misstatement

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

Responsibilities of the Executive Director of Finance and the Joint Committee for the financial statements

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

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

The Joint Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

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

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

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

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override

of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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

Reporting on other requirements

Other information

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

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

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

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and

Independent auditor's report to the members of Glasgow City Region - City Deal Joint Committee and the Accounts Commission

- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of our report

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

[Signature]

Rob Jones, (for and on behalf of Ernst & Young),
Ernst & Young LLP
G1 Building
5 George Square
Glasgow
G2 1DY

[Full date]

3. Comprehensive Income and Expenditure Statement for the year ended 31 March 2023

2021/22 £	Service	Note	2022/23 £
1,546,518	Gross expenditure	3	1,849,506
(1,543,089)	Gross income	3	(1,554,207)
3,429	Cost of Services		295,299
(3,429)	Interest and investment income	3	(295,299)
(3,429)	Financing and Investment Income and Expenditure		(295,299)
0	(Surplus) or Deficit on the Provision of Services		0
0	Other Comprehensive (Income) and Expenditure		0
0	Total Comprehensive (Income) and Expenditure		0

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

4. Balance Sheet as at 31 March 2023

31 March 2022 (restated) £		Note	31 March 2023 £
1,350,163	Short-term debtors	7	1,669,271
1,350,163	Current Assets		1,669,271
(1,350,163)	Short-term creditors	6	(1,669,271)
(1,350,163)	Current Liabilities		(1,669,271)
0	Net Assets / (Liabilities)		0
0	Usable Reserves		0
0	Unusable Reserves		0
0	Total Reserves		0

Balance Sheet – The balance sheet of the Glasgow City Region – City Deal Cabinet Joint Committee shows that there were no reserve balances as at 31 March 2023 (2021/22: £0).

The unaudited accounts were issued on 13 June 2023 and the audited accounts were authorised for issue on

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

5. Cash Flow Statement for the year ended 31 March 2023

2021/22 (restated) £	Revenue Activities	2022/23 £
0	Surplus or (Deficit) on the Provision of Services	0
	Adjustments for non-cash items:	
(850,596)	(Increase) / decrease in debtors	(319,108)
850,596	Increase / (decrease) in creditors	319,108
0	Net cash inflow / (outflow) from activities	0
0	Cash and cash equivalents at the beginning of the reporting period	0
0	Cash and cash equivalents at the end of the reporting period	0

Cash Flow Statement – details the changes in cash and cash equivalents of the Glasgow City Region – City Deal Cabinet Joint Committee.

❖ Notes to the accounts

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

1. Statement of Accounting Policies

- 1.1 The financial statements for the year ended 31 March 2023 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 2022/23 (the Code). The Code is based on International Financial Reporting Standards (IFRS), with interpretation appropriate to the public sector. The statements are designed to give a 'true and fair view' of the financial performance and position of the Glasgow City Region – City Deal Cabinet Joint Committee.
- 1.2 The accounting concepts of 'materiality', 'accruals', 'going concern' and 'primacy of legislative requirements' have been considered in the application of accounting policies. In this regard, the materiality concept means that information is included where the information is of such significance as to justify its inclusion. The accruals concept requires the non-cash effects of transactions to be included in the financial statement for the year in which they occur, not in the period in which the cash is paid or received. The going concern concept assumes that the Glasgow City Region – City Deal Cabinet Joint Committee will not significantly curtail the scale of its operation. Wherever accounting principles and legislative requirements are in conflict the latter shall apply.
- 1.3 These accounts are prepared on a going concern basis. In accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, the Glasgow City Region – City Deal Cabinet Joint Committee is required to prepare its Financial Statements on a going concern basis unless informed by the relevant national body of the intention of dissolution without transfer of services or function to another entity. The Annual Accounts are prepared on the assumption that the Glasgow City Region – City Deal Cabinet Joint Committee will continue in operational existence for the foreseeable future.

Based on the Cabinet Agreement, the cost of running the Glasgow City Region – City Deal Cabinet Joint Committee is the main item of expenditure of the Cabinet. Salary costs and any administrative expenses incurred by the Glasgow City Region – City Deal Cabinet Joint Committee are re-imbursed in full by the Member Authorities. Funding is provided on an annual basis, and £1.750 million budget has been agreed with the member authorities for 2023/24. Together with balances of £1.392 million brought forward from previous years and additional 2022/23 funding, the Glasgow City Region – City Deal Cabinet Joint Committee holds total available fund resources of £3.142 million for the year end 31 March 2024 (31 March 2023: £3.424 million). On this basis the Glasgow City Region – City Deal Cabinet Joint Committee

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

- 1.4 Suppliers' invoices received up to 31 March 2023 have been included in the accounts. In addition, expenditure has been accrued, in accordance with the Code, where the goods or services were received by 31 March 2023. Salaries and wages earned to 31 March 2023 are included in the accounts for 2022/23 irrespective of when the actual payments were made.
- 1.5 Income includes all sums due in respect of contributions from Member Authorities and interest accruing from the City Deal Infrastructure Fund Grant prior to distribution.
- 1.6 There were no complex transactions or potential future uncertainties requiring critical judgements or estimations of uncertainty in preparing the 2022/23 accounts.
- 1.7 There is no Movement in Reserves Disclosure as reserves require a legislative background and GCR is not a separate legal organisation.
- 1.8 Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the statement of accounts are authorised for issue. Two types of event may be identified and this firstly includes those events that provide evidence of conditions that existed at the end of the reporting period – the Financial Statements are adjusted to reflect such events. Secondly, it includes those events that are indicative of conditions that arose after the reporting period – the Financial Statements are not adjusted to reflect such events, but where this would have a material effect, the nature and estimated financial impact of such events is disclosed in the notes.
- 1.9 The prior year accounts have been restated to take account of:
 - a revision in the treatment of how the Glasgow City Region – City Deal Cabinet Joint Committee accounts for cash funds received from the Member authorities in the Glasgow City Region – City Deal Cabinet Joint Committee agreement as part of short-term debtors;
 - a revision in the Remuneration disclosure to reflect key management personnel remuneration and number of employees receiving more than £50,000 remuneration during the year;
 - a revision of Related parties' disclosure, to reflect member authorities are treated as related parties based on the influence that they may be able to exert.

Note 12. Prior Period Restatement has been updated with relevant reference to reflect those changes.

2. Accounting Standards Issued not Adopted

There are no accounting standards which have been issued, but not adopted, that would have a material effect on the 2022/23 Financial Statements of the Glasgow City Region – City Deal Cabinet Joint Committee.

3. Income and Expenditure

The table below provides a detailed breakdown of income and expenditure of the Glasgow City Region – City Deal Cabinet Joint Committee during 2022/23 with prior year comparatives.

	Note	2021/22 £	2022/23 £
Income			
Expenditure re-imbursement from Member Authorities	4	(479,992)	(1,038,920)
Grants and contributions received		(1,063,097)	(515,287)
Interest		(3,429)	(295,299)
Total income		(1,546,518)	(1,849,506)
Expenditure			
Employee costs		931,959	1,166,069
Premises		72	0
Transport		57	0
Supplies and services		605,580	683,437
Third Party Payments		8,850	0
Total expenditure		1,546,518	1,849,506
(Surplus) or deficit for period		0	0
(Surplus) brought forward		0	0
Accumulated (surplus) or deficit		0	0

4. PMO Budget and Funding

Based on the initial agreement signed by Member Authorities, parameters were set out to determine the method of funding for the Glasgow City Region – City Deal Cabinet Joint Committee. The Contribution Sum is to be calculated as a proportion of the Glasgow City Region – City Deal Cabinet Joint Committee budget, based on the population of each Member Authority's area and expressed as a percentage of the total population within the areas of the Member Authorities. In 2022/23 there were additional unbudgeted grant and contribution receipts, resulting in a changed share of the Glasgow City Region – City Deal Cabinet Joint Committee net cost to member authorities of £1,038,920.

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

Member Authority	Net Cost 2022/23 £
East Dunbartonshire Council	(61,192)
East Renfrewshire Council	(54,232)
Glasgow City Council	(356,870)
Inverclyde Council	(43,116)
North Lanarkshire Council	(191,784)
Renfrewshire Council	(101,086)
South Lanarkshire Council	(181,292)
West Dunbartonshire Council	(49,348)
Total	(1,038,920)

5. Employee Benefits

As at 31 March 2023 14 full time and 1 part time permanent members of staff of the Glasgow City Region – City Deal Cabinet Joint Committee were employed on a secondment basis by Glasgow City Council.

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

The Code requires that employee benefits are recognised in the accounts when they are earned rather than when they are paid. As a result, there is a requirement to consider notional entitlements to annual leave earned but not taken as at 31 March 2023. Employees providing professional services to the Glasgow City Region – City Deal Cabinet Joint Committee are contracted to Glasgow City Council and therefore any notional liability will have been included within their accounts as they hold the contracts of employment.

6. Creditors

The creditors figure for 2022/23 of £1,669,271 (2021/22: £1,350,163), comprises the following:

Creditors	31 March 2022 £	31 March 2023 £
Short Term Creditors		
Audit Scotland	5,900	15,640
Data City	40,000	7,000
East Renfrewshire Council	600	0
Glasgow University	35,767	0
Health Foundation	128,225	110,904
Internal Audit	6,484	0
Mott MacDonald	49,146	139,950
CITB	0	3,208
Dundee Council	0	312
West Lothian Council	0	99
Wildcat Applications	400	0
City Region Credit Recharge	1,083,641	1,392,158
Total sundry creditors	1,350,163	1,669,271

7. Short-Term Debtors

The short-term Debtors figure for 2022/23 of £1,669,271 (2021/22: £1,350,163), comprises the following:

Short-term debtors	31 March 2022 (restated) £	31 March 2023 £
Balance held by Glasgow City Council on behalf of the Glasgow City Region – City Deal Cabinet Joint Committee	904,232	1,602,227
Scottish Government	255,000	0
Scottish Enterprise	50,000	0
Skills Development Scotland	25,000	0
Transport Scotland	50,000	0
East Renfrewshire Council	65,931	67,044
Total sundry debtors	1,350,163	1,669,271

8. Remuneration

The prior year accounts have been restated to take account of updates required for the Remuneration disclosure to reflect key management personnel remuneration and the number of employees receiving more than £50,000 remuneration during the year. Also, Note 12. Prior Period Restatement has been updated appropriately to reflect that change.

The Glasgow City Region – City Deal Cabinet Joint Committee does not directly employ any members of staff, with all services being provided by staff of the Member Authorities on a

secondment basis. A remuneration disclosure in respect of elected members and chief officers of the Councils, including those with authority and responsibility for the Glasgow City Region – City Deal Cabinet Joint Committee are included in the Annual Accounts of each of the Member Authorities.

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

Total 2021-22 (restated) £	Senior Employee/Full Time Equivalent	Total 2022-23 £
110,263	Kevin Rush – Director of Regional Economic Growth (FTE 1)	115,968

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

2021-22 Number of Employees (restated)	Remuneration band	2022-23 Number of Employees
1	£50,000 – £59,999	2
3	£60,000 – £69,999	4
0	£70,000 – £79,999	1
1	£80,000 – £89,999	1
0	£90,000 – £99,999	0
0	£100,000 – £109,999	0
1	£110,000 – £119,999	1

9. Related Parties

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

In the prior year, Member authorities were not considered to be related parties. In the current year, this has been re-evaluated based on the influence that they may be able to exert, and it has now been concluded that they should be treated as related parties. They have been included in the table below for both the current year and prior year.

Also, Note 12. Prior Period Restatement has been updated with relevant reference to reflect that change.

The related party transactions are shown in the table below:

2021/22 Expenditure (restated) £	2021/22 Income (restated) £	2021/22 Debtors (restated) £	2021/22 Credit Recharge (Note 6) (restated) £	Related Body	2022/23 Expenditure £	2022/23 Income £	2022/23 Debtors £	2022/23 Credit Recharge (Note 6) £
1,546,518	1,230,203	904,232	(368,046)	Glasgow City Council	1,849,506	912,456	1,602,227	(474,021)
	28,319		(63,916)	East Dunbartonshire Council		61,192		(82,088)
	24,960	65,931	(56,244)	East Renfrewshire Council		94,232	67,044	(72,348)
	20,640		(46,805)	Inverclyde Council		88,116		(59,609)
	88,799		(201,523)	North Lanarkshire Council		236,784		(258,475)
	46,559		(105,184)	Renfrewshire Council		146,086		(135,203)
	83,518		(188,683)	South Lanarkshire Council		221,292		(242,519)
	23,520		(53,240)	West Dunbartonshire Council		89,348		(67,895)
1,546,518	1,546,518	970,163	(1,083,641)	Totals	1,849,506	1,849,506	1,669,271	(1,392,158)

10. Auditor Remuneration

Audit Scotland had agreed with the Glasgow City Region – City Deal Cabinet Joint Committee that the audit fee would be £9,960 for the 2022/23 financial year, however, additional audit fees have increased this to £18,960 (2021/22: £8,850). No fees were payable in respect of other services provided by the appointed auditor.

Ernst and Young were appointed as auditors for the 2022/23 financial year.

11. Events After the Balance Sheet Date

There were no material events between 31 March 2023 and the date of signing that require to be reflected in the Financial Statements.

12. Prior Period Restatement

In the 2021/22 financial statements, the Glasgow City Region – City Deal Cabinet Joint Committee recognised cash funds received from Member Authorities in the Cabinet agreement as Cash and Cash equivalent. The Glasgow City Region – City Deal Cabinet Joint Committee, however, does not have its own bank account and cash is held by Glasgow City Council on its behalf.

The Glasgow City Region – City Deal Cabinet Joint Committee has reviewed its accounting treatment for this line in the financial year and agreed that the correct treatment is to recognise the cash funds as part of short-term debtors. The correction of this accounting materially changes the prior year financial position and therefore requires a restatement of the opening balance sheet. The cumulative impact has been reflected within the 2021/22 balances. The impacted notes have also been restated:

	Previous Accounts £	Adjustment £	These Accounts £
Short-term Debtors	445,931	904,232	1,350,163
Cash and Cash Equivalents	904,232	(904,232)	0
Current Assets	1,350,163	0	1,350,163

This impacted Note 7. Short-Term Debtors disclosure and Cash Flow Statement that has been restated to be in line with the requirements.

2021/22 financial statement did not contain disclosure for remuneration of key management personnel and number of employees receiving more than £50,000 remuneration during the year as is required by CIPFA code. That impacted Note 8. Remuneration that has been restated to be in line with the requirements.

Also, 2021/22 financial statement did not contain full disclosure for related parties' transactions as is required by CIPFA code. That impacted Note 9. Related Parties disclosure that has been restated to be in line with the requirements.