



**Glasgow City Council**

**Finance and Audit Scrutiny Committee**

**Report by the Executive Director of Financial Services**

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**Item 4**

**16th September 2026**

### **ALEO Quarterly Report: Quarter 1 2026/27**

#### **Purpose of Report:**

To provide the Committee with quarterly information on Arms Length External Organisations. This report covers the first quarter of 2026/27 (1 April 2026 to 26 June 2026).

#### **Recommendations:**

The Committee is asked to note the contents of the report.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

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## **1. Introduction**

- 1.1 This report provides financial information for the Council's Arms Length Organisations ('ALEOs') for quarter 1, covering the period 1 April 2026 to 26 June 2026. The financial information is based on the latest position provided by each ALEO and includes the financial performance to date. The overall responsibility for the financial management of each ALEO rests with the Board of that ALEO.

## **2. Financial Position**

- 2.1 The format of the financial report shows income and expenditure on an accruals basis, however, technical non-cash accounting entries are excluded as they distort the underlying operating trading performance of the ALEO. At the financial year end these technical accounting entries are included to reflect proper accounting practice and are reported as part of their statutory accounts and within the Council's group accounts.
- 2.2 Table 1 shows the actual operating performance against budget for each ALEO to quarter 1 of 2026-27. Further information about the financial performance of each ALEO is contained in section 3 of the report. The financial performance across all ALEOs shows an actual operating net deficit at quarter 1 of £0.889m which compares to a budgeted deficit of £6.220m. Clyde Gateway have planned for a budgeted deficit in 2026-27 which is fully funded from accumulated reserves.
- 2.3 The 2026-27 budget includes approved savings of £4.784m. At this stage of the year, it is anticipated that actual savings will amount to £4.784m representing 100% of target. This is reflected in the overall financial position reported in this monitoring statement.
- 2.4 The council's budget includes a contribution from City Property (£4.665m).

- 2.5 A summary of the operating performance to date against the budgeted operating position for each ALEO is shown in Table 1 below. Reasons for significant variances are provided for each ALEO at section 3.

**Table 1 – 2026-2027 Actual year to date (quarter 1) operating performance against budget**

| <b>ALEO</b>                        | <b>Annual Net<br/>Budgeted<br/>Operating<br/>Surplus (+)<br/>Deficit (-)<br/>£'000</b> | <b>Net Budgeted<br/>Operating<br/>Surplus (+)<br/>Deficit (-) to<br/>date<br/>£'000</b> | <b>Actual Net<br/>Operating<br/>Surplus (+)<br/>Deficit (-) to<br/>date<br/>£'000</b> | <b>Variance<br/>favourable(+)<br/>adverse(-)<br/>£'000</b> |
|------------------------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|------------------------------------------------------------|
| <b>City Building (Glasgow)</b>     | 395                                                                                    | 71                                                                                      | 95                                                                                    | 24                                                         |
| <b>City Building (Contracts)</b>   | 27                                                                                     | -496                                                                                    | -478                                                                                  | 18                                                         |
| <b>City Property <sup>1</sup></b>  | 3,954                                                                                  | 1,704                                                                                   | 1,704                                                                                 | 0                                                          |
| <b>Clyde Gateway</b>               | -14,123                                                                                | -8,179                                                                                  | -2,782                                                                                | 5,397                                                      |
| <b>Glasgow Life</b>                | 0                                                                                      | 692                                                                                     | 512                                                                                   | -180                                                       |
| <b>Jobs &amp; Business Glasgow</b> | 0                                                                                      | -12                                                                                     | 60                                                                                    | +72                                                        |
| <b>Total</b>                       | <b>-9,747</b>                                                                          | <b>-6,220</b>                                                                           | <b>-889</b>                                                                           | <b>5,331</b>                                               |

<sup>1</sup> City Property includes figures for City Property (Glasgow) LLP, City Property Glasgow (Investments) LLP; CPG (Operations SL1) LLP, CPG (Operations SL2) LLP and CPG (Operations SL3) LLP.

### **3. Comments on variances**

#### **3.1 City Building**

##### **City Building (Glasgow)**

3.1.1 The net position is an operating surplus of £0.095m against a budgeted surplus of £0.071m showing a favourable variance of £0.024m.

3.1.2 This position will continue to be closely monitored going forward.

##### **City Building (Contracts)**

3.1.3 The net operating deficit to date is £0.478m against a budgeted deficit of £0.496m, reflecting a favourable variance of £0.018m. The net operating loss position is a result of profiling capital programme delivery, and it is anticipated that this will improve as the year progresses.

3.1.4 This position will continue to be closely monitored going forward.

#### **3.2 Glasgow Life**

3.2.1 The actual net operating surplus to date is £0.512m against a budgeted surplus of £0.692m. This is due to slippage in income budget options to date, however, this is expected to be managed in the year.

3.2.2 The annual net budget reflects an anticipated break even position.

3.2.3 This position will continue to be closely monitored going forward.

#### **3.3 Clyde Gateway**

3.3.1 At quarter 1 (to 30 June 2026) the actual net deficit to date is £2.782m against a budgeted deficit of £8.179m. This is primarily due to phasing delays on capital projects and consequential timing of drawdown of the associated grant funding.

3.3.2 As planned, the current year's expenditure is being funded from a combination of existing reserves brought forward, including deferred grant funding income (received prior to March 2026 against contracted works) and Clyde Gateway's own regeneration returns from property disposals and rental income, together with grant funding awards for the current financial year. This deferred grant funding together with accumulated reserves within the group is being applied against key regeneration projects and programmes spanning the 2026/27 to 2028/29 financial years.

### **3.4 City Property**

- 3.4.1 At quarter 1 the actual net surplus is £1.704m in line with the budgeted surplus of £1.704m.
- 3.4.2 The annual forecast surplus for City Property at quarter 1 is £3.954m, in line with the budgeted surplus of £3.954m.
- 3.4.3 The position at quarter 1 and the annual forecast reflects the revised financial strategy and budget approved for 2026-27.
- 3.4.4 The financial position is continuously monitored in terms of costs, income generation and debt management, in line with the financial strategy.

### **3.5 Jobs & Business Glasgow**

- 3.5.1 At quarter 1 (to 30 June 2026) the actual net surplus is £0.060m against a budgeted deficit of £0.012m resulting in a favourable variance of £0.072m. This position is mainly due to an underspend in employee costs due to delays in vacancies being filled.

## **4. Policy and Resource Implications**

### **4.1 Resource Implications:**

- 4.1.1 Financial: As noted above
- 4.1.2 Legal: None
- 4.1.3 Personnel: None
- 4.1.4 Procurement: None

### **4.2 Council Strategic Plan:** Recommendations reflect outcomes across all themes

### **4.3 Equality and Socio-Economic Impacts:** None

### **4.4 Climate Impacts:** None

### **4.5 Privacy and Data Protection impacts:** None

## **5. Recommendations**

- 5.1 The Committee is asked to note the contents of the report.