Item 6

16th September 2026

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Glasgow City Council

Best Value Thematic Review

How well councils are managing assets to achieve their corporate objectives and respond to challenges around financial sustainability and climate change

September 2026

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The better the answer.
The better the world works.

Contents page

About this report

This report has been prepared in accordance with Terms of Appointment Letter, through which the Accounts Commission has appointed us as external auditor of Glasgow City Council for financial years 2022/23 to 2026/27.

This report is for the benefit of the Council and is made available to the Accounts Commission, the Controller of Audit and Audit Scotland (together the Recipients). This report has not been designed to be of benefit to anyone except the Recipients. In preparing this report we have not taken into account the interests, needs or circumstances of anyone apart from the Recipients, even though we may have been aware that others might read this report.

Management agree that they remain solely responsible for management decisions relating to the audited body and that we do not, and cannot, act in a managerial capacity nor can we make business decisions for management/the audited body in connection with the services or otherwise, nor advise or recommend that any accounting policy, treatment or reporting is suitable for any particular purpose or specific facts, and management agrees that they will not rely on us as having done so.

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Accessibility

Our Best Value Thematic Report may be available on Audit Scotland's website and we have therefore taken steps to comply with the Public Sector Bodies Accessibility Regulations 2018. Responsibility rests with the publishing organisation to ensure that standards are met.

Executive summary

Under the Code of Audit Practice June 2021, we perform an annual programme of work in relation to Best Value and wider scope responsibilities. This work includes reviews based on annual thematic Best Value topics prescribed by the Accounts Commission ('the Commission').

For 2025/26, the Commission has directed auditors to report on asset management. Our key conclusions against the 3 questions set by the Commission are outlined below:

1. To what extent does the council have a clear asset management strategy and plans that align with its corporate objectives, new ways of working, the changing needs of its population and net zero commitments?	The Council's Corporate Asset Management Framework ('the Framework') covered the three-year period 2021-2024 and is therefore overdue for review. The Framework recognises the complexity and scale of the Council's asset portfolio. The Framework was published before the Council's current strategic plan and therefore was not drafted to align to the Council's four grand challenges as set out within the Council's Strategic Plan 2022-2027. The Framework is intended to provide an overarching strategic direction and is supported by more detailed asset plans that are tailored to each strategic asset type. The Capital Strategy, as set out within the Treasury Management Strategy and Annual Investment Strategy 2026/27 sets out that the current approved investment programme has gross expenditure of £2 billion and gross income of £0.6 billion, resulting in net expenditure of £1.4 billion. The capital programme continues to funded by grants, capital receipts and borrowing. The Council has an ambitious Climate Plan. Our review of underlying asset plans, strategies and monitoring reports in respect of the investment programme, noted that there is consideration of climate impact. The Council has a Climate Emergency Capital Fund which is used to support the Council in reducing the Council's consumption of energy and subsequent avoidance of utility costs and carbon emissions. The Council has demonstrated good practice in proactively considering asset management, particularly through establishment of the PPP Handover project six years in advance of the contract expiry.
2. To what extent do the council's governance and accountability arrangements support effective asset management?	The Council has established governance arrangements that support asset management and capital planning. A Capital Programme Board oversees the management and delivery of the Capital Investment Programme. The terms of reference for the Capital Programme Board have not been updated since 2020 and therefore should be updated to ensure they remain fit for purpose and reflect accurately current arrangements. Formal reporting arrangements ensures regular oversight, with quarterly reporting to City Administration Committee and Finance and Audit Scrutiny Committee. The Corporate Asset Management framework noted the intention to establish a 'Corporate Asset Performance Report' however this was never produced. Our review of individual asset plans also noted that performance reporting against plans was inconsistent. It is important that the Council establish a clear performance management framework for assets both at a strategic level and ensuring that there is consistency at an operational level.

3. To what extent does the council have a robust approach to working with partners and communities in managing its assets?	The Council demonstrates a collaborative and partnership-led approach to asset management, with asset plans and strategies embedding engagement with community planning partners, stakeholders and external organisations to align investment decisions with local needs and priorities. A key focus has been ensuring that some investment decisions can be taken directly within communities such as through the Neighbourhood Infrastructure Improvement Fund whereby the Council allocated £1 million to each of the city's 23 wards. There has been relatively low take up of Community Asset Transfer, although this reflects the low availability of under-utilised assets and community groups' readiness to take on these responsibilities. The Council continues to promote opportunities through the People Make Glasgow Communities Programme which encourages communities to take a more active role in managing and operating Council owned properties and facilities.

Introduction and context

Best Value audit arrangements

The Code of Audit Practice (the Code), June 2021, significantly changed the approach that the Accounts Commission takes to Best Value. Under the updated arrangements, the approach to Best Value involves reporting both on:

- individual local government bodies; and
- thematically across the local government sector.

This supports the sharing of good practice lessons across the sector. Reporting to the Accounts Commission on individual councils is drawn from local external audit work performed as part of our Best Value and wider scope responsibilities, including the work we perform in relation to annual thematic topics prescribed by the Accounts Commission. The coverage of the work is in line with the expectations for the Council's arrangements for the seven Best Value themes set out in the Local Government in Scotland Act 2003, Best Value Statutory Guidance 2020.

Thematic focus in 2025/26

In 2025/26, the Accounts Commission directed auditors to report on how well councils are managing their assets. Asset management directly impacts how councils provide services and achieve their own corporate priorities and longer-term financial sustainability. Limited capital budgets make it challenging for councils to maintain their existing assets and estate, invest in new assets and achieve net zero targets. This report outlines our considerations against the series of questions set by Audit Scotland on behalf of the Accounts Commission:

1. To what extent does the Council have a clear asset management strategy and plans that are affordable, align with its corporate objectives, the changing needs of its population and net zero commitments?
2. To what extent do the Council's governance and accountability arrangements support effective asset management?
3. To what extent does the Council have a robust approach to working with partners and communities in managing its assets

An improvement action plan is included at Appendix 1 of this report. This sets out our audit recommendations in key areas, and the Council's planned responses.

1 To what extent does the Council have a clear asset management strategy and plans that align with its corporate objectives, new ways of working, the changing needs of its population and net zero commitments?

Introduction

Councils' capital programmes are a critical component of modernising services to improve outcomes for local communities. Doing this successfully requires good strategic medium to long-term asset management and planning.

The Accounts Commission's Local government budgets 2025/26 briefing reported that capital funding for 2025/26 had increased but remained lower than in 2023/24 and that investing in new buildings and assets is increasingly expensive. Councils are relying on borrowing as the main source of funding for capital projects. In 2025/26, councils intend to borrow £3.13 billion, an increase from £2.67 billion in 2024/25.

The Council has a Corporate Asset Management Framework which is now overdue for review

Glasgow's population has grown significantly over the past two decades and is expected to continue growing rapidly in the coming years. Between 2001 and 2024, the city's population increased by 12.4%, reaching 650,300 in 2024, exceeding Scotland's overall population growth of 9.5%. Growth has accelerated recently, with the population increasing by 1.8% between 2023 and 2024 alone. Looking ahead, Glasgow's population is projected to rise from 622,050 in 2022 to 690,161 by 2032, an increase of 10.9%, which is more than double the projected Scottish average growth rate of 4.4%.

This continued population growth will place increasing demand on Glasgow City Council's services and infrastructure. A larger population is likely to increase demand for housing, education, social care, healthcare, transport networks, waste management and other local services. The rise in births, from 5,977 in 2023 to 6,150 in 2024, may also lead to greater demand for childcare, schools, and family support services in future years.

This demonstrates the importance of the Council having a robust framework to manage their asset portfolio in a way that ensures best value for citizens.

The Council's asset portfolio is substantial and diverse. The Corporate Asset Management Framework 2021-2024 ('the Framework') set out that the asset base includes:

- A property estate in excess of 1000 buildings.

- Roads and Infrastructure with 1,906 kilometres carriageways, 3,124 kilometres of footpaths, 310 kilometres of cycleways and over 72,000 street lighting columns.
- Fleet of approximately 1,500 vehicles and a further 800 plant items.
- Open spaces including 91 parks, 1,029 hectares of woodland and 24 hectares of dedicated allotments.
- Technology assets including 35,000 laptops/PCs, 8,000 software applications and 55,000 handheld devices.
- A civic collection of approximately 6.6 million items; the largest collection in the UK.

The unaudited 2025/26 financial statements show that the Council Group's property, plant and equipment, heritage assets, investment property and intangible assets totalled over £6 billion.

Recommendation 1:

The Council should ensure that the Corporate Asset Management Framework is updated and then subject to regular review.

The Council's framework was last updated in 2021 and covered the three-year period 2021 – 2024. The Framework is therefore now significantly beyond its stated planning period and does not clearly align to the Council's current Strategic Plan or other supporting strategies. The Council must ensure that the Framework is updated to ensure that there is a coherent, strategic direction for how the Council's assets are managed that clearly aligns to the Council's strategic objectives.

The Framework recognises the significant asset portfolio that the Council has and the diversity of this portfolio. There is a direct correlation between the quality of these assets and the services that the Council provides across the city. The plan identifies seven strategic asset types being property, infrastructure, fleet, open spaces, ICT, information management and civic collections.

The Framework sets out four key objectives being:

1. Ensure our assets are known, that the information we hold on our assets is accurate, and that this information is held on appropriate systems which support the reporting of effective management information.
2. Ensure that the Council's assets are used effectively, that they meet current service needs and support future service.
3. Drive improvements in the sharing of assets and the co-ordination of asset improvement activity and encourage a culture of co-operation between services.
4. Develop individual asset plans for each of the asset classes in support of the above.

The Framework is underpinned by more detailed strategies and plans for each of the seven strategic asset types. Recognising the diverse asset base, there is no prescribed format for each of the individual asset plans and strategies. Each of these plans will be subject to review and monitoring by the most relevant committee.

The Council's current approved investment programme includes £2 billion of gross expenditure

The Prudential Code for Capital Finance in Local Authorities requires that local authorities have a capital strategy that provides an overview of the proposed capital investment priorities, treasury management activity and governance arrangements. The capital strategy consolidates existing programmes and strategies into a single document. The focus of the Capital Strategy is therefore to support the delivery against the grand challenges set out within the Council's strategic plan 2022-2027 through targeted investments in assets to develop the Council's infrastructure, enhance capabilities and improve efficiency of service delivery.

The Council's current investment programme is established as a live programme that is updated throughout the year in respect of additional funding and new investment decisions and specifically as part of the annual budget process.

The Capital Strategy, as set out within the Treasury Management Strategy and Annual Investment Strategy 2026/27 shows that the current approved investment programme has gross expenditure of £2 billion and gross income of £0.6 billion, resulting in net expenditure of £1.4 billion.

In addition, each asset class has adopted a different approach to identifying investment need over the medium term:

- The Land and Property Strategy notes that investment decisions and opportunities to identify revenue savings and capital receipts will be considered as part of the Council's annual budget process.
- Fleet seeks investment opportunities to support the upgrading of vehicles and lower emissions in line with overall fleet strategy.
- ICT investment has been captured within the future of ICT/Road to Multi-source project, however investment may increase as new developments in technology provide new opportunities for savings and improved resilience.
- Other asset classes bring forward investment proposals on a case-by-case basis as these are identified.

In respect of financing the capital programme, the Council can demonstrate alignment between their Treasury Management Strategy, capital programme and revenue budget. An Annual Investment Strategy and Treasury Management Strategy is presented to the Finance and Audit Scrutiny Committee and approved by City Administration Committee. Quarterly updates on treasury management are presented to both committees during the year. The primary funding sources for the Capital Investment Programme used by the Council are:

- Scottish government capital grants – general and specific.
- Other capital grants such as Heritage lottery funding and the City Deal programme.
- Asset sales.
- Borrowing.

The Council has an established process for investment prioritisation as part of their annual estimates process. The capacity for investment is considered and balanced against the identified needs and the wider financial position of the Council. The key factors in considering this position include:

- Statutory and regulatory requirements
- Spend to save initiatives
- Strategic policy alignment
- External funding gearing

Members consider the application of investment resources and include recommendations as part of their budget proposals each year. These proposals may reflect single projects or form part multi-year programmes designed to address issues on a phased basis. Nonetheless, in our 2024/25 Annual Audit Report, we continue to highlight the requirement for the Council to produce a medium-term financial strategy and this should incorporate the capital investment programme as well as ongoing revenue costs associated with asset management.

The Council can demonstrate some proactive management of building safety and condition.

While there is limited explicit reference to building safety risks within the Corporate Asset Management Framework and the Property and Land Strategy, there is evidence that the Council considers building safety risks in practice. The Council monitors and manages through governance and capital programme processes, but these processes are not prominently embedded within the overarching asset management strategy and plans.

The Council undertakes reviews of specific property portfolios to inform asset management and investment decisions. For example, the Council followed the decision tree guidance issued by the Department of Education as part of its assessment of whether Reinforced Autoclaved Aerated Concrete ('RAAC') exists within Council assets. In respect of the school estate, only one school was identified as containing RAAC, Whitehill secondary which was discovered in 2021 and has been mitigated, managed and monitored.

The Council prioritises, monitors and reports risks relating to its assets, although these processes relate primarily to specific risks rather than a comprehensive building safety framework. Risks are managed through formal Programme Risk Registers and Issues Registers, with risks monitored and reported regularly to the Capital Investment Programme Board as well as to relevant operational committees.

Exhibit 1 sets out how the Council is proactively managing their PPP education estate.

Glasgow's Climate Plan was approved by the City Administration Committee in June 2021. The Climate Plan demonstrated a city-wide approach to addressing the climate and ecological emergency and included an ambitious target for the City to achieve net zero emissions by 2030. In November 2023, the Council's Climate and Sustainability Board determined that due to influences at that time, a full review of the Climate Plan was to be undertaken. The updated Climate Plan was published in May 2026.

While recognising that the Framework requires updating, our review of underlying asset plans, strategies and monitoring reports in respect of the investment programme, noted that there is clear consideration of climate impact. The Council also has a Climate Emergency Capital Fund which is used to support the Council in reducing the Council's consumption of energy and subsequent avoidance of utility costs and carbon emissions.

Exhibit 1: PPP Transition arrangements

The Council is looking ahead to a new service delivery model for their education estate following expiry of the PPP contract in 2030.

In respect of the education estate, the council commenced a Public Private Partnership ('PPP') contract with a private sector partner, 3 ED Glasgow Ltd on 29 June 2000. The contract raised significant private capital which enabled the construction of new schools, and the refurbishment/extension of existing school buildings, primarily within the Council's secondary school estate. This agreement now provides building-related services to 29 standalone secondary schools, 1 standalone primary school and 1 co-located primary school. The contract is set to expire on 30 June 2030 and therefore the Council has established a PPP handover project to manage the transition towards a new service model.

The handover project was initiated in June 2024, six years prior to contract expiry. A dedicated project manager was appointed at this time to manage all aspects of the PPP handover project in line with the Council's project management toolkit.

The PPP handover project comprises of three core elements:

- Business as usual – focused on operational contract management and maintaining performance.
- Exit/transition – preparing for expiry, managing handback and enabling transition.
- Future delivery – strategic delivery, procurement/insourcing and people/TUPE.

The Council has recognised that a key activity is conducting building condition surveys to ensure that buildings are handed over to the Council in a condition that meets contract obligations. A contractor was appointed and work commenced in February 2026.

A critical aspect of the project is determining the future service model. An initial high-level assessment of available options has been undertaken noting that these could include delivering services in-house, through an external service provider or a combination of both. Despite, the contract end date being just under four years away, the Council recognises the critical importance of ensuring this transition is appropriately planned in sufficient time.

Source: Glasgow Schools' Public Private Partnership – Handover Project Briefing report, 12 March 2026

2 To what extent do the council's governance and accountability arrangements support effective asset management?

Introduction

It is essential that the Council has effective governance arrangements to enable transparency, oversight and scrutiny of progress with implementing its capital programme and asset management strategy. This enables better-informed decision making and corrective action where needed.

The Council has governance arrangements to monitor delivery of the investment programme

The Council has a Capital Programme Board ('CPB') to oversee the management and delivery of the Capital Investment Programme. The remit for the CPB includes identifying and monitoring available resources across the Council Family to fund the Capital Investment Programme and support the successful completion of individual projects within an agreed timescale and budget.

The CPB monitors progress on individual projects within the Capital Programme with a value of £2 million and above, or that are of a particularly complex nature, high profile and/or to be delivered in a tight timescale.

Meeting are held on a quarterly basis. These meetings are supported by ongoing liaison between Corporate Governance and Project Teams as well as the provision of six-weekly interim exception reports to members of the CPB.

The CPB's terms of reference were last reviewed in August 2020. Best practice would be for the Council to agree to review terms of reference at regular frequencies to ensure they remain fit for purpose. Our review noted that there was inconsistencies between the terms of reference and what happens in practice. For example, the CPB currently meets on a quarterly basis but the terms of reference note that the group should meet on an 8-weekly basis. This change had been reported through the Capital Investment Programme annual performance report for the year ended 31 March 2021 but not reflected in the terms of reference. The Council should ensure that the terms of reference are reviewed in a timely manner to ensure that they remain fit for purpose. Moving forward, the Council should agree a specific frequency for reviewing terms of reference to ensure reviews occur at regular intervals.

Recommendation 2:

The Council should ensure that the terms of reference for the Capital Programme Board are reviewed to ensure that membership, meeting frequency and responsibilities remain appropriate.

Elected members receive regular reports on delivery of the capital investment programme

The Depute Leader and City Treasurer provides a quarterly progress update to the City Administration Committee, the committee responsible for approving budget virements.

In addition, more detailed monitoring reports are provided to the Finance and Audit Scrutiny Committee, after the report has been approved by City Administration Committee. We note that elected members have raised some concerns around the order in which these reports are presented to the respective committees as the high-level report is approved by City Administration Committee before the detailed reported is scrutinised by Finance and Audit Scrutiny Committee. Management has committed to reviewing these governance arrangements.

In our 2024/25 Annual Audit Report, we continued to highlight that the current reporting arrangements do not fully reflect the size or complexity of the capital programme. In some instances, the level of detail provided may undermine effective scrutiny. For example, the quarterly investment programme reports to the Finance and Audit Scrutiny Committee are typically over 80 pages long.

Increased oversight and transparency on the progress of capital projects against key milestone dates, would provide additional assurance that investments will be delivered as planned. Refer to recommendation 14 of Appendix E within our 2024/25 Annual Audit Report.

The Council also reports annually on the performance of the Capital Investment Programme, including the status of projects across financial years. The annual performance report for the Capital Investment Programme 2024/25 was presented to the Finance and Audit Scrutiny Committee in March 2026. During 2024/25, a total of 52 projects were reported to the CPB with the majority relating to land and property or infrastructure.

The Council has an established project status indicator which is derived from assessments of scope, progress, expenditure and realisation of benefits. Project status is defined as:

- Red – behind programme, and/or over budget, behind expenditure profile, and/or not meeting specification with no recovery plan.
- Amber – behind programme, and/or over budget, behind expenditure profile, and/or not meeting specification but with a recovery plan.
- Green – on programme, and/or on budget/expenditure profile, and/or meeting specification.
- Purple – projects are complete/operational pending settlement of final accounts or residual matters.
- Grey – where projects have failed to provide a project status report for that period.

For 2024/25, the performance was broadly consistent with 2023/24 with the proportion of projects rated continuously as green remaining largely unchanged. For projects rated continuously and exclusively as amber or red in 2024/25, these have both halved in comparison to 2023/24. Where projects were reported red or amber status during the year, this was largely due to delays to initial and revised programmes arising from a range of delivery challenges.

At a high level, the capital investment programme report also links back to how the projects support delivery of the Council's strategic plan. Examples are provided however there could be greater detail provided on the specific outcomes that projects have achieved that extend beyond just the provision of enhanced or new facilities. This include further specific details on whether provision of an enhanced facility has resulted in greater footfall or usage by community groups for example.

Our review of the Corporate Asset Management framework noted the intention to establish a 'Corporate Asset Performance Report' in addition to existing reporting of the Capital Investment Programme. The main purpose of the report was intended to be to provide critical oversight and assurance to the Head of Asset Governance, senior officers and elected members that each of the asset classes are delivering on their pre-defined SMART objectives based against their own respective strategic plans. This report was intended to be developed in a simplistic and user-friendly format with performance data across all the asset classes contained within one centralised document. The report was intended to be submitted to Finance and Audit Scrutiny Committee for member scrutiny.

Recommendation 3:

The Council must ensure that a clear performance framework is in place for asset management that includes both the expectations at a strategic level but also sets base expectations for individual services and asset plans to ensure consistency and effectiveness of reporting arrangements.

The 'Corporate Asset Performance Report' was never produced and we consider this to be a gap in current arrangements with no central reporting occurring at the current time. While recognising that the Framework is outdated, it's important that a clear performance framework is in place that sets expectations for reporting at a central, strategic level as well as where individual asset management plans are monitored at operational levels.

We further noted through review of the Property and Land Strategy 2019 -2029 that governance and programme management arrangements were to be progressed and that oversight of the implementation of the Strategy would be undertaken by the Council's Contract and Property Committee. Our review did not identify any direct evidence of reporting against the outcomes and objectives set out within this strategy.

In respect of education, we noted that an annual update on the Education estate is provided to the Education, Skills and Early Years City Policy Committee. This report does provide updates on the current estate, current investments and projects as well as capacity issues across the estate. We note however that it does directly reference progress against the Education Estate Asset Plan 2020-30 and the objectives set within this plan.

While we can see evidence of monitoring occurring across Council services, the approach is not aligned with key framework and plan documents and does not clearly report progress against these plans. This makes it challenging for the Council to be able to demonstrate that it's managing its assets effectively and in a manner, that's providing best value for its citizens.

3 To what extent does the council have a robust approach to working with partners and communities in managing its assets?

Introduction

It is essential that councils consider how they can collaborate across services and with other public and third sector organisations to manage assets. This has the potential to achieve savings, better align service provision and create opportunities for joint working. Councils should also have transparent and robust processes for supporting and assessing community asset transfer requests and engaging with their communities on asset management plans and priorities.

The Council has strategies to ensure that investments are managed with key partners

The Council's Corporate Asset Management Framework incorporates collaboration and partnership working. The Framework promotes coordinated planning across asset classes, service transformation, community engagement and partnership working to improve outcomes for citizens and neighbourhoods. This indicates that the Council recognises and considers collaborative approaches to asset use.

The Property and Land Strategy, referenced within the Framework, states a clear commitment to collaborative asset use through co-location, multi-agency hubs, community planning partnerships, community asset transfer, and place-based service design. The plan explicitly states that the Council will "collaborate and co-locate with community planning partners, third sector organisations and city region partners" as a key objective for shaping the future estate, and it promotes multi-service and multi-agency community hubs, bringing together Council services and partner organisations within shared facilities. There is a clear place-based approach, with commitments to identify community needs using local knowledge, co-design future service delivery with communities, and direct investment towards co-location and multi-delivery sites. The strategy also promotes community asset transfer, community ownership, and greater community participation in asset management decisions.

The Council has established a Neighbourhood Infrastructure Investment Fund with £1 million allocated to each of the city's 23 wards, creating a total programme of £23 million. The funding is for capital expenditure and intended to be spent by March 2027. The fund was not intended to be used for 'business as usual' Council activities and therefore was intended to be for physical improvements to Council assets within communities.

Recommendation 4:

The Council should perform an exercise to assess whether the NIIF has delivered the intended outcomes.

Decisions on use of the funds are being taken by each Area Partnership with support from the Council's Neighbourhood, Regeneration and Sustainability service. The Fund provides an opportunity to implement participatory budgeting at scale and allows communities to directly input to investment in their area.

There has been mixed use of the Fund across Area Partnerships and some challenges experienced in respect of administration of the Fund. While Case Study 1 highlights a positive example of use of the Fund, it's important that the Council perform an exercise to assess whether the Fund has operated as intended, the challenges encountered and how these could be avoided for future schemes and whether the Fund has delivered the intended outcomes.

The Council has a transparent approach to supporting and assessing Community Asset Transfer requests, but the number of requests received remains low.

The Council operates a formal Community Asset Transfer process, under the Community Empowerment (Scotland) Act 2015.

As a result, community groups can request to own, lease or manage Council-owned land or buildings and transfers can be made at below market value where there is a clear community benefit.

The Council maintains a public asset register of land and buildings on its website to support transparency. Expressions of interest can be submitted by community bodies, outlining the intended use, assessment of community benefits and financial sustainability (demonstrating the ability to maintain the arrangement in the medium term).

Recommendation 5:

The Council should ensure that key policies, such as the Community Asset Transfer policy, are accessible on the Council website.

The Council promotes the benefits of community ownership and management of assets through its dedicated Community Asset Transfer webpages. Our review did identify that the Council's Community Asset Transfer policy cannot currently be accessed through the link provided on this webpage. Where the Council uses its website to be the key source of information for its communities, it's important the website is appropriately maintained and that key documents can be accessed. The Council does also provide information on their website to support individuals in making requests including answers to frequently asked questions. Details of live requests and decision notices are published to support transparency and learning for prospective applicants.

We noted that there has been relatively low take up of Community Asset Transfer, although this reflects the low availability of under-utilised assets and some community groups readiness to take on the commitment. Case Study 2 highlights how the Council worked with partners to support a community asset transfer.

In addition to the statutory transfer process, the Council also promotes opportunities to take a more active role in managing and operating Council owned properties and facilities through the People Make Glasgow Communities Programme.

Case Study 1: Dixon Halls Heating System refurbishment, Govanhill

Background

As part of the Neighbourhood Infrastructure Improvement Fund (NIIF) programme, Glasgow City Council's Southside Central Area Partnership sought community-led proposals for local infrastructure investment. A dedicated community engagement process gathered ideas from community councils, local organisations, Local Place Plans and other community groups, with proposals submitted for consideration by the Area Partnership.

The process was specifically designed to ensure that ideas generated by communities could be assessed, costed and considered for investment through the NIIF programme. The Area Partnership was asked to review community-generated proposals and decide which should progress to detailed assessment and costing.

Community-led identification of need

One of the proposals submitted through this engagement process came from The Dixon Community, which identified the urgent need to replace the heating system at Dixon Halls, a community facility located at 656 Cathcart Road, Glasgow. The community submission highlighted that the existing heating system required significant refurbishment to continue providing heating and hot water to support the critical services delivered from the building. The proposal included:

- Upgrades to the plant and associated controls;
- Building Management System (BMS) and wiring works;
- New flues and chimneys; and
- Associated enabling works.

The community proposal also included estimated costs supplied through City Building, totalling approximately £207,500.

Partnership Decision making

The proposal was presented to the Southside Central Area Partnership on 16 September 2025 as part of the NIIF Community Engagement Update. The report set out the community-generated ideas and provided a transparent route for progressing projects through assessment and funding decisions.

Following consideration of the community submissions, the Area Partnership agreed that several projects should proceed to the next stage. Among these was £100,000 awarded to the Dixon Community for a new heating system. This decision is formally recorded in the minutes of the Southside Central Area Partnership meeting on 16 September 2025.

Impact

Following the Area Partnership's funding decision, the project moved into development and delivery stages. The approved works were supported through planning applications for internal and external alterations associated with the boiler refurbishment and installation of a new flue. The direct benefit for the local community is ensuring that the halls can continue to be used as a community facility.

Source: Glasgow City Council Neighbourhood Infrastructure Improvement Fund programme

Case Study 2: Possilpoint Community Centre Community Asset Transfer

Background

The project originated from a request by Possilpark People's Trust, a community-led charitable organisation established to serve the local area. The Trust first submitted a Community Asset Transfer request in 2018 with the aim of redeveloping the community centre, demonstrating that the initiative was community-driven rather than Council-led.

Collaboration

Throughout the eight-year period from the initial application to the transfer of ownership in January 2026, the Council worked closely with the Trust to develop and refine proposals in response to changing circumstances, including funding constraints and rising construction costs. Rather than allowing the project to fail, Council officers maintained regular engagement with the Trust, providing guidance on revised applications, supporting updates to business cases, and helping explore alternative delivery models.

The Council collaborated with the Trust, Hub West, Glasgow Life, Legal Services, and funding bodies to deliver the transfer. Hub West supported project development, planning approvals, procurement and project management, while Glasgow Life agreed to renounce its lease to enable the asset transfer.

Decision

The Decision Notice confirming the Community Asset Transfer could go ahead notes that the Trust's proposal was based on an established track record of local service delivery and was supported by a range of community consultation activities which informed the development of the project and future service plans.

Financially, the Council played an enabling role by providing up to £1.4 million of funding and administering a further £1.68 million of Scottish Government Regeneration Capital Grant Funding. This support helped the community organisation move from planning to delivery and ensured the long-term sustainability of the redevelopment.

Impact

The eventual transfer of ownership was completed on 14 January 2026, with legal safeguards to ensure the asset continues to deliver community benefits and remain in community use. The transfer agreement requires the refurbished centre to operate as a community and sports facility and for redevelopment works to be completed within five years. The full impact of the transfer will only be seen in years to come.

Source: Glasgow City Council Community Asset Transfers

Appendices

A Recommendations and action plan

B Best Value responsibilities under the Code of audit practice

A Recommendations and Action Plan

We include an action plan to summarise specific recommendations included elsewhere within this Report. We grade these findings according to our consideration of their priority for the Council or management to action.

Classification of recommendations

Grade 1: Key risks and / or significant deficiencies which are critical to the achievement of strategic objectives. Consequently, management needs to address and seek resolution urgently.

Grade 2: Risks or potential weaknesses which impact on individual objectives, or impact the operation of a single process, and so require prompt but not immediate action by management.

Grade 3: Less significant issues and / or areas for improvement which we consider merit attention but do not require to be prioritised by management.

No.	Findings and / or risk	Recommendation / grading	Management response / Implementation timeframe
1.	**Corporate Asset Management Framework** The Council's framework was last updated in 2021 and covered the three-year period 2021 – 2024. The Framework is therefore now significantly beyond its stated planning period and no longer aligns to the Council's current Strategic Plan or other supporting strategies. The Council must ensure that the Framework is updated to ensure that there is a coherent, strategic framework for how the Council's assets are managed that clearly aligns to the Council's strategic objectives. An outdated Asset Management Framework may result in a lack of strategic direction and oversight for the Council's assets, limiting the Council's ability to consider and assess that assets are being managed effectively, efficiently and in alignment with corporate objectives.	The Council should ensure that the Corporate Asset Management Framework is updated and then subject to regular review by an appropriate Committee at an agreed frequency to ensure it remains fit for purpose and aligned to Council activities. Specifically, the Corporate Asset Management Framework should cover the following core elements: • Strategic alignment • Asset management principles • Governance and accountability • Asset hierarchy and scope • Asset data and intelligence • Investment hierarchy • Affordability and capital planning • Performance management arrangements • Net zero and resilience • Partnership and community engagement • Community Asset Transfer arrangements • Review, assurance and continuous improvement. Once the Framework is updated, the Council should ensure that underlying strategies and plans are aligned and subject to regular monitoring. **Grade 1**	GCC accepts this recommendation and will review and update the Corporate Asset Framework. Give the size and complexity of the organisation, this will be a significant piece of work requiring input from multiple services and stakeholders across the Council. The revised Framework will provide a strategic corporate approach to asset management, supported by service and asset-specific plans where appropriate, and will be subject to governance and periodic review arrangements. **Responsible officer:** Head of Corporate Health & Safety, Resilience and Asset Management. **Implementation date:** 31 December 2027

A Recommendations and Action Plan continued

No.	Findings and / or risk	Recommendation / grading	Management response / Implementation timeframe
2.	**Capital Programme Board Terms of Reference** The CPB's terms of reference were last reviewed in August 2020. Best practice would be for the Council to agree to review terms of reference at regular frequencies to ensure they remain fit for purpose. Our review noted that there was inconsistencies between the terms of reference and what happens in practice. For example, the CPB currently meets on a quarterly basis but the terms of reference note that the group should meet on an 8-weekly basis. This change had been reported through the Capital Investment Programme annual performance report for the year ended 31 March 2021 but not reflected in the terms of reference. There is a risk that outdated terms of reference may result in governance arrangements that are no longer fit for purpose, creating uncertainty over roles, responsibilities and decision-making authority and reducing the effectiveness of oversight and challenge.	The Council should ensure that the terms of reference for the Capital Programme Board are reviewed to ensure that membership, meeting frequency and responsibilities remain appropriate. The terms of reference should also be subject to more frequent review moving forward. A wider review of terms of reference for other key governance groups should be performed to ensure they are up-to-date and remain fit for purpose. *Grade 2*	Accepted. The Terms of Reference for the Capital Programme Board will be reviewed and updated to ensure that membership, meeting frequency, roles and responsibilities remain fit for purpose and aligned with current practice. This will be completed as part of ongoing work in relation to the governance of the Capital Programme Board. A wider review of governance arrangements is underway following changes to the Council's senior management and governance structure. This has included reviewing the Terms of Reference of key governance groups and the Corporate Governance Manual will be updated to ensure arrangements remain current and fit for purpose. **Responsible officer:** Corporate Governance and Planning Manager **Implementation date:** Capital Programme Board Terms of Reference: 31 December 2026 Key Governance Groups Terms of Reference: 31 March 2027

A Recommendations and Action Plan continued

No.	Findings and / or risk	Recommendation / grading	Management response / Implementation timeframe
3.	**Performance management framework** The ‘Corporate Asset Performance Report’ was never produced and we consider this to be a gap in current arrangements with no central reporting occurring at the current time. We further noted through review of the Property and Land Strategy 2019 -2029 that governance and programme management arrangements were to be progressed and that oversight of the implementation of the Strategy would be undertaken by the Council’s Contract and Property Committee. Our review did not identify any direct evidence of reporting against the outcomes and objectives set out within this strategy. In respect of the education estate, we noted that an annual update report is provided to the Education, Skills and Early Years City Policy Committee. This report provides updates on the current estate condition, current investments and projects as well as capacity issues across the estate. We note however that it does directly reference progress against the Education Estate Asset Plan 2020-30 and the objectives set within this plan. In the absence of a clear asset management performance framework and regular reporting against asset strategies and plans, the Council cannot demonstrate whether intended outcomes and objectives are being achieved. This limits management's ability to monitor performance, identify areas requiring intervention, and provide appropriate assurance to members and stakeholders that the Council's asset portfolio is being managed effectively and delivering value for money.	The Council must ensure that a clear performance framework is in place for asset management that includes both the expectations at a strategic level but also sets base expectations for individual services and asset plans to ensure consistency and effectiveness of reporting arrangements. Grade 1	GCC accepts the recommendation. The performance framework will be developed as part of, and aligned with, the wider review and update of the Corporate Asset Management Framework. This work will include consideration of appropriate strategic and service-level performance measures and reporting arrangements to support consistency and effectiveness. **Responsible Officer:** Head of Corporate Health & Safety, Resilience and Asset Management **Implementation date:** 31 December 2027

A Recommendations and Action Plan continued

No.	Findings and / or risk	Recommendation / grading	Management response / Implementation timeframe
4.	**NIIF Outcome assessment** There has been mixed use of the Fund across Area Partnerships and some challenges experienced in respect of administration of the Fund. While Case Study 1 highlights a positive example of use of the Fund, it's important that the Council perform an exercise to assess whether the Fund has operated as intended, the challenges encountered and how these could be avoided for future schemes and whether the Fund has delivered the intended outcomes.	The Council should perform an exercise to assess whether the NIIF has delivered the intended outcomes. This exercise should be reported to the relevant committee. Grade 2	Accepted. NIIF is currently scheduled to conclude in line with the Council Strategic Plan 2022-2027. Given the scale of the programme and the nature of the projects funded, some projects may not be physically completed by 31 March 2027 and longer-term impacts may emerge later. A period will therefore be required to collate and assess data, evidence and available impact information to determine the extent to which NIIF has delivered its intended outcomes. As part of the governance arrangements, NIIF sits within the oversight of the Council's Capital Programme Board. Regular reports are provided on programme progress, delivery and outcomes, with updates also reported annually to the Environmental and Liveable Neighbourhoods Committee. These arrangements include a final programme report covering lessons learned, benefits realisation and the achievement of intended outcomes. Area Partnerships will continue to receive updates on projects they have supported, and the final report will also be reported to the relevant Policy Committee. **Responsible Officer:** Divisional Director – Finance & Transformation Neighbourhoods, Regeneration & Sustainability **Implementation Date:** 31 December 2027 (subject to programme completion and availability of outcome data).

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Recommendations and Action Plan continued

No.	Findings and / or risk	Recommendation / grading	Management response / Implementation timeframe
5.	**Community Asset transfer webpage review** The Council promotes the benefits of community ownership and management of assets through its dedicated Community Asset Transfer webpages. Our review did identify that the Council's Community Asset Transfer policy cannot currently be accessed through the link provided on this webpage. Where the Council uses its website to be the key source of information for its communities, it's important the website is appropriately maintained and that key documents can be accessed.	The Council should ensure that key policies, such as the Community Asset Transfer policy, are accessible on the Council website. The website should be subject to regular review to ensure that access is maintained. Grade 2	Accepted. Following the migration to the Council's new website platform, access to the Community Asset Transfer Policy was affected by broken links between the previous and new hosting environments. The issue has now been rectified. To maintain accessibility, the GCC Web Team will configure an automatic scheduled task to check that all links on the website are working. Reports generated from this activity will be reviewed regularly and all identified broken links investigated and corrected. **Responsible officer:** GCC Web Team. **Implementation date:** 31 December 2026

EY

B Code of audit practice: Best Value responsibilities

The Council's responsibilities

Local government bodies have a duty to make arrangements to secure Best Value. Best Value is defined as continuous improvement in the performance of the body's functions. In securing Best Value, the local government body is required to maintain an appropriate balance among:

- the quality of its performance of its functions
- the cost to the body of that performance
- the cost to persons of any service provided by it for them on a wholly or partly rechargeable basis.

In maintaining that balance, the local government body shall have regard to:

- efficiency
- effectiveness
- economy; and
- the need to meet the equal opportunity requirements.

The local government body shall discharge its duties under this section in a way which contributes to the achievement of sustainable development.

In measuring the improvement of the performance of a local government body's functions for the purposes of this section, regard shall be had to the extent to which the outcomes of that performance have improved.

The Scottish Government's Statutory Guidance on Best Value (2020) requires bodies to demonstrate that they are delivering Best Value in respect of seven themes:

1. Vision and leadership
2. Governance and accountability
3. Effective use of resources
4. Partnerships and collaborative working
5. Working with communities
6. Sustainability
7. Fairness and equality.

The Community Empowerment (Scotland) Act 2015 is designed to help empower community bodies through the ownership or control of land and buildings, and by strengthening their voices in decisions about public services.

Specified audited bodies are required to prepare and publish performance information in accordance with Directions issued by the Accounts Commission.

Auditor's responsibilities

As part of their integrated wider-scope annual audit work appointed auditors use a risk-based approach to assess and report whether the audited body has made proper arrangements for securing Best Value and is complying with its community planning duties, including reporting progress against previous Best Value findings and recommendations.

The Accounts Commission also requires the Controller of Audit to report to the Accounts Commission on each council at least once over the five-year audit appointment on the body's performance on its Best Value duty. This enables the Accounts Commission to make findings for improvement where appropriate.

The Accounts Commission reports nationally on thematic aspects of local government bodies' approaches to, and performance in, meeting their Best Value and community planning duties. Local government appointed auditors report locally on any such Best Value thematic work prescribed by the Accounts Commission.

EY | Building a better working world

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