GLASGOW CITY COUNCIL

ANNUAL ACCOUNTS

For the year ended 31 March 2026

(Pre-Audit Inspection Copy)

GLASGOW CITY COUNCIL

Annual Accounts for the Year ended 31 March 2026

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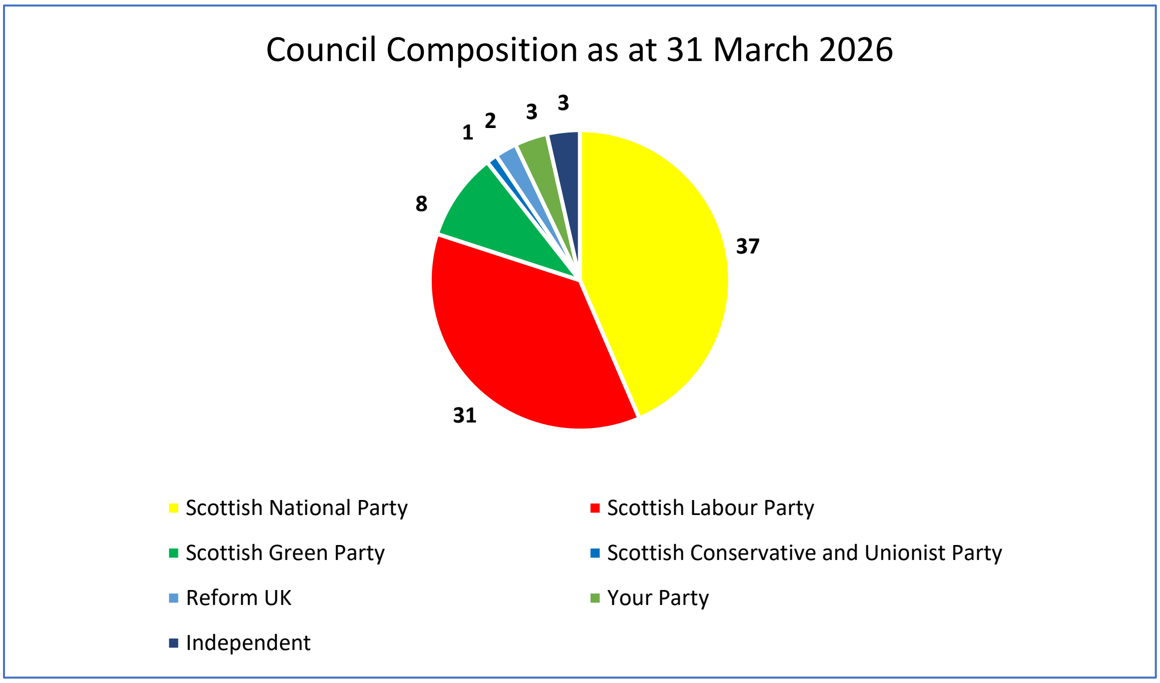
Introduction

Glasgow City Council is the main provider of services to the city's population of 650,300 residents and those who visit, work and do business in the city. Our resources are focused on the provision of Education, Social Work and other services, as well as supporting investment in the city's infrastructure.

This publication represents the Annual Accounts of both Glasgow City Council (the council) and its group for the year ended 31 March 2026, which have been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code). The Code is based on International Financial Reporting Standards (IFRS), with interpretation appropriate to the public sector.

Political Structure

The council is made up of 23 multi-member wards, electing 85 councillors. The make-up of the council as at 31 March 2026 is outlined below.



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

Organisational Structure

The council is organised to deliver its services through direct service provision, arms-length external organisations (ALEOs) and various partnership arrangements. This structure reflects the most effective means of delivering services and is governed through the management structures of the council. The council refers to this structure as the "Council Family". The financial results of each material member of the Council Family are incorporated within the council's group accounts in line with proper accounting practice. The council's management structure reflects the organisational structure with each service or ALEO led by an Executive

Director, Managing Director or Chief Executive. The key elements of the current organisational structure of the council are as follows.

The Council Family			
Service Departments	**ALEOs**	**Joint Arrangements**	**Non-Material Interests**
• Chief Executive's Office • Education Services • Financial Services • Neighbourhoods Regeneration and Sustainability • Social Work Services	Subsidiaries • Scottish Event Campus Ltd • City Building (Contracts) LLP • Glasgow Life • City Property Glasgow (Investments) LLP • City Property Glasgow (Operations SL1) LLP • City Property Glasgow (Operations SL2) LLP • City Property Glasgow (Operations SL3) LLP • City Property Glasgow (Operations SL) Limited • City Property Glasgow (Operations SL3) Limited • Jobs and Business Glasgow Associates • Strathclyde Partnership for Transport • Strathclyde Concessionary Travel Scheme	• Glasgow City Integration Joint Board • City Building (Glasgow) LLP	• GCC LLP Investments Limited • City Property (Glasgow) LLP • Other small bodies

Full details of the ALEOs, joint arrangements and non-material interests can be found in the council's group accounts on pages 87 to 118.

Council Strategic Plan

The Council Strategic Plan 2022-27 was agreed at Full Council on 27 October 2022.

In order to ensure that the Plan clearly articulates its purpose it has been structured into "Grand Challenges" and their supporting "Missions" as outlined below.

1. **Reduce poverty and inequality in our communities**
   - End child poverty in our city using early intervention to support families
   - Meet the learning and care needs of children and their families before and through school
   - Improve the health and wellbeing of our local communities
   - Support Glasgow to be a city that is active and culturally vibrant
2. **Increase opportunity and prosperity for all our citizens**
   - Support Glasgow residents into sustainable and fair work
   - Support the growth of an innovative, resilient and net zero carbon economy
   - Raise attainment amongst Glasgow's children and young people
3. **Fight the climate emergency in a just transition to a net zero Glasgow**
   - Deliver sustainable transport and travel aligned with the city region
   - Become a net zero carbon city by 2030
4. **Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities**
   - Create safe, clean and thriving neighbourhoods
   - Run an open, well governed council in partnership with all our communities
   - Enable staff to deliver a sustainable and innovative council structure that delivers value for money

These grand challenges and their missions are underpinned by commitments which services will undertake to work towards in order to deliver the goal of each mission.

Actions have been developed to support the delivery of each, or groups of commitments as appropriate; and these are scrutinised alongside the overall delivery of each mission and the four grand challenges. In the initial phase of the plan to November 2024, the grand challenges have been reported through a “cost of living” lens. However, this lens has been widened to include other emerging commitments.

The council has agreed that the Strategic Plan will be subject to an annual review to reflect the volatility of outside pressures and budget constraints. The Council Strategic Plan was updated and approved by council on 31 October 2024 and has been subject to ongoing scrutiny through the reports to Operational Performance and Delivery Scrutiny Committee (OPDSC).

The Glasgow Community Plan sets out a renewed focus on poverty in line with grand challenge one. Poverty is an important cross cutting issue where we believe we can make a difference by acting with our partners. The Glasgow Community Plan continues to be integrated into the new Strategic Plan aligning its key focus areas to the grand challenges and missions. The Policy and Governance team are currently working with the Communities team to review and refresh their Performance Framework to ensure it’s better integrated into the overall Council Family approach.

Performance Management

Our Performance Manual supports a Framework of performance management and key performance architecture that supports our approach to reporting on performance at both a corporate and service level to ensure that we can monitor and report progress against the council’s commitments and programmes. The target audience for much of the reporting output is the City Administration Committee (CAC), Operational Performance and Delivery Scrutiny Committee (OPDSC), the Finance and Audit Scrutiny Committee (FASC) and the Council Leadership Team (CLT). Information is also provided to other committees and to the public, as part of our public performance reporting arrangements.

A number of reports form the core of the framework including the council’s Strategic Plan, the Annual Performance Report (APR), Annual Business Plans (ABPs), the Glasgow Community Plan and associated performance reports, equality outcomes, equality monitoring reports and Local Government Benchmarking Framework Indicators and activity. Our performance information is hosted on a performance page on our website.

The latest iteration of the Performance Manual was considered by OPDSC on the 6 August 2025. The manual will be updated at least annually or sooner if there are significant additions or amendments that require notification.

The council concluded a review of our corporate performance management arrangements; both in response to Internal Audit recommendations, consultation with elected members, and a debrief of the previous chair and vice chair of OPDSC. The last Committee self-assessment report was presented to OPDSC in January 2025 . The 3 year independent assessment is due to be presented in August 2026 to OPDSC.

The plan itself was reviewed with Services and elected member input during the summer of 2024; a review paper was then prepared and agreed at Full Council in October 2024. A further review is being conducted in the summer of 2026.

This is regularly monitored and scrutinised by the OPDSC; and the schedule of meetings and reports underpinning this was detailed in the APR paper to the Wellbeing Equalities, Communities, Culture and Engagement Committee in May 2026.

A comprehensive workplan schedule is prepared and is reviewed by the chair and vice chair of OPDSC prior to each Committee to ensure all key strategic plan missions and commitments are reported appropriately, and any emerging areas of scrutiny interest can be brought to the attention of the Committee.

Best Value

In June 2021, Audit Scotland and the Accounts Commission published a revised Code of Audit Practice. The Code explains the revised arrangements for the audit of Best Value, this is now based on an annual thematic report. Ernst and Young (EY) were appointed by the Accounts Commission as external auditor of Glasgow City Council for financial years 2022/23 to 2026/27, this includes all Best Value Audits during this period.

For the 2024/25 financial year, EY completed the Best Value Audit on the theme of 'Transformation', the audit specifically focussed on:

- The extent the council has clear plans for transformation that link to its priorities and support long term financial sustainability.
- The extent the council's programme management arrangements facilitate effective oversight of its transformation plans.
- The extent communities and partners are involved in the development and delivery of the council's plans for transformation.
- The extent the council has considered the impact of its transformation activity, including on vulnerable or protected groups.

The council engaged fully with EY throughout the audit process.

This Best Value Thematic Report was reported to FASC on 25 February 2026.

For the 2025/26 financial year, the theme for Best Value auditing is 'Asset Transformation'. This thematic review will consider how well councils are managing their assets to achieve their corporate objectives and respond to challenges around financial sustainability and climate change.

The council will fully engage with EY throughout the audit process.

Risk Management

The council continues to apply the Corporate Risk Management Policy and Framework as a core part of strategic planning, decision making, programme and project management, business continuity and Health and Safety. This document consists of policy statements and an operational implementation framework. The Risk Policy and Risk Appetite statements were agreed by CLT in October 2025 and, a detailed outline of risk categories and their associated Risk appetites levels were agreed in Spring 2026. The operational framework which explains the processes, activities and roles and responsibilities required to successfully implement the policy statements is currently under review with various processes and activities having already been updated into a guidance note format. The document is available to all staff on the council intranet and is routinely subject to review and approval by CLT's Risk, Audit and Performance (RAP) Board.

The Corporate Risk Register (CRR) is a live document that is maintained by Corporate Policy and Governance (CP&G) and kept under review, and informed by, the Corporate Risk Management Forum (RMF) and risk owners. The RMF is chaired by CP&G and comprised of representatives from across the Council Family who review existing risks and consider changes and any new or emerging areas of risk.

Risk continues to be assessed in accordance with the framework and the CRR includes 24 risks, each of which has been aligned to the four grand challenges within the council's strategic plan. There are 10 risks assessed as very high i.e., those with a risk score of 15 and over, as outlined below:

Risk Title	Residual Risk Score
Grand Challenge: Delivery of essential services	
Fiscal Uncertainty	**25**
ICT Security	**20**
Failure to successfully implement Pay and Grading Scheme	**20**
Failure of key, large scale contractors / service providers	**16**
Major incident / service disruption	**16**
Significant industrial action	**16**
Failure to comply with Health and Safety regulations	**16**
Grand Challenge: Reduce poverty and Inequality	
Impact of Historic Abuse Inquiry	**20**
Failure to fulfil duty of care to children and vulnerable adults	**15**
Grand Challenge: Increase opportunity and prosperity	
Impact of the rising cost of living	**20**

Individual services maintain and report their own risk registers to their management teams with the CRR reported to the CLT and thereafter to FASC. The latest Half Yearly Corporate Risk Management Report was considered by FASC on 17 June 2026.

The Financial Statements

A summary of the main financial statements is provided below:

- **Comprehensive Income and Expenditure Statement** - shows income and expenditure incurred in the year relating to the provision of council services, financing and investing activities, taxation and grant income, and other unrealised gains and losses. In total, this reflects the movement in the overall council reserves shown in the Balance Sheet but excludes the statutory adjustments to the General Fund balance.

- **Movement in Reserves Statement** - summarises the movement in the different reserves held by the council, analysed into Usable Reserves (that is, those that can be applied to fund expenditure or reduce local taxation) and Unusable Reserves, required by statute or regulation to adjust between proper accounting practice and the funding basis (these reserves are not available to fund expenditure or reduce local taxation). The 'Surplus or (Deficit) on the Provision of Services' line shows the true economic cost of providing the council's services, more details of which are shown in the Comprehensive Income and

Expenditure Statement. This is different from the statutory amounts required to be charged to the General Fund balance for Council Tax setting purposes. The main statutory adjustments to the General Fund balance relate to capital investment (which is accounted for as it is financed, rather than when the fixed assets are consumed) and retirement benefits (which are charged as amounts become payable to pension funds and pensioners, rather than as future benefits are earned). The 'Net Increase or (Decrease) before transfers to other statutory reserves' line shows the statutory General Fund balance before any discretionary transfers to or from statutory reserves undertaken by the council. The opening and closing reserves reflect the balances shown in the Balance Sheet.

- **Balance Sheet** - represents the value of the assets and liabilities of the council as at 31 March 2026. The Net Assets (assets less liabilities) are matched by the total Usable and Unusable Reserves. Usable Reserves are those that the council may use to fund expenditure or reduce local taxation, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Reserve Funds may only be used to fund capital expenditure or repay debt).

  Unusable Reserves are those that the council is not able to use to provide services and include reserves that hold unrealised gains and losses (for example, the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences (for example, the Pension Reserve), where amounts will fall to be paid when they are due and not when they are earned. The effect of these reserves is shown in the 'Adjustments between accounting basis and funding basis under regulations' line within the Movement in Reserves Statement.

- **Cash Flow Statement** - details the changes in cash and cash equivalents of the council during the reporting period. The statement shows how the council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows from operating activities is a key indicator of the extent to which the operations of the council are funded by way of taxation and grant income, or from the recipients of services provided by the council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital to the council.

- **Other statements** - there are a number of other statements included in the Annual Accounts, which provide more detail behind the main statements outlined above.

Statement	Information provided
Council Tax Income Account	Council Tax collectable by the council and the basis on which it is levied.
Non-Domestic Rates Income Account	Non-Domestic Rates Income collectable by the council and the amount contributable to the national pool.
Common Good Fund	Funds held under statute for the people of Glasgow. Expenditure from the fund does not represent a charge to council tax payers and primarily meets the costs of civic ceremonies and hospitality for distinguished visitors to the city.
Sundry Trusts and Funds	The income and expenditure in respect of donations made by individuals and organisations. The Balance Sheet shows the balance on these funds as at 31 March 2026, represented by investments and other net assets.

Group Financial Statements	Consolidates the Financial Statements of the council and its subsidiaries, associates and joint boards. The Group Financial Statements comprise the same primary statements as the council: Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and Cash Flow Statement.

Financial Review

The financial review outlines some of the key financial issues affecting the council during the year and the overall financial position of the council, in line with the reporting requirements of the Code.

- **Council Services**

At the end of 2025/26, an overspend was reported in Neighbourhoods, Regeneration and Sustainability offset by underspends in Related Companies, Education Services, Financial Services and Chief Executives Office as outlined below.

- Education Services -£0.326 million (0.0%) – Overspends in Additional Support for Learning due to additional staffing and transport with continued increasing demand in this area, offset by underspends in Early Years in employee costs and a timing difference in additional teachers being recruited in August.

- Neighbourhoods, Regeneration and Sustainability £1.212 million (0.6%) – Overspends in refuse collection and disposal employee costs due to absence levels, waste disposal contract cost increases, and higher transport costs due to maintenance costs. Further overspends due to utility prices, building repairs and dilapidation costs across the GCC Property Estate. Offset by underspends in other areas of NRS, in relation to staffing costs due to vacancies across a number of services and an over recovery of income from Planning fees.

- Related Companies -£1.573 million (-1.4%) – Underspend mainly relates to lower than anticipated grant for RSBi.

- Chief Executives Office -£0.063 million (-0.1%) – Underspend due to transfer payments being lower than anticipated.

- Financial Services -£0.319 million (-0.2%) – Underspends in employee costs due to vacancies, offset by an overspend in housing benefits. There were underspends in Council Tax Reduction Scheme and the Scottish Welfare Fund of £1.9m and £0.3m respectively. These have been earmarked for 2026/27 Scottish Welfare Fund to meet current levels of demand.

Financial pressures across service budgets were closely monitored and corrective action was identified by Executive Directors to contain net expenditure within approved budgets as far as possible. This process was supported by the establishment of the probable outturn.

Services have spent between 98.6% and 100.6% of their final budget resulting in a net underspend in total net direct service expenditure of £1.069 million.

- **Integration Joint Board**

The Glasgow City Integration Joint Board (IJB) assumed responsibility for the planning and commissioning of health and social care services within the city on 1 April 2016. While the financial position of Social Work Services continued to be monitored through the council's existing reporting structures the overall financial position is now the responsibility of the IJB.

The financial outturn for the IJB reflects an underspend of £31.608 million. This includes an operational underspend of £0.579 million which reflects the successful implementation of recovery actions taken by the IJB during the year. In addition, there is an underspend of £22.779 million relating to local and national priorities which will not be completed until future financial years. This relates to ring-fenced funding which has been received to meet specific commitments and must be carried forward to meet the conditions attached to the receipt of this funding. Finally, as part of the 2025/26 budget an additional £8.250 million of savings were taken to smooth the impact of the increase in costs which is anticipated in 2026-27 when employer superannuation rates are increased by Strathclyde Pension Fund for council employees. This additional saving generated a further planned underspend in 2025/26 which will be taken to General Reserves.

The council has committed to meet the net costs arising from Home Office asylum decisions within the IJB. The net cost of this to the council in 2025/26 is £38.424m.

- **Funding**

The principal sources of finance utilised by the council in 2025/26 were general revenue grant of £1,331.686 million (2024/25 £1,266.540 million), non-domestic rates of £402.292 million (2024/25 £386.817 million) and capital grants and contributions of £131.190 million (2024/25 £83.234 million) provided by the Scottish Government and council tax of £301.782 million (2024/25 £276.965 million) raised from local taxpayers.

Council tax income is the only significant funding source within the council's control, albeit restricted by the Scottish Government's budget commitments in previous years. This funding represents only around 15% of total revenue funding, limiting the council's capacity to vary expenditure through raising council tax income.

In year collection levels for council tax amounted to 92.98% (2024/25 93.37%). The actual value of council tax income received was £301.782 million, £4.006 million more than budgeted (2024/25 £276.965 million, £5.358 million more than budgeted).

The Scottish Government operates a pooling arrangement for the collection and re-distribution of non-domestic rates income, whereby the council acts as an agent, collecting income on its behalf. A 'pool' account is maintained and reported by the Scottish Government, outlining the amount collected on its behalf by councils and the amount re-distributed to councils. The amount re-distributed to councils reflects the amount raised within their local area. The balance of government funding is provided by amending the amount of general revenue grant received to meet the total government funding available.

The council received a total of £402.292 million in respect of non-domestic rates in 2025/26 (2024/25 £386.817 million). In year collection amounted to 91.06% (2024/25 92.06%).

- **Related Companies**

A number of the council's ALEOs generate surpluses which the council then incorporates within its overall budget. In 2025/26 the following surpluses were returned to the council:

- City Property returned £4.900 million, £0.935 million higher than budget.

- City Building returned £1.039 million which is £3.461 million less than budget. This reflects increased support costs to City Building Glasgow and reduced workload of City Building Contracts. Training costs in relation to City Building were under budget by £0.508 million. In addition, there is a cost impact of £0.455 million for a reduction to the City Building Contracts return for 2024-25 following the completion of their annual audit process.

- **Financing Costs**

Financing costs (see note 1.10 on page 25) associated with the council's debt portfolio were underspent by £13.230 million. This reflects the application of capital receipts from asset sales (£3.414 million), a lower level of capital expenditure than anticipated and higher than budgeted interest on balances (£9.816 million). The capital interest rate charged by the council's Loans Fund in the year was 4.60% (2024/25 4.77%). This underspend will support contributions to the Culture and Recreational Fund (£3.414 million) for ongoing cultural activities and the Insurance Fund (£12.000 million) to meet potential future insurance liabilities.

- **Equal Pay**

The council continues work towards the implementation of a new pay and grading structure based on the results of job evaluation, on the basis of phased implementation targeted for April 2027.

- **Budget Support Fund**

In 2022/23 the council established a budget support fund to support a number of budget options with implementation costs primarily around severance and also to support cashflow around the implementation of these options in 2023/24 and future years budgets.

The opening balance on the budget support fund for 2025/26 was £28.484 million. During 2025/26 a budgeted contribution was made to the fund of £8.755 million resulting in a fund balance of £37.239 million. In line with the position reported at probable outturn the costs associated with the impact of home office decisions on homelessness have been charged to the fund. Homelessness costs in 2025/26 were £38.424 million, £37.239 million was met from the budget support fund and the balance from a contribution from the Capital Fund to meet the principal element of loan repayments as a result of General Capital Grant flexibilities. This fully extinguishes the budget support fund.

- **Comprehensive Income and Expenditure Statement**

The Comprehensive Income and Expenditure Statement records an accounting net income of £265.640 million. This is represented by an increase in Unusable Reserves of £349.258 million and a decrease in Usable Reserves of £83.618 million (as shown in the Movement in Reserves Statement and detailed in note 6, page 38 to 42).

The Financial Statements show an increase in the General Fund Reserve balance of £24.166 million for the year. This results in a total General Fund Reserve balance of £154.754 million. Having accounted for earmarked reserves of £113.347 million, General Fund unearmarked reserves total £41.407 million, which represents 1.9% of the net budgeted expenditure. The council's policy remains to maintain balances at 2% of the net budgeted expenditure over the medium term. The position in relation to unearmarked reserves will be subject to review as part of each year's annual budget process.

- **Balance Sheet**

The council's Balance Sheet shows Net Assets of £2,661.640 million as at 31 March 2026 (2024/25 £2,396.000 million).

Long-term assets amount to £5,687.047 million as at 31 March 2026 (2024/25 £5,379.468 million) and mainly reflect Property, Plant and Equipment and Heritage assets.

The Financial Statements reflect provisions for anticipated future liabilities including the estimated costs of former landfill site decommissioning. Council tax debtors of £17.532 million (2024/25 £15.370 million) have been written off in accordance with the council's policy of writing off such debt more than five years old from the Balance Sheet. In addition, sundry debtors (including common good rental income) over two years old totalling £8.788 million (2024/25 £13.937 million) have been written off in the year in accordance with the council's accounting policy. In both cases these debts were fully provided for in previous years and the council continues to pursue collection.

The council's total debt outstanding amounts to £1,730.575 million (2024/25 £1,709.110 million). The majority of the council's borrowing comes from the Public Works Loans Board (PWLB), with the remainder coming from Lender Option Buyer Options (LOBOs), market borrowing and temporary borrowing from various public bodies and financial institutions. The management of this debt is governed by the council's Treasury Management Strategy which is approved annually by the City Administration Committee.

Council employees are entitled to join the Local Government Pension Scheme (LGPS) or, for teachers, the Scottish Teachers' Superannuation Scheme (STSS). The STSS is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is an unfunded multi-employer defined benefit scheme. However, it is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the council is unable to identify its share of the underlying assets and liabilities of the scheme. The annual accounts show the amounts contributed by the council to the scheme in the year. The LGPS is a defined benefit scheme, requiring an actuarial assessment of the council's overall assets and liabilities to be included in the Annual Accounts. The 2025/26 actuarial report resulted in a net pension asset however in line with proper accounting practice, the asset is limited to the forecast reductions in contributions as compared to the forecast future service costs. This has resulted in the pension asset being recognised at nil value (2024/25 nil value) within the council's balance sheet. In addition, the council has continued to recognise the unfunded element of its pension liabilities as there are no scheme assets to cover the future costs of these liabilities as they are due going forward. This liability is recognised as £228.371 million (2024/25 £234.196 million).

- **Capital expenditure and sources of finance**

The council's capital expenditure and sources of finance are detailed in note 18.5 on page 60. Gross capital expenditure for the year totalled £212.899 million (2024/25 £119.734 million). Of the total expenditure, £76.976 million was met from government grants, revenue contributions, finance leases and other receipts. This results in a borrowing requirement of £135.923 million. The council has a capital reserve fund to provide resources for tackling investment priorities within the authority. The balance on this fund at 31 March 2026 was £49.835

million (2024/25 £25.541 million), see note 8 on page 45. Capital receipts from asset sales achieved during the year totalled £3.414 million (2024/25 £8.096 million).

- **Prudential indicators**

The Capital Financing Requirement (CFR) defines the underlying need to borrow for capital purposes. As at 31 March 2026, the CFR was £2,943 million (2024/25 £2,851 million), while gross external borrowing stood £321 million lower (2024/25 £205 million lower) at £2,622 million (2024/25 £2,646 million). This is a measure of prudence, demonstrating that borrowing has only been undertaken for capital investment purposes and to meet short-term cash flow requirements. It is also reflective of the council's Treasury Management Strategy, where it has been deemed prudent to make use of internal funds held for longer-term purposes, to minimise exposure to investment risk.

The Ratio of Financing Costs to Net Revenue Stream provides an indication of affordability of capital investment. As at 31 March 2026, the ratio of financing costs to net revenue stream was 8.56% (2024/25 7.63%). The council's ability to service the borrowing costs is integral to capital investment decisions. Both capital and revenue budget forecasts are therefore inextricably linked, with the revenue implications of capital investment plans reflected within the council's revenue budget forecasts.

- **Group accounts**

The Code requires the council to include summary Group Accounts in the Annual Accounts, showing the financial position of the council and its material subsidiaries, associates and joint arrangements. The Group Balance Sheet shows Net Assets of £3,703.966 million as at 31 March 2026 (2024/25 £3,324.258 million).

The 2025/26 Annual Accounts show a group unfunded pension liability of £234.364 million (2024/25 £240.277 million). In addition, the actuary reported a net pension asset at 31 March 2026 which after application of an asset ceiling calculation is included in the annual accounts at £314.922 million (2024/25 £273.055 million).

Outlook

In common with other councils and as reported by Audit Scotland, Glasgow continues to face significant financial challenges from anticipated funding gaps between revenues from central government and local taxation and increasing demand for council services and other cost pressures.

As part of the annual budget process for 2026/27 the council updated its financial projections. This forecast identified a spending gap of £86.5 million for 2026/27, rising to £95.3m in 2027/28. On the 24 February 2026 the council approved its budget for 2026/27, including a 5.9% council tax rise and savings options for 2026/27. Details of the budget can be found here 2026-2027 Budget.

One of the key financial and operational pressures facing the city relates to homelessness. The council has a statutory responsibility to accommodate all homelessness presentations within the City and this has seen a significant increase in demand. The operational responsibility for the homelessness service is delivered by the IJB. The council's outturn report has noted the net cost of homelessness in 2025/26 is £38.424 million. The budget report for 2026/27 forecasts a homelessness pressure of £56 million. As a short-term measure for 2026/27, and to avoid significant service cuts and/or council tax increases to meet this cost, the Scottish Government has provided a variation to the conditions on the use of General Capital Grant. This variation allows the grant to be used as a contribution to the Capital Fund in 2025/26 from where it can be used to repay the principal element of borrowing costs. This provides a revenue underspend, that can be applied over future years to provide capacity to meet the homelessness pressure. This will require the council to undertake additional borrowing with associated borrowing costs of £3.5 million. The Council continues to work with the Scottish Government on long term solutions to homelessness which contribute £74 million of the budget gap in 2027/28.

The Council has established a governance framework to consider both Public Service Reform and Financial Sustainability and the City Administration Committee will consider the financial outlook for 2027/28 and subsequent years after the summer recess. This will allow the Council to consider the latest projections in relation to funding, costs, and homelessness alongside any implications arising from the implementation of the new Pay and Grading model and agree a forward strategy to deliver future balanced budgets.

Further information on the Annual Accounts, or on any aspect of the council's finances, can be obtained from the Executive Director of Financial Services, City Chambers, Glasgow G2 1DU. Telephone 0141 287 3837 or e-mail financial@glasgow.gov.uk.

❖ Statement of Responsibilities

1. The Council's Responsibilities

The council is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that the proper officer of the council has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this council, that officer is the Executive Director of Financial Services;

- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;

- Ensure the Annual Accounts are prepared in accordance with legislation (the Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government Scotland Act 2003); and

- Approve the Annual Accounts for signature.

These Annual Accounts will be considered by the Finance and Audit Scrutiny Committee in August 2026 and will be submitted to the City Administration Committee to be approved for signature upon completion of the audit.

2. The Executive Director of Financial Services Responsibilities

The Executive Director of Financial Services is responsible for the preparation of the council's Annual Accounts, in accordance with proper practices, as required by legislation and as set out in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing the Annual Accounts, the Executive Director of Financial Services has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates on a reasonable basis;
- Complied with legislation; and
- Complied with the Code (in so far as it is compatible with legislation).

The Executive Director of Financial Services has also:

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

I certify that the financial statements give a true and fair view of the financial position of Glasgow City Council and its group as at 31 March 2026 and the transactions for the year then ended.

Robert Emmott BSc (Hons) CPFA
Executive Director of Financial Services
30 June 2026

Comprehensive Income and Expenditure Statement for the Year ended 31 March 2026

2024/25 Expenditure £000	*2024/25 Income £000*	*2024/25 Net Expenditure £000*	**Service**	**Note**	**2025/26 Expenditure £000**	**2025/26 Income £000**	**2025/26 Net Expenditure £000**
159,037	(40,818)	118,219	Chief Executive's Office		170,321	(40,300)	130,021
924,894	(54,649)	870,245	Education Services		963,640	(52,293)	911,347
345,331	(259,632)	85,699	Financial Services		306,851	(212,390)	94,461
515,066	(243,101)	271,965	Neighbourhoods, Regeneration and Sustainability		511,517	(283,316)	228,201
1,526,414	(921,007)	605,407	Social Work Services		1,661,038	(1,011,271)	649,767
118,730	(33)	118,697	Related Companies and Joint Boards		112,494	(22)	112,472
100	0	100	Equal Pay Obligations		0	0	0
3,589,572	**(1,519,240)**	**2,070,332**	**Cost of Services**		**3,725,861**	**(1,599,592)**	**2,126,269**
0	(3,916)	(3,916)	(Gain) or loss on the disposal of Property, Plant and Equipment		0	(95)	(95)
0	(134)	(134)	Gain on entry into peppercorn lease		0	0	0
0	**(4,050)**	**(4,050)**	**Other Operating (Income) and Expenditure**		**0**	**(95)**	**(95)**
131,635	0	131,635	Interest payable		126,886	0	126,886
0	(19,751)	(19,751)	Interest and investment income			(16,990)	(16,990)
14,411	0	14,411	Net interest on the net defined benefit liability	**12**	14,455	0	14,455
0	0	0	Income, expenditure and changes in the fair value of investment properties		43	0	43
146,046	**(19,751)**	**126,295**	**Financing and Investment (Income) and Expenditure**		**141,384**	**(16,990)**	**124,394**
0	(1,266,540)	(1,266,540)	Non-ring fenced government grants	**13**	0	(1,331,686)	(1,331,686)
0	(386,817)	(386,817)	Non-Domestic Rates	**13**	0	(402,292)	(402,292)
0	(276,965)	(276,965)	Council Tax		0	(301,782)	(301,782)
0	(83,234)	(83,234)	Capital grants and contributions	**13**	0	(131,190)	(131,190)
0	**(2,013,556)**	**(2,013,556)**	**Taxation and Non-specific Grant Income**		**0**	**(2,166,950)**	**(2,166,950)**
3,735,618	**(3,556,597)**	**179,021**	**(Surplus) or Deficit on the Provision of Services**		**3,867,245**	**(3,783,627)**	**83,618**
			Items that will not be reclassified to the (Surplus) or Deficit on the Provision of Services				
		(146,039)	(Surplus) or deficit on revaluation of Property, Plant and Equipment				(295,681)
		(108,782)	Actuarial (gains) or losses on Pension Assets and Liabilities	**12**			(53,577)
		(254,821)	**Other Comprehensive (Income) and Expenditure**				**(349,258)**
		(75,800)	**Total Comprehensive (Income) / Expenditure**				**(265,640)**

Movement in Reserves Statement for the Year ended 31 March 2026

	General Fund Reserve £000	Revenue Reserve Funds £000	Capital Reserve Fund £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total Reserves £000
Balance as at 31 March 2024	**141,155**	**23,844**	**35,423**	**15,923**	**216,345**	**2,103,855**	**2,320,200**
Total comprehensive income and (expenditure)	(179,021)	0	0	0	(179,021)	254,821	75,800
Adjustments to usable reserves permitted by accounting standards	43,445	0	0	0	43,445	(43,445)	0
Transfers (to) or from other statutory reserves (note 8)	8,957	925	(9,882)	0	0	0	0
Adjustments between accounting basis and funding basis under statutory provisions (note 7)	116,052	0	0	(3,225)	112,827	(112,827)	0
Increase or (decrease) in the year	**(10,567)**	**925**	**(9,882)**	**(3,225)**	**(22,749)**	**98,549**	**75,800**
Balance as at 31 March 2025	**130,588**	**24,769**	**25,541**	**12,698**	**193,596**	**2,202,404**	**2,396,000**
Total comprehensive income and (expenditure)	(83,618)	0	0	0	(83,618)	349,258	265,640
Adjustments to usable reserves permitted by accounting standards	51,280	0	0	0	51,280	(51,280)	0
Transfers (to) or from other statutory reserves (note 8)	(18,210)	(6,084)	24,294	0	0	0	0
Adjustments between accounting basis and funding basis under statutory provisions (note 7)	74,714	0	0	6,606	81,320	(81,320)	0
Increase or (decrease) in the year	**24,166**	**(6,084)**	**24,294**	**6,606**	**48,982**	**216,658**	**265,640**
Balance as at 31 March 2026	**154,754**	**18,685**	**49,835**	**19,304**	**242,578**	**2,419,062**	**2,661,640**

Notes 6 to 8 on pages 38 to 45 provide further details on the Movement in Reserves Statement

Balance Sheet as at 31 March 2026

31 March 25 £000		Note	£000	31 March 26 £000
2,199,677	Other land and buildings		2,338,035	
62,264	Vehicles, plant, furniture and equipment		64,432	
867,378	Infrastructure assets		877,636	
821,528	Right-of-use assets		860,676	
24,459	Community assets		24,563	
53,596	Assets under construction		168,752	
42,940	Corporate surplus assets		39,475	
4,071,842	**Property, Plant and Equipment**	**19**		**4,373,569**
1,183,769	Heritage assets	**20**		1,190,994
671	Investment property			2,628
15,249	Intangible assets	**21**		12,558
20,067	Long-term investments	**27**		20,145
87,870	Long-term debtors	**27**		87,153
5,379,468	**Long-term Assets**			**5,687,047**
1	Short-term investments	**27**		1
3,434	Inventories			3,669
282,574	Net short-term debtors	**23**		336,473
79,617	Cash and cash equivalents	**24**		32,409
3,022	Assets held for sale	**22**		1,765
368,648	**Current Assets**			**374,317**
(150,227)	Short-term borrowing	**27**		(167,592)
(406,309)	Short-term creditors	**25**		(463,623)
(5,683)	Short-term provisions	**26**		(4,357)
(562,219)	**Current Liabilities**			**(635,572)**
(18,512)	Long-term provisions	**26**		(17,727)
(1,558,883)	Long-term borrowing	**27**		(1,562,983)
(234,196)	Unfunded pension liability	**12**		(228,371)
(956,407)	Deferred liabilities	**28**		(935,186)
(18,557)	Deferred income			(17,936)
(3,342)	Capital grants receipts in advance			(1,949)
(2,789,897)	**Long-term Liabilities**			**(2,764,152)**
2,396,000	**Net Assets**			**2,661,640**
130,588	General Fund Reserve	**6,7**		154,754
24,769	Revenue Reserve Funds	**6,8**		18,685
25,541	Capital Reserve Fund	**6,8**		49,835
12,698	Capital Grants Unapplied Account	**6,7**		19,304
193,596	**Usable Reserves**			**242,578**
2,202,404	Unusable Reserves	**6,7**		2,419,062
2,396,000	**Total Reserves**			**2,661,640**

The unaudited accounts were
issued on 30 June 2026

Robert Emmott BSc (Hons) CPFA
Executive Director of Financial Services
30 June 2026

Cash Flow Statement for the Year ended 31 March 2026

2024/25 £000		Note	**2025/26 £000**
179,021	(Surplus) or Deficit on the Provision of Services		83,618
(238,506)	Adjustments to (Surplus) or Deficit on the Provision of Services for non-cash movements		(221,281)
46,692	Adjustments for items included in the (Surplus) or Deficit on the Provision of Services that are investing or financing activities		19,037
(12,793)	**Net cash flows from operating activities**	**31**	**(118,626)**
305	Investing activities	**32**	128,097
(24,229)	Financing activities	**33**	37,737
(36,717)	**Net (increase) or decrease in Cash and cash equivalents**		**47,208**
(42,900)	Cash and cash equivalents at the beginning of the reporting period		(79,617)
(79,617)	**Cash and cash equivalents at the end of the reporting period**		**(32,409)**

❖ Notes to the Financial Statements

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

1. Statement of accounting policies

The Financial Statements for the year ended 31 March 2026 have been prepared on the basis of recommendations made by the Local Authority (Scotland) Accounts Advisory Committee (LASAAC) and in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code). The Code is based on International Financial Reporting Standards (IFRS), with interpretation appropriate to the public sector. The statements are designed to give a 'true and fair view' of the financial performance and position of the council and its group.

The accounting concepts of materiality, accruals, primacy of legislative requirements and going concern 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 council's Statement of Accounts for 2025/26 has been prepared on a going concern basis, the period under assessment being the 12 months from submission of the accounts to the end of June 2027. This concept assumes that the council's functions and services will continue in operational existence for the foreseeable future. The provisions in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting. In accordance with the CIPFA Code of Local Government Accounting (2025/26), the council is required to prepare its financial statements on a going concern basis unless informed by the relevant national body of the intention for dissolution without transfer of services or function to another entity. The accounts are prepared on the assumption that the council will continue in operational existence for the foreseeable future.

The council's General Fund Reserve as at 31 March 2026 is £154.754 million, £113.347 million is earmarked for spending commitments and £41.407 million is unearmarked. The unearmarked element of the General Fund is kept under review and assessed continuously. The council's external financing liabilities include long terms loans, these are mainly interest only with balance payable on maturity. The interest payments are included in the revenue budget and any repayment and subsequent replacement kept under review. Cashflow is assessed on an ongoing basis, a daily cashflow forecast operates to ensure cash is available when required. The council has forecast its liquidity through the going concern period to June 2027 and forecasts no lower than £30 million available balances daily through this period. The council has provided confirmations of support to various entities in its group through the going concern period, which it has considered and is satisfied it is able to meet within its available funds through the same period, even in the event all support is required.

The Group's financial statements have also been prepared on a going concern basis through the period to 30 June 2027. A number of the group entities' assessments involve the agreement of financial support should it be required from the council, which the council has confirmed it is able and willing to provide should it be required. A number of the companies in the Group also hold external financing with associated covenants.

These entities have assessed and forecast compliance with all covenants, which includes the council's ability to provide parental support if required.

The accounting convention adopted is historical cost modified by the revaluation of certain categories of long-term assets and the fair value of investments and pensions.

1.1. Income and debtors

Income includes all sums owed to the council for the year of account, regardless of when cash payments are received. Specifically:

- Revenue from the sale of goods is recognised when the council transfers the significant risks and rewards of ownership to the purchaser, provided it is probable that economic benefits or service potential associated with the transaction will flow to the council.
- Revenue from the provision of services is recognised when the council can reliably measure the percentage of completion of the transaction, and it is probable that economic benefits or service potential associated with the transaction will flow to the council.
- When revenue and expenditure have been recognised but cash has not been received or paid, a debtor for the relevant amount is recorded in the Balance Sheet.
- When it's probable that debts will remain unsettled, an impairment loss is recognised for bad and doubtful debtors within the Cost of Services.

1.2. Supplies and services

Suppliers' invoices received up to 31 March 2026 are included, together with the specific accrual of invoices received after that date for material amounts, provided the goods or services were received in 2025/26. Where applicable, expenditure and income are reduced by the value of recharges to other council services under the heading inter-departmental recharges. This ensures that the cost is only reflected in the receiving service.

1.3. Long-term contracts

Where the outcome of a long-term contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is normally measured by the proportion of contract costs incurred for work performed to date, as compared to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a long-term contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred, where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

1.4. Overheads and support services

The full cost of overheads and support services are allocated to services in proportion to the benefits received, with the exception of charges to capital projects. Costs relating to capital projects incurred by services are charged to capital projects.

1.5. Employee benefits

Short-term employee benefits, such as wages and salaries and paid annual leave for current employees, are recognised as an expense in the year in which the employee renders service to the council. An accrual is made for the value of holiday entitlements earned by employees but not taken before the financial year end, which employees can carry forward into the next financial year.

Termination benefits are amounts payable as a result of a decision by the council to terminate an employment before the normal retirement date or following an employee's decision to accept voluntary redundancy. Termination benefits are charged on an accruals basis in the Comprehensive Income and Expenditure Statement when the council is demonstrably committed to a termination, this will be recognised at the earlier of the following dates:

a) when the authority can no longer withdraw the offer of those benefits, and

b) when the authority recognises costs for a restructuring.

1.6. Retirement benefits

The council participates in two formal pension schemes, the Local Government Pension Scheme, which is administered by Strathclyde Pension Fund, and the Scottish Teachers' Superannuation Scheme, which is administered by the Scottish Government.

The Local Government Pension Scheme is accounted for as a defined benefits scheme as follows:

(i) Attributable assets are measured at fair value at the balance sheet date, after deducting accrued expenses. Attributable liabilities are valued on an actuarial basis using the projected unit method, which assesses the future liabilities of the fund discounted to their present value. Net pension assets are recognised only to the extent that the council is able to recover a surplus, either through reduced contributions in the future or through refunds from the scheme. Unpaid contributions to the schemes are recorded as creditors due within one year.

(ii) Unfunded liabilities relate to discretionary benefits that exceed those offered by Strathclyde Pension Fund. Liabilities are recognised at the point awards are made. However, no investment assets are accrued to offset these pension liabilities, requiring the generation of cash to cover actual pension payments as they fall due.

(iii) For pension charges, the change in defined benefit asset or liability is analysed and charged to the Comprehensive Income and Expenditure Statement as follows:

- Current service cost, past service cost and gains / losses on curtailments and settlements are included within Cost of Services;
- Net interest on the net defined benefit liability is included within Financing and Investment Income and Expenditure; and
- Actuarial gains / losses are incorporated within Other Comprehensive Income and Expenditure.

The nature of the teachers' scheme prevents the council's individual share of the pension liability from being separately identified. The scheme is therefore accounted for as if it were a defined contribution scheme. Further details of pension costs can be found in note 12 on pages 48 to 53.

1.7. Value Added Tax

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income.

1.8. Service expenditure analysis

The Comprehensive Income and Expenditure Statement is presented in accordance with the council's management structure.

1.9. Charges to revenue for long-term assets

Services are debited with the following to recognise the cost of holding long-term assets during the year:

- depreciation attributable to the assets used by the relevant service;
- revaluation and impairment losses on assets used by the service, where there are no accumulated gains in the Revaluation Reserve, against which the losses can be written off; and
- amortisation of intangible assets attributable to the service.

The council is not required to raise Council Tax to fund these items. However, it is required to make an annual loans fund principal repayment from revenue to reduce the overall borrowing requirement. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the loans fund principal, by way of an adjusting transaction between the General Fund and the Capital Adjustment Account within the Movement in Reserves Statement.

1.10. Financing costs

Repayment of debt to the consolidated Loans Fund is based on annuity principles. Repayment periods are in line with asset useful lives, for which debt has been incurred. They generally range from 5 to 10 years for major items of vehicles, plant, furniture and equipment to 40 years for infrastructure and buildings. The repayment of debt incurred in respect of significant components with specific useful lives is in line with the useful life of the component. Capital receipts from asset sales are applied in line with the council's overall financial planning model.

Interest is allocated by the Loans Fund on the basis of the debt outstanding at the start of the financial year with a proportionate adjustment in respect of borrowings or repayments during the financial year. Interest payable on external borrowings and interest receivable are accounted for on an accruals basis.

Financing costs comprise principal and interest. Interest is debited to the Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement, while the principal is debited to the General Fund through the Movement in Reserves Statement.

1.11. Leases and lease type arrangements

The council adopted IFRS 16 (Leases) with effect from 1 April 2024. A significant impact of the requirements of IFRS 16 is that, for arrangements previously accounted for as operating leases (where any leased equipment and property were not recognised as an asset, and future rents were not recognised as a liability), a right-of-use asset and a lease liability are now included on the balance sheet. IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

The council has elected to apply recognition exemptions to low value assets and to short-term leases. The council has defined low value assets as below £10,000 when new and short-term leases as new leases with a duration of less than 12 months.

The useful life of right-of-use assets has been determined in line with the contractual lease term. Where the lease term is rolling or subject to ongoing extensions the council has applied the following useful life policy on initial adoption and commencement of new leases.

- Homelessness temporary accommodation 3 years
- Vehicles, plant and equipment 2 years

Further details of the right-of-use assets can be found in note 18.6.7 on pages 61 to 62.

1.12. Public Private Partnership and Similar Contracts

The Public Private Partnership (PPP) agreement and the Design, Build, Finance, Maintain (DBFM) arrangement for the provision of school buildings, maintenance and other facilities is accounted for in accordance with IFRIC 12 'Service Concession Arrangements'. The standard recognises that the council is in control of services provided under the PPP and DBFM scheme. As ownership of the Long-term Assets will pass to the council at the end of the contract for no additional charge, the council carries the assets on the Balance Sheet.

The amounts payable to the PPP and DBFM operators each year are analysed into 5 elements:

- Fair value of the services received during the year – charged to the Comprehensive Income and Expenditure Statement within Education Services;

- Finance cost – the interest charge on the outstanding Balance Sheet liability charged to the Comprehensive Income and Expenditure Statement within Financing and Investment Income and Expenditure;

- Contingent rent – increase in the amount to be paid for the property arising during the contract charged to the Comprehensive Income and Expenditure Statement within Financing and Investment Income and Expenditure;

- Payment towards liability – applied to write down the Balance Sheet liability towards the PPP and DBFM operator; and

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

With effect from 1 April 2024, IFRS 16 (Leases) also applies to service concession arrangements. Under IFRS 16, where indexation (or other changes in a rate) affects future service concession payments, the lease liability requires to be remeasured. Where previously under IAS 17 the increased payment was expensed, the net present value of future payments that comprise the liability is now recalculated based on the revised level of payments.

The Scottish Government issued Finance Circular 10/2022 – Accounting for Service Concession Arrangements, Leases and Similar Arrangements in September 2022. In line with current regulations the council has aligned the pattern of debt repayments associated with such arrangements to reflect the asset lives of the relevant assets rather than the contractual terms of individual arrangements. This change does not affect the overall value of debt repayments but does allow for the spreading of such payments over a longer period.

The revised accounting arrangements provided by the Scottish Government allow the council to realign debt repayments charged to the council's General Fund to reflect the useful life of the asset and not the contractual period of the agreements. The council has adopted an annuity method for repayment of debt over the life of the asset which is determined to be 40 years. The adoption of the annuity method for debt repayment, reflects the council's standard practice in relation to all its land and buildings assets. This reflects a charge that is better matched to the consumption of the asset over its useful life i.e., that deterioration is slower in the earlier years of life but accelerates in the later years. The application of a 40-year useful life reflects the anticipated life of the asset and aligns with other school assets financed via local authority borrowing.

1.13. Revenue expenditure funded from capital under statute

Revenue expenditure incurred during the year that may be capitalised under statutory provisions has been charged to the relevant service in the Comprehensive Income and Expenditure Statement. However, this is reversed out to the Capital Adjustment Account through the Movement in Reserves Statement, so that there is no impact on the General Fund balance.

1.14. Property, plant and equipment

Assets that have physical substance and are held for use in the production or supply of goods and services, that are expected to be used during more than one financial year, are classified as Property, Plant and Equipment.

1.14.1. Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis. Property, Plant and Equipment purchased from revenue exceeding the council's *de minimis* level of £6,000 is recognised as a Long-term Asset under the appropriate Property, Plant and Equipment categories. Enhancement expenditure, which substantially lengthens the useful life, value or extent to which the council will receive benefits from the asset, is capitalised. Expenditure on repairs and maintenance that does not add to an asset's potential to deliver future economic benefits is charged to the appropriate service revenue account.

1.14.2. Measurement

Assets under construction are measured at cost. The council does not capitalise borrowing costs incurred whilst assets are under construction. Where an asset is acquired via an exchange, the cost of the acquisition is deemed to be equivalent to the carrying amount of the asset given up by the council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and

Expenditure Statement, they are reversed out of the General Fund balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure assets, vehicles, plant, furniture and equipment assets – depreciated historic cost.

- Community assets - valued at £1 on 1 April 1994, with any additions or enhancement from that date included at cost. The major assets in this category are areas of open parkland.

- Corporate surplus assets (i.e. surplus assets that do not meet the criteria to be held for sale) – fair value.

- Other land and buildings – current value.

Where there is no market-based evidence of current value, assets are valued using depreciated replacement cost. Further details on valuation are given at note 18.1 on pages 58 to 59.

1.14.3. Componentisation

Componentisation refers to accounting separately for the different component parts of assets. A *de minimis* level of £1 million is applied to the overall asset value in this respect. The council separately accounts for significant components with substantially different useful economic lives. Components are deemed to be significant where the cost is more than 10% of the cost of the asset. In practice, the following components are accounted for separately, where material:

- Land (useful life not applicable);

- Buildings (useful life 40 years);

- Plant and equipment (useful life 5 to 10 years); and

- Other components with substantially different useful economic lives.

As assets under construction become operational and existing assets are revalued, componentisation will apply. Where a component is replaced, the carrying amount of the old component is derecognised to avoid double counting and the new component reflected in the carrying amount.

1.14.4. Revaluation

Assets held at current value, including significant components, are revalued on a five year rolling basis, in accordance with the guidelines provided within the Royal Institution of Chartered Surveyors Valuation Standards Manual. From 1 April 2025 these assets are also subject to indexation during the four intervening years. Where appropriate indices cannot be obtained a desktop revaluation will be carried out in year three.

Where a significant component of an existing asset is replaced, prior to the componentisation of the asset, as part of the five year rolling programme of revaluations, the carrying value of the component being replaced is assumed not to be material.

Increases in valuations are matched by credits to the Revaluation Reserve, to recognise unrealised gains, except where they arise from the reversal of a loss previously charged to a service revenue account.

In respect of decreases in value, where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against the balance, up to the amount of the accumulated gains. Where there is no balance in the Revaluation Reserve, or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve represents revaluation gains recognised since its formal implementation on 1 April 2007 only. Gains arising before that date have been consolidated into the Capital Adjustment Account.

1.14.5. Depreciation and impairment

Depreciation is calculated on a straight-line basis and is provided for on all Property, Plant and Equipment over their useful lives. An exception is made for assets without a determinable finite useful life, that is, freehold land, community assets and assets under construction. Where an item of Property, Plant and Equipment has significant components, the components are depreciated separately, in accordance with their useful lives. Depreciation is applied in the year from 1 April based on asset valuations as at 31 March of the previous financial year.

The useful lives of property assets are determined in consultation with City Property (Glasgow) LLP. Technical officers within services determine non-property asset lives.

Revaluation gains are also depreciated, with an amount equal to the difference between the current value and the historic cost depreciation transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

An asset is tested for impairment whenever there is an indication that the asset might be impaired. All impairment losses are written off against any revaluation gains attributable to the relevant asset in the Revaluation Reserve, with any excess thereafter charged to the relevant service line within the Comprehensive Income and Expenditure Statement.

Where an impairment loss is subsequently reversed, the reversal is credited to the relevant service line in the Comprehensive Income and Expenditure Statement, up to the amount of the original impairment, and adjusted for depreciation that would have been charged if the loss had not been recognised in the first place.

1.14.6. Disposals and Long-term Assets held for sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued upon reclassification and held at the lower of the carrying value and fair value less cost of sale. Where there is a subsequent decrease in fair value less costs to sell, the loss is debited to the Cost of Services line in the Comprehensive Income and Expenditure Statement. Gains in fair value are only recognised up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on assets held for sale.

If assets no longer meet the criteria of assets held for sale, they are reclassified back to Property, Plant and Equipment assets and revalued the subsequent year at the lower of their carrying amount before they were classified as held for sale, adjusted for depreciation and revaluations that would have been recognised had they not been classified as held for sale, and their recoverable amount at the date of the decision not to sell.

When an asset is disposed of or decommissioned, the carrying amount of the asset is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Receipts from disposals are credited to the same line to give the gain or loss on disposal. Any accumulated revaluation gains are transferred from the Revaluation Reserve to the Capital Adjustment Account.

Amounts received for disposals are categorised as capital receipts and credited to the Capital Receipts Reserve. Receipts are appropriated to this reserve from the General Fund balance through the Movement in Reserves Statement. Similarly, the written-off value of disposals is appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement. Disposals have no impact on Council Tax as long-term assets are fully provided for under separate capital financing arrangements. Balances are transferred from the Capital Receipts Reserve to the Capital Adjustment Account as they are applied.

1.15. Intangible assets

Expenditure on assets that do not have physical substance but are controlled by the council as a result of past events (for example, software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the council. Internally generated assets would also be capitalised, where it could be demonstrated that a project will be able to generate future economic benefits by being able to sell or use the asset.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value can be determined by reference to an active market. In practice, no intangible asset held by the council meets this criterion, and they are therefore carried at amortised cost.

Intangible assets are amortised over their useful life to the relevant service lines in the Comprehensive Income and Expenditure Statement. Any impairment losses are recognised within the relevant service lines, while any gains or losses arising from disposal are recognised within the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

1.16. Heritage assets

Heritage assets have historical, cultural, artistic, scientific, geophysical or environmental qualities and are held and maintained for future generations for their contribution to knowledge and culture. Operational heritage assets that are also used to provide other services are accounted for as operational assets. The Code relaxes some of the measurement rules where information on cost or value is not available and where the cost of obtaining information outweighs benefit to users of the annual accounts.

The council's heritage assets comprise museum and gallery collections. The council's museum and gallery collections are managed by Culture and Sport Glasgow (trading as Glasgow Life) on behalf of the council, in accordance with the council's policy for acquisition, preservation, management and disposal of collections outlined within the Museums Acquisition and Disposal Policy. As set out within the Museums Collections Development Policy, the Collection comprises an estimated 1.2 million items covering history, transport, technology, natural history, world cultures and fine and decorative arts.

The valuation of the collection included in the balance sheet is based on the fair value valuation included in the council's museum records system. This covers assets documented and valued which includes a total of 13,143 items. This valuation is £1.173 billion. The fair values have been determined based on internal and external valuations performed in earlier periods, however they are considered the most appropriate and relevant. Heritage asset valuations may be made by any method that is appropriate and relevant. Valuations are updated as items are assessed or added to collections. Valuations need not be carried out by external valuers and there is no prescribed period between valuations. Carrying out valuations for collections held is very costly and time consuming so its not practicable to obtain recent valuations at a cost which is commensurate with the benefits to users of the financial statements. The carrying amounts of these heritage assets are reviewed with sufficient regularity to ensure they remain appropriate.

It is recognised that heritage asset valuations may be made by any method that is appropriate and relevant. One such method would be to hold the collection according to valuations for insurance purposes. The insurance policies are renewed annually and would be reviewed as part of the annual accounts closedown procedures whilst recognising any external periodic revaluations of elements of the collections as necessary, the last of these was in 2017. The valuation of the collection using insurance valuation is between £1.400 billion and £1.700 billion. The insurance valuation takes cognisance of the council's entire collection which is allocated across sites across Glasgow City and therefore considers the entirety of the Collection at an overall site, rather than itemised, level. This valuation is not reflected on balance sheet recognising the degree of grouping of assets and the higher level of estimation therefore required in the valuation.

Heritage assets also comprise civic regalia, held at fair value. These valuations include some pieces of artwork, which are held on long-term loan to the council but are not significant compared to the overall valuation. Where the council holds information on the cost of statues and fountains, these are included at cost.

Heritage assets are deemed to have indeterminate lives and high residual values; hence the council does not consider it appropriate to charge depreciation on these assets.

There are a number of other public space statues, monuments, memorials, fountains and outdoor artworks at various locations throughout the city. The council considers that obtaining valuations would involve disproportionate cost and that reliable cost or valuation information cannot be obtained for these items. This is because of the diverse nature of assets held, the number of assets held and the lack of comparable market values. Such assets are therefore excluded from the Balance Sheet.

1.17. Interest in companies and other entities

The council has interests in companies and other entities that have the nature of subsidiaries, associates and joint boards and these are included in the council's Group Financial Statements. In the council's single entity accounts, the interests in these companies are recorded as long-term investments at cost.

1.18. Valuation of other assets and investments

Inventories are included at the lower of cost and net realisable value of the separate items of inventory or of groups of similar items, calculated on the basis of weighted average cost.

1.19. Cash and cash equivalents

Cash is represented as cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature within three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the council's cash management.

1.20. Foreign currency translation

Where the council has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the transaction date. Where amounts in foreign currency are outstanding at the year end, they are reconverted at the exchange rate as at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

1.21. Provisions

The value of provisions is based upon the council's obligations arising from past events, the probability that a transfer of economic benefit will take place, and a reasonable estimate of the obligation. Provisions are charged to the appropriate service revenue account in the year the obligation becomes known and are reviewed at each balance sheet date. Any related reimbursement to be met by another party is only recognised where the receipt is virtually certain on settlement of the obligation.

Further details of provisions can be found in note 26 on page 68.

1.22. Contingent liabilities

Contingent liabilities are included in note 29 on pages 73 to 74 and reflect possible liabilities facing the council where the potential amount is unable to be estimated, and/or it is still not deemed probable that an obligating event has arisen.

1.23. Deferred liabilities

Deferred liabilities are released to the Comprehensive Income and Expenditure Statement to match future payments. Further detail on deferred liabilities can be found within note 28 on page 73.

1.24. Financial instruments

Financial assets comprising the investment portfolio currently managed for the council by Ruffer Limited Liability Partnership are recognised as fair value through profit or loss. Financial assets (investments and debtors) and financial liabilities (borrowing and creditors) are recognised at amortised cost.

The council has financial guarantees on loans taken out by City Property Glasgow (Investments) LLP. It also has a financial guarantee in relation to bond returns for City Property Glasgow (Operations SL) Ltd. These financial guarantees are measured at fair value and estimated by considering the probability of the guarantee being called. Premiums and discounts arising from debt restructuring are written off through the Movement in Reserves Statement to the Financial Instruments Adjustment Account. Amortisation is undertaken in line with statutory instruction.

The interest receivable or payable that is recognised within Financing and Investment Income and Expenditure is based on the effective interest rate chargeable to the carrying amount.

The Financial Instruments Adjustment Account holds the accumulated difference between the financing costs included in the Comprehensive Income and Expenditure Statement and the accumulated financing costs required in accordance with the regulations to be charged to the General Fund balance.

Further details can be found in note 27 on pages 68 to 73.

1.25. Fair value measurement

Non-financial assets within the balance sheet such as surplus assets and assets held for sale are measured at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability take place either in the principal market for that asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, account is taken of a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Valuation techniques used are appropriate in the circumstances and have sufficient data available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for the asset or liability.

1.26. Capital grants and contributions and Capital Receipts

Capital grants or contributions and donated assets are recognised as due to the council when there is reasonable assurance that the council will comply with any conditions attached to the payments and the grants or contributions will be received.

Amounts recognised as due to the council are credited to the Capital Grants and Contributions line in the Comprehensive Income and Expenditure Statement when grant conditions have been complied with. Amounts credited to the Comprehensive Income and Expenditure Statement are reversed out of the General Fund balance in the Movement in Reserves Statement. Where grant conditions have not been met, the grant will be accounted for as Capital Grants Receipts in Advance on the Balance Sheet and donated assets will be accounted for in the Donated Assets Account. Where grant conditions have been met but the grant has not yet been used to finance capital expenditure, the grant will be held within the Capital Grants and Receipts Unapplied Account and transferred to the Capital Adjustment Account as expenditure is incurred.

1.27. Usable and unusable reserves

Usable Reserves represent funds available to the council. The Capital Fund and various Revenue Reserve Funds, such as the Repairs and Renewals Fund, the Culture and Recreational Fund and the Insurance Fund, are Usable Reserves which have been set up by the council for specific purposes.

Unusable Reserves represent funds that are not available to the council. These balances are recognised as part of the accounting arrangements for capital, financial instruments, pensions and employee benefits. The

Capital Adjustment Account contains entries relating to the financing of capital expenditure and the Revaluation Reserve reflects movements in the value of assets. The Financial Instruments Adjustment Account is required to permit the re-measurement of financial instruments. The Pension Reserve has been set up in accordance with statutory accounting requirements to absorb the timing differences arising from accounting and funding for post-employment benefits. The Employee Statutory Adjustment Account has been created to negate the impact of the employee benefits accrual on the General Fund and also includes the deferral of equal pay costs in accordance with statutory accounting requirements. Details of the movement in these reserves can be found in note 6 on pages 38 to 42, and in note 8 on page 45.

1.28. Material items

When items of income and expenditure are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to the understanding of the council's financial performance.

1.29. Events after the balance sheet date

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the statement of accounts is authorised for issue. Two types of events may be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Financial Statements are adjusted to reflect such events; and
- Those that are indicative of conditions that arose after the reporting period – the Financial Statements are not adjusted to reflect such events, but where this would have a material effect, the nature and estimated financial impact of such events is disclosed in the notes.

1.30. Prior period adjustments, changes in accounting policies and estimates

Prior period adjustments may arise as a result of a change in accounting policy or to correct a material error. Changes in accounting policy are only made when required by proper accounting practice or to provide more reliable or relevant information on the council's financial position. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period, as if the new policy had always been applied. Changes in accounting estimation techniques are applied in the current and future years and do not give rise to a prior period adjustment.

2. New standards issued but not yet adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2025/26 Code:

- Amendments to FRS 102 The Financial Reporting Standard (Amendments to Heritage Assets)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Annual improvements to IFRS accounting standards – Volume 11
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The Code requires implementation from 1 April 2026 therefore there is no impact on the 2025/26 annual accounts.

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

3. Critical judgements made in applying accounting policies

In applying the accounting policies set out in note 1, the council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the annual accounts are as follows:

- Judgements made in assessing lease-type arrangements are set out in the accounting policy at 1.11.
- Judgements made in respect of accounting for asset components are set out in the accounting policy at 1.14.3.
- Assets held at current value are revalued on a five year rolling basis and indexed in the intervening years, as set out in the accounting policy at 1.14.4. Additional valuations may be carried out on an ad hoc basis outwith the rolling programme arrangements, for example, when assets change category. The authority asserts that at any point in time, the carrying amount does not differ materially from that which would be determined using current value.
- In assessing potential liabilities arising from legal claims against the council, legal opinion has been sought. Where it is judged that there is more than 50% chance of a liability arising and the amount can be reliably estimated, then a provision has been made. Where the council is challenging a claim through the legal system and is of the view that there is a less than 50% chance of a significant liability arising, then no provision has been made. However, such cases continue to be monitored for potential liabilities that require to be recognised, including any developments up to the point of signing the annual accounts.
- The annual unitary charge payable by the council in respect of the PPP contract for secondary schools is allocated across various expenditure headings based on a detailed financial model, in line with assumptions contained within the service provider’s operating model. The PPP contract has been judged to be a service concession arrangement.
- In assessing financial implications associated with council properties containing Reinforced Autoclaved Aerated Concrete (RAAC) such properties are held at depreciated replacement cost, which covers the full rebuild cost. Consequently impairment costs are not included for these assets.

4. Assumptions about the future and other sources of estimation uncertainty

The Financial Statements contain estimated figures that are based on assumptions made by the council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the council’s Balance Sheet at 31 March 2026 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if results differ from assumptions
Pension assets and liabilities	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which pay is projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Strathclyde Pension Fund has engaged a firm of consulting actuaries to provide expert advice about the assumptions to be applied. The value of the funded net pensions asset/liability at 31 March 2025 is reported as nil, the IAS19 report value shows pension assets of £5,784 million and pension liabilities of £3,782 million. In line with proper accounting practice, the asset is limited to the forecast reductions in contributions as compared to the forecast future current service costs. This has resulted in the pension asset being recognised at nil. There is uncertainty within the forecast future current service costs as these are projected and therefore are an estimate. A 1% movement on assets and liabilities would be £58 million and £38 million respectively, both significant sums. Note 12 on pages 48 - 53 provides further disclosure on Pension costs.	The effects on the net pension liability of changes in individual assumptions can be measured. The actuary has estimated that a 0.1% decrease in the real discount rate would result in an increase to the pension liability of £64 million. Similarly, a 0.1% increase in the rate of salary increase and pension increase rates would increase the liability by £5 million and £62 million respectively. In terms of life expectancy, an increase of 1 year is estimated to equate to an increased liability of between £120 million and £201 million.
Property, plant and equipment	Assets are valued on a five-year rolling basis, supported by indexation adjustments in years where assets are not valued. Where the authority is unable to obtain a suitable index, a desktop revaluation of the assets is carried out in year three of the five-year cycle. Of the total £3,185 million (2024/25 N/A) of Other land and buildings, Corporate Surplus and Right-of-use land and buildings assets subject to revaluation, £1,610 million (2024/25 N/A) was revalued during 2025/26 with the remainder subject to indexation.	Based on the assets that were valued in the year as part of the five-year rolling revaluation programme, the average increase in the value of assets was 8.6%. For those assets where indexation was applied, the average increase in the value of assets was 0.33%. If the valuation percentage was applied to the assets valued using indices, this would increase their Balance Sheet value by £135 million, compared to an indexation increase of £5 million.
Right-of-use assets – Asset and lease liability valuations	The asset and lease liability value recognised for right-of-use assets is calculated on the net present value of the future lease payments. Where the future lease term is uncertain due to the use of rolling contracts an assumed lease term has been utilised. The asset and lease liability for homelessness temporary accommodation utilises an assumed remaining lease term of 3 years resulting in a valuation of £29 million.	The effects on the asset value and lease liability of changes in the assumed lease term can be measured. An increase of 2 years would result in an increased lease liability of £17 million.

5. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with proper accounting practice. It also shows how this expenditure is allocated for decision making purposes between the council's services. The reportable segments have been identified to align with service structure. Income and expenditure accounted for under proper accounting practice is presented more fully in the Comprehensive Income and Expenditure Statement.

5.1. Expenditure and Funding Analysis for the Year ended 31 March 2026

2024/25 Net (Income)/ Expenditure Chargeable to the General Fund £000	*2024/25 Adjustments £000*	*2024/25 Net (Income)/ Expenditure in the CIES £000*	**Service**	**2025/26 Net (Income)/ Expenditure Chargeable to the General Fund £000**	**2025/26 Adjustments £000**	**2025/26 Net (Income)/ Expenditure in the CIES £000**
102,481	15,738	118,219	Chief Executive's Office	115,552	14,469	130,021
797,088	73,157	870,245	Education Services	834,904	76,443	911,347
141,956	(56,257)	85,699	Financial Services	156,857	(62,396)	94,461
196,998	74,967	271,965	Neighbourhoods, Regeneration and Sustainability	192,135	36,066	228,201
574,085	31,322	605,407	Social Work Services	625,319	24,448	649,767
115,962	2,735	118,697	Related Companies and Joint Boards	109,600	2,872	112,472
100	0	100	Equal Pay Obligations	0	0	0
1,928,670	**141,662**	**2,070,332**	**Net Cost of Services**	**2,034,367**	**91,902**	**2,126,269**
(1,909,146)	**17,835**	**(1,891,311)**	**Other (Income) and Expenditure**	**(2,076,743)**	**34,092**	**(2,042,651)**
19,524	**159,497**	**179,021**	**(Surplus) or Deficit on the Provision of Services**	**(42,376)**	**125,994**	**83,618**
		141,155	**Opening General Fund Balance**			**130,588**
		(19,524)	Surplus/(Deficit) on General Fund in Year			42,376
		8,957	Transfers (to)/from Other Statutory Reserves			(18,210)
		130,588	**Closing General Fund Balance**			**154,754**

5.2. Note to the Expenditure and Funding Analysis – Adjustments

2024/25 Adjustments for Capital Purposes £000	*2024/25 Net Change for the Pensions Adjustments £000*	*2024/25 Other Differences £000*	*2024/25 Total Adjustments £000*	**Service**	**2025/26 Adjustments for Capital Purposes £000**	**2025/26 Net Change for the Pensions Adjustments £000**	**2025/26 Other Differences £000**	**2025/26 Total Adjustments £000**
19,101	(3,304)	(59)	15,738	Chief Executive's Office	13,838	276	355	14,469
61,899	12,983	(1,725)	73,157	Education Services	67,514	5,149	3,780	76,443
577	8,127	(64,961)	(56,257)	Financial Services	534	5,224	(68,154)	(62,396)
62,869	11,336	762	74,967	Neighbourhoods, Regeneration and Sustainability	29,663	5,225	1,178	36,066
4,364	28,425	(1,467)	31,322	Social Work Services	6,542	17,423	483	24,448
0	0	2,735	2,735	Related Companies and Joint Boards	0	0	2,872	2,872
0	0	0	0	Equal Pay Obligations	0	0	0	0
148,810	**57,567**	**(64,715)**	**141,662**	**Cost of Services**	**118,091**	**33,297**	**(59,486)**	**91,902**
(57,509)	**14,411**	**60,933**	**17,835**	**Other (Income) and Expenditure**	**(44,539)**	**14,455**	**64,176**	**34,092**
91,301	**71,978**	**(3,782)**	**159,497**	**(Surplus) or Deficit on the Provision of Services**	**73,552**	**47,752**	**4,690**	**125,994**

6. Reserves

The council holds a number of reserves in the Balance Sheet for a variety of purposes. These are classified as either 'Usable' or 'Unusable' Reserves. Usable Reserves are those that can be applied to fund expenditure or reduce taxation. Usable Reserves can also be earmarked for future spending plans. Unusable Reserves are generally required to comply with proper accounting practice or statute.

6.1. Usable Reserves

6.1.1. General Fund Reserve

The General Fund Reserve represents the accumulated surplus of the council. The balance on the General Fund Reserve as at 31 March 2026 stands at £154.754 million, an increase of £24.166 million from the previous year. This comprises a cumulative total of £113.347 million earmarked for specific purposes (31 March 2025 £97.804 million) and an uncommitted balance of £41.407 million (31 March 2025 £32.784 million). The opening and closing balances, together with movements during the year, on significant reserve balances are outlined in the table below. As noted in the Outlook section of the Management Commentary on page 14 the Scottish Government has provided a variation to the conditions on the use of General Capital Grant for 2025-26. This variation allows the grant to be used as a contribution to the Capital Fund in 2025-26 from where it can be used to repay the principal element of borrowing costs. This provides a revenue underspend, that can be applied over future years to provide capacity to meet the homelessness pressure. This capacity is noted as the Homelessness element of the earmarked reserves. In line with proper accounting practice, the element of the earmarked reserve related to unrealised gains may only be used to meet future unrealised losses and is not available to support ordinary activities.

	Earmarked Reserves							
	Budget Support Fund £000	Equal Pay £000	Service Commitments £000	Homelessness £000	Unrealised Gains £000	**Total £000**	**Unearmarked Reserve £000**	**Total General Fund Reserve £000**
Balance as at 1 April 2025	28,484	15,539	53,727	0	54	97,804	32,784	130,588
Use of reserves during the year	(37,239)	(3,344)	(13,052)	0	0	(53,635)	0	(53,635)
Transfers to reserves during the year	8,755	3,065	23,813	33,480	65	69,178	8,623	77,801
Balance as at 31 March 2026	**0**	**15,260**	**64,488**	**33,480**	**119**	**113,347**	**41,407**	**154,754**

6.1.2. Revenue and Capital Reserve Funds

The council also has statutory powers to hold Revenue Reserve Funds (Repairs and Renewals, Culture and Recreational, and Insurance Funds) and Capital Reserve Funds to meet future service revenue costs and capital investment respectively. Note 8 on page 45 provides information on these reserves showing the purpose of the reserve and an analysis of the movement in reserves from 1 April 2024 to 31 March 2026.

6.1.3. Capital Grants Unapplied Account

In accounting for grants and other contributions related to capital investment, the Capital Grants Unapplied represents the total grant and other contributions received, for which expenditure has not yet been incurred. The following table shows the movement on the Capital Grants Unapplied Account during the year:

2024/25 £000	**Capital Grants Unapplied Account**	**2025/26 £000**
15,923	Balance at 1 April for Capital Grants Unapplied	12,698
(3,874)	Capital Grants applied from prior years	(6,083)
649	Capital Grants unapplied in current year	12,689
12,698	**Balance at 31 March**	**19,304**

6.2. Unusable Reserves

Unusable Reserves in the Balance Sheet comprises the following reserves:

2024/25 £000	**Unusable Reserves**	**2025/26 £000**
(93,983)	Capital Adjustment Account	(122,516)
2,584,791	Revaluation Reserve	2,826,203
(34,994)	Financial Instruments Adjustment Account	(32,350)
(234,196)	Pensions Reserve	(228,371)
(19,214)	Employee Statutory Adjustment Account	(23,904)
2,202,404	**Total**	**2,419,062**

6.2.1. Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of long-term assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The following table shows the movement on the Capital Adjustment Account during the year:

2024/25 £000	**Capital Adjustment Account**	**2025/26 £000**
(49,373)	Balance at 31 March	(93,983)
134	Adjustment relating to lease agreements per IFRS 16	0
(49,239)	Balance at 1 April	(93,983)
(168,429)	Charges for depreciation and impairment	(141,554)
(5,576)	Revaluation losses	(8,456)
(4,099)	Amortisation of Intangible assets	(3,624)
0	Movement in the fair value of investment property	(43)
0	Gain/(loss) on early termination of leases	53
(12,737)	Revenue expenditure funded from capital under statute	(2,500)
(4,801)	Disposals	(3,993)
621	Deferred Income	621
4,012	Adjusting amounts written out of the Revaluation Reserve	2,989
	Capital financing applied in the year:	
82,585	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	59,001
3,874	Application of grants to capital financing from Capital Grant Unapplied	6,083
56,728	Loans Fund principal repayment	61,626
(13)	Home loans principal repayment	(3)
3,091	Capital expenditure charged against the General Fund Reserve	1,267
(93,983)	**Balance at 31 March**	**(122,516)**

6.2.2. Revaluation Reserve

The Revaluation Reserve contains the unrealised gains made by the council arising from the increases in the value of its Property, Plant and Equipment. The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. The following table shows the movement on the Revaluation Reserve during the year:

2024/25 £000	**Revaluation Reserve**	**2025/26 £000**
2,486,209	Balance at 1 April	2,584,791
229,158	Upward revaluation of assets	314,674
(83,119)	Downward revaluation of assets and impairment losses not charged to (Surplus) or Deficit on the Provision of Services	(18,993)
146,039	**Surplus or deficit on revaluation of Property, Plant and Equipment not posted to (Surplus) or Deficit on the Provision of Services**	**295,681**
(4,012)	Accumulated gains on assets sold or scrapped	(2,989)
(4,012)	**Amounts written off to the Capital Adjustment Account**	**(2,989)**
(43,445)	**Difference between fair value depreciation and historic cost**	**(51,280)**
2,584,791	**Balance at 31 March**	**2,826,203**

6.2.3. Financial Instruments Adjustment Account

This account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments. The council uses the account primarily to manage premiums paid on the early redemption of loans in line with the Treasury Management Strategy. Over time the expense is posted to the General Fund Reserve balance in accordance with statutory arrangements to spread the burden on Council Tax. The following table shows the movement on the Financial Instruments Adjustment Account during the year:

2024/25 £000	**Financial Instruments Adjustment Account**	**2025/26 £000**
(38,985)	Balance at 1 April	(34,994)
3,991	Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	2,644
(34,994)	**Balance at 31 March**	**(32,350)**

6.2.4. Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. Employers' contribution rates and contribution strategy will be reviewed following the next formal valuation as at 31 March 2026. The following table shows the movement on the Pension Reserve during the year:

2024/25 £000	**Pension Reserve**	**2025/26 £000**
(271,000)	Balance at 1 April	(234,196)
650,885	Actuarial gains or (losses) on Pension Assets/Liabilities	254,688
(542,103)	Pension asset derecognition	(201,111)
(137,281)	Reversal of items relating to net charges for retirement benefits charged to (Surplus) or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(107,304)
65,303	Employers' pension contributions paid to Strathclyde Pension Fund	59,552
(234,196)	**Balance at 31 March**	**(228,371)**

6.2.5. Employee Statutory Adjustment Account

This account absorbs the differences that would otherwise arise on the General Fund Reserve balance from accruing for compensated absences earned but not taken in the year, for example, annual leave entitlement accrued, but not taken as at 31 March. Statutory arrangements require that the impact of these adjustments on the General Fund Reserve balance is neutralised by transfers to or from the Employee Statutory Adjustment Account. The following table shows the movement on the Employee Statutory Adjustment Account during the year:

2024/25 £000	**Employee Statutory Adjustment Account**	**2025/26 £000**
(22,996)	Balance at 1 April for short term accumulating absences	(19,213)
22,996	Settlement or cancellation of accrual made for short term accumulating paid absences at end of preceding year	19,213
(19,214)	Amounts accrued in year for short term accumulating absences	(23,904)
(19,214)	**Balance at 31 March**	**(23,904)**

7. Adjustments between accounting basis and funding basis under regulation

This note details the adjustments required to total Comprehensive Income and Expenditure for the year in accordance with either proper accounting practice or statutory provisions and applied to the General Fund Reserve. Figures for 2024/25 are provided in an additional table to allow comparison:

	31 March 2026			
	Usable Reserves			
Accounting adjustments permitted under regulation during 2025/26	**General Fund Reserve £000**	**Capital Grants Unapplied Account £000**	**Capital Receipts Reserve £000**	**Unusable Reserves £000**
Adjustments primarily involving the Capital Adjustment Account:				
Charges for depreciation and impairment, and downward revaluation of Property, Plant and Equipment and Assets held for sale	150,010			(150,010)
Amortisation of Intangible assets	3,624			(3,624)
Capital grant and contributions applied to the Comprehensive Income and Expenditure Statement	(71,690)	6,606		65,084
Net gain on sale of Property, Plant and Equipment and Assets held for sale	(95)		3,414	(3,319)
Capital receipts applied	3,414		(3,414)	0
Loans Fund principal	(61,623)			61,623
Capital expenditure charged to General Fund Reserve	(1,267)			1,267
Revenue expenditure funded from capital under statute	2,500			(2,500)
Gain on entry into peppercorn lease	0			0
Movement in market value of Investment Properties	43			(43)
Adjustments primarily involving the Financial Instruments Adjustment Account:				
Amounts by which finance costs charged to the Comprehensive Income and Expenditure Statement differ to that calculated under statute	(2,644)			2,644
Adjustments primarily involving the Pension Reserve:				
Amounts by which pension costs debited or credited to the Comprehensive Income and Expenditure Statement differ to that calculated under statute	47,752			(47,752)
Adjustments primarily involving the Employee Statutory Adjustment Account:				
Amount by which employees' remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	4,690			(4,690)
Totals	**74,714**	**6,606**	**0**	**(81,320)**

Comparative Information 2024/25

Accounting adjustments permitted under regulation during 2024/25	31 March 2025 Usable Reserves General Fund Reserve £000	Capital Grants Unapplied Account £000	Capital Receipts Reserve £000	Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account:				
Charges for depreciation and impairment, and downward revaluation of Property, Plant and Equipment and Assets held for sale	174,005			(174,005)
Amortisation of Intangible assets	4,099			(4,099)
Capital grant and contributions applied to the Comprehensive Income and Expenditure Statement	(83,234)	(3,225)		86,459
Net gain on sale of Property, Plant and Equipment and Assets held for sale	(3,916)		8,096	(4,180)
Capital receipts applied	8,096		(8,096)	0
Loans Fund principal	(56,715)			56,715
Capital expenditure charged to General Fund Reserve	(3,091)			3,091
Revenue expenditure funded from capital under statute	12,737			(12,737)
Gain on entry into peppercorn lease	(134)			134
Movement in market value of Investment Properties	0			0
Adjustments primarily involving the Financial Instruments Adjustment Account:				
Amounts by which finance costs charged to the Comprehensive Income and Expenditure Statement differ to that calculated under statute	(3,991)			3,991
Adjustments primarily involving the Pension Reserve:				
Amounts by which pension costs debited or credited to the Comprehensive Income and Expenditure Statement differ to that calculated under statute	71,978			(71,978)
Adjustments primarily involving the Employee Statutory Adjustment Account:				
Amount by which employees' remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(3,782)			3,782
Totals	**116,052**	**(3,225)**	**0**	**(112,827)**

8. Transfers to or from statutory reserves

Under statute, the council is permitted to hold a number of revenue and capital reserves to provide financing for future expenditure plans. These funds include Repairs and Renewals Funds, the Culture and Recreational Fund, Insurance Fund and Capital Reserve Fund. The table below provides an analysis of the movement in reserve funds from 1 April 2024 to 31 March 2026. The Code requires that all income and expenditure associated with statutory reserves is reported within the Comprehensive Income and Expenditure Statement and transferred to the appropriate reserve in the Movement in Reserves Statement.

Reserve	Balance at 1 April 2024 £000	Transfers Out 2024/25 £000	Transfers In 2024/25 £000	Balance at 31 March 2025 £000	Transfers Out 2025/26 £000	Transfers In 2025/26 £000	Balance at 31 March 2026 £000	Purpose of the reserve
Property Repairs and Renewals	3,246	(2,267)	1,605	2,584	(2,331)	1,580	1,833	For the repair and renewal of council property
Winter Gardens Appeal	42	0	2	44	0	1	45	For the upkeep of the Winter Gardens
Energy Efficiency	160	(13)	90	237	0	92	329	For energy efficiency initiatives in council properties
New Technology	12,452	(496)	493	12,449	(5,210)	967	8,206	To fund new technology projects
Douglas Flagpole Appeal	17	0	2	19	0	0	19	For maintenance of the flagpole in the Botanic Gardens
Botanic Book Fund Appeal	20	0	0	20	0	1	21	For the purchase of books for the Botanic Gardens
Winter Maintenance Reserve Fund	935	0	37	972	0	33	1,005	To equalise the effect of severe, mild and average winters
Total Repairs and Renewals Funds	**16,872**	**(2,776)**	**2,229**	**16,325**	**(7,541)**	**2,674**	**11,458**	
Culture and Recreational Fund	1,076	(2,827)	5,200	3,449	(3,169)	3,663	3,943	For the provision of social, cultural, and recreational activities
Insurance Fund	5,896	(21,486)	20,585	4,995	(22,423)	20,712	3,284	For property, motor and liability insurance
Total Revenue Reserves	**23,844**	**(27,089)**	**28,014**	**24,769**	**(33,133)**	**27,049**	**18,685**	
Capital Reserve Fund	35,423	(20,766)	10,884	25,541	(43,247)	67,541	49,835	To fund capital investment projects
Total Revenue and Capital Reserve Funds	**59,267**	**(47,855)**	**38,898**	**50,310**	**(76,380)**	**94,590**	**68,520**	

9. Subjective analysis

2024/25 £000	%	**Subjective analysis**	**2025/26 £000**	**%**
		Where the money came from		
(1,974,857)	55.5	Government grants and local taxation	(2,078,838)	54.9
(579,302)	16.3	Other grants, reimbursements and contributions	(584,274)	15.5
(895,389)	25.2	Customer and client receipts	(972,226)	25.7
(15,425)	0.4	Interest	(12,026)	0.3
(258,799)	7.3	Income from other departments	(249,770)	6.6
(4,474)	0.1	Other miscellaneous income	(4,978)	0.1
(3,916)	0.1	Gain on disposal of property, plant and equipment	(95)	0.0
258,799	(7.3)	Inter-departmental recharges	249,770	(6.6)
(83,234)	2.4	Capital grants and contributions	(131,190)	3.5
(3,556,597)	**100.0**	**Total income**	**(3,783,627)**	**100.0**
		How the money was spent		
1,229,121	32.9	Employee costs	1,285,855	33.2
293,651	7.8	Premises costs	276,962	7.2
284,385	7.6	Supplies and services	264,352	6.8
51,371	1.4	Transport and plant	46,233	1.2
1,254,187	33.6	Third party payments	1,395,940	36.1
525,682	14.1	Transfer payments	525,721	13.6
221,549	5.9	Depreciation, amortisation and impairment	204,957	5.3
131,635	3.5	Financing costs	126,886	3.3
(11,575)	(0.3)	Allocations	(24,346)	(0.6)
14,411	0.4	Net interest on the net defined benefit liability	14,455	0.4
(258,799)	(6.9)	Inter-departmental recharges	(249,770)	(6.5)
3,735,618	**100.0**	**Total expenditure**	**3,867,245**	**100.0**
179,021		**(Surplus) or Deficit on the Provision of Services**	**83,618**	

The above table reflects the management structure of the council and includes the subjective analysis of expenditure incurred on inter-departmental trading activities. Both income and expenditure have been adjusted to exclude amounts related to inter-departmental trading. Total income and total expenditure represent transactions with bodies external to the council.

10. Material items

The Code requires disclosure of the nature and amount of material items. During 2025/26 the following items are regarded as material:

Nature	2025/26 £000
Recognition of an unfunded pension liability in 2025/26. The funded pension position is recognised as nil in 2025/26 due to the asset ceiling calculation.	(228,371)

11. Public Private Partnership and Similar Contracts

The council entered into a Public Private Partnership for the provision of school buildings, maintenance and other facilities. This agreement provides the council with 29 replacement or renovated secondary schools and one primary school. The provider is required to maintain these schools to a high standard. When the agreement ends in July 2030 the schools will be handed back to the council with a guarantee of no major maintenance requirements for a five year period. The council has also entered into a design, build, finance, maintain (DBFM) arrangement for the provision of school buildings, maintenance and other facilities. This arrangement provides the council with 2 replacement primary schools. The provider is required to maintain these schools to a high standard. When the agreement ends in October 2043 the schools will be handed back to the council with a guarantee of no major maintenance requirements for a five year period. The value of the assets held under these schemes are £515.722 million (2024/25 £469.688 million). The in year increase of £46.034 million comprises of £2.139 million of additions and transfers in, an increase of £62.399 million from revaluations (including depreciation revaluations) less £18.504 million depreciation. Under the agreement the council is committed to paying the following sums (in cash terms at today's prices):

2024/25 Total £000	Future repayment periods	Payment for services £000	Repayment of liability £000	Interest £000	2025/26 Total £000
68,074	Within 1 year	37,919	22,461	8,432	68,812
277,757	2 to 5 years	136,675	78,219	14,487	229,381
27,054	6 to 10 years	2,939	3,557	2,986	9,482
9,781	11 to 15 years	3,000	5,081	1,810	9,891
7,218	16 to 20 years	1,697	3,177	345	5,219
389,884	**Total**	**182,230**	**112,495**	**28,060**	**322,785**

The council adopted IFRS 16 from 1 April 2024 which also applied to service concession arrangements i.e. Public Private Partnerships (PPP) and similar schemes. Service concession liabilities were recalculated on 1 April 2024 using a modified retrospective approach. The lease liabilities were read across from the closing balance and thereafter the remeasurement applied prospectively.

The liability outstanding to pay for the capital expenditure incurred is as follows:

2024/25 £000	Outstanding liability for capital expenditure	2025/26 £000
76,576	Balance at start of the year	130,407
70,546	Debt remeasurement on adoption of IFRS16	2,128
(16,715)	Payments during the year	(20,040)
130,407	**Balance at year-end**	**112,495**

12. Pension costs

12.1. Local Government Pension Scheme

Disclosure of information relating to pensions follows the reporting requirements of IAS19 'Employee Benefits'. The table on page 50 details the assumptions made in estimating the figures contained in this note. The council offers retirement benefits to its employees under the Terms and Conditions of Employment.

The Local Government Pension Scheme is the main vehicle for the provision of pensions to council staff. The Strathclyde Pension Fund Office, which is part of Glasgow City Council's Financial Services, administers the scheme for all local authorities in the West of Scotland. This scheme is a funded defined benefits scheme, meaning that the authority and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. The scheme provides pension benefits for councillors and local government employees (excluding teachers). For local government employees this is a defined benefit scheme calculated on a career average basis. This means that pension benefits are earned based on pensionable pay earned in the scheme year. There is a statutory requirement for the Strathclyde Pension Fund to publish a separate annual report, which can be accessed on their website: http://www.spfo.org.uk.

The principal risks to the authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme, changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund Reserve the amounts required by statute as described in the accounting policies note.

The council recognises the cost of retirement benefits within Cost of Services when employees earn them, rather than when the benefits are eventually paid as pensions. However, as the charge made when calculating Council Tax is based on the cash payable in the year, the cost of retirement benefits under IAS19 is reversed out of the General Fund Reserve in the Movement in Reserves Statement as an adjustment between the accounting basis and funding basis under regulation.

The following transactions have been made during the year in the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement:

2024/25 £000	**Local Government Pension Scheme**	**2025/26 £000**
	Comprehensive Income and Expenditure Statement	
	Cost of Services:	
112,318	Current service cost	88,098
10,552	Past service cost	4,751
	Financing and Investment Income and Expenditure:	
(52,462)	Net interest (income) / cost	(101,589)
66,873	Interest on the effect of asset ceiling	116,044
137,281	**Total Post-employment Benefits charged / (credited) to the (Surplus) or Deficit on the Provision of Services**	**107,304**
	Other Comprehensive Income and Expenditure	
	Remeasurement of the net defined benefit liability:	
70,585	Return on assets	(197,104)
(655,453)	Actuarial (gains) / losses arising on changes in financial assumptions	(116,712)
(7,732)	Actuarial (gains) / losses arising on changes in demographic assumptions	25,720
(58,305)	Other experience	33,408
542,103	Pension asset derecognition	201,111
20	Other remeasurements	0
28,499	**Total Post-employment Benefits charged / (credited) to the Comprehensive Income and Expenditure Statement**	**53,727**
137,281	Net charge / (credit) to the Surplus or Deficit on the Provision of Services brought forward	107,304
	Movement in Reserves Statement	
(71,978)	Reversal of net (charge) / credit made to the Surplus or Deficit on the Provision of Services in accordance with IAS19	(47,752)
	Actual amount charged against the General Fund balance for pensions in the year:	
65,303	**Employers contribution paid**	**59,552**

12.1.1. Pension assets and liabilities

As explained in the Accounting Policies (see note 1.6, Retirement Benefits on page 24) the council participates in two formal schemes, the Local Government Pension Scheme, which is administered by the Strathclyde Pension Fund Office, and the Scottish Teachers' Superannuation Scheme. The Strathclyde Pension Fund is a funded, multi-employer, defined benefit scheme in which it is possible for an employer to identify its share of the assets and liabilities on a consistent and reasonable basis. The Teachers' Scheme is also a defined benefit scheme but the assets and liabilities cannot be identified at individual employer level. The council is not required to record information related to the Teachers' Scheme as the liability for payment of pensions rests ultimately with HM Treasury. The council has additional liabilities for unfunded discretionary pension payments outside the main schemes.

Assets are valued at fair value. Liabilities are valued on an actuarial basis using the projected unit method which assesses the future liabilities of the fund discounted to their present value. The council's liabilities have been assessed by Hymans Robertson Limited Liability Partnership, an independent firm of actuaries. Calculations have been based on the triennial valuation of the scheme as at 31 March 2023.

The credit to the Surplus or Deficit on the Provision of Services from the Pension Reserve per note 12.1 is £47.752 million. The actuary reported a net pension asset against funded liabilities of £2,319.327 million at 31 March 2026. The recognition of this asset was assessed as nil based on an asset ceiling calculation of the extent to which the council could recover the asset through reduced contributions. At the same time, there remained unfunded liabilities totalling £228.371 million. These balances have been recorded separately as assets and liabilities in line with accounting standards. The pension liability represents the best estimate of the current value of pensions, which the council will have to fund. The real discount factor, which is used to express the benefits in current value terms rather than cash terms, has increased from 3.0% at March 2025 to 3.2% at March 2026.

The increase in the real discount factor has contributed to the decrease in the reported pension liability. A higher real discount rate leads to a lower value being placed on the liabilities therefore the change in the real discount rate has a positive impact on the Balance Sheet.

The following table sets out the principal assumptions used by the actuary at 31 March 2026:

2024/25	**Actuarial assumptions**	**2025/26**
	Long-term expected rate of return on assets in the scheme:	
5.8%	Equity investments	6.2%
5.8%	Bonds	6.2%
5.8%	Property	6.2%
5.8%	Cash and net debtors / creditors	6.2%
	Mortality assumptions:	
	Longevity at 65 for current pensioners:	
19.5	Men	19.8
22.1	Women	22.2
	Longevity at 65 for future pensioners:	
20.1	Men	20.5
23.8	Women	23.9
	General assumptions:	
2.8%	Rate of price increases	3.0%
3.5%	Rate of increase in salaries	3.7%
2.8%	Rate of increase in pensions	3.0%
5.8%	Rate for discounting scheme liabilities	6.2%
75.0%	Take-up of option to convert annual pension into retirement lump sum	75.0%

The amount included in the Balance Sheet arising from the authority's obligation in respect of its defined benefit plans is as follows:

2024/25 £000	**Pension Assets and Liabilities recognised in the Balance Sheet**	**2025/26 £000**
4,016,470	Present value of scheme liabilities	4,134,460
(5,784,446)	Fair value of plan assets	(6,225,416)
2,002,172	Pension asset derecognition	2,319,327
234,196	**Net liability or (asset) arising from defined benefit obligation**	**228,371**

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

2024/25 £000	**Reconciliation of present value of scheme liabilities**	**2025/26 £000**
4,549,000	Opening balance at 1 April	4,016,470
112,318	Current service costs	88,098
10,552	Past service costs	4,751
217,521	Interest costs	231,357
33,806	Contributions by scheme participants	35,582
(185,173)	Benefits paid	(184,214)
	Remeasurement (gains) and losses:	
(655,453)	Actuarial (gains) / losses arising from changes in financial assumptions	(116,712)
(7,732)	Actuarial (gains) / losses arising from changes in demographic assumptions	25,720
(58,305)	Other experience	33,408
(64)	Other remeasurements	0
4,016,470	**Closing present value of scheme liabilities**	**4,134,460**

2024/25 £000	**Reconciliation of the movements in the fair value of scheme assets**	**2025/26 £000**
5,671,000	Opening fair value of scheme assets	5,784,446
269,983	Interest income	332,946
33,806	Contributions by scheme participants	35,582
65,303	Contributions by employer	59,552
(185,173)	Benefits paid	(184,214)
	Remeasurement gain / (loss):	
(70,585)	Return on assets, excluding the amount included in the net interest cost	197,104
112	Other remeasurements	0
5,784,446	**Closing fair value of scheme assets**	**6,225,416**

2024/25 £000	**Adjusted balance sheet position**	**2025/26 £000**
5,784,446	Assets	6,225,416
(3,782,274)	Funded liabilities	(3,906,089)
2,002,172	**Net Asset (unadjusted)**	**2,319,327**
(2,002,172)	Asset Ceiling adjustment for economic benefit calculation result	(2,319,327)
0	**Closing fair value of scheme assets**	**0**

12.1.2. Analysis of Pension Fund's Assets

2024/25 Quoted prices in active markets £000	2024/25 Prices not quoted in active markets £000	2024/25 Total £000	Local Government Pension Scheme assets	2025/26 Quoted prices in active markets £000	2025/26 Prices not quoted in active markets £000	2025/26 Total £000
0	140,743	140,743	Cash and cash equivalents	0	200,761	200,761
			Equity Instruments:			
285,008	612	285,620	Consumer	256,834	1,134	257,968
269,507	374	269,881	Manufacturing	312,440	811	313,251
44,965	0	44,965	Energy and utilities	56,900	0	56,900
129,554	2,534	132,088	Financial institutions	165,208	2,554	167,762
137,530	65	137,595	Health and care	144,014	0	144,014
331,751	154	331,905	Information technology	373,719	0	373,719
1,198,315	**3,739**	**1,202,054**	**Sub-total equity instruments**	**1,309,115**	**4,499**	**1,313,614**
			Debt Securities:			
0	1	1	Corporate bonds (investment grade)	0	1	1
			Private Equity:			
0	1,337,083	1,337,083	All	0	1,492,982	1,492,982
			Property:			
0	436,424	436,424	UK	0	431,540	431,540
			Derivatives:			
0	(4)	(4)	Foreign exchange	0	0	0
			Other investment funds:			
21,178	1,390,676	1,411,854	Equities	0	1,616,398	1,616,398
0	1,220,186	1,220,186	Bonds	0	1,123,539	1,123,539
0	2,835	2,835	Commodities	0	4,888	4,888
0	20,410	20,410	Infrastructure	0	36,394	36,394
0	12,860	12,860	Other	0	5,299	5,299
21,178	**2,646,967**	**2,668,145**	**Sub-total other investment funds**	**0**	**2,786,518**	**2,786,518**
1,219,493	**4,564,953**	**5,784,446**	**Total Assets**	**1,309,115**	**4,916,301**	**6,225,416**

12.1.3. Investment Strategy

The investment strategy is set for the long-term but is monitored constantly and reviewed every 3 years using asset-liability modelling to ensure that it remains appropriate to the Fund's liability profile.

12.1.4. Impact on the Authority's Cash Flows

The objectives of the Fund are to keep employers' contributions at as constant a rate as possible. The Fund has agreed a strategy with the scheme's actuary to achieve a funding rate of 100% over time. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed as at 31 March 2026.

The total contributions expected to be made by the council to Strathclyde Pension Fund in the year to 31 March 2027 is £102.100 million.

The weighted average duration of the defined benefit obligation for scheme members is 16 years (2024/25 16 years).

12.2. Scottish Teachers' Superannuation Scheme

The Scottish Teachers' Superannuation Scheme is an unfunded multi-employer defined benefit scheme. The scheme is financed by payments from employers and from those current employees. As the scheme is not able to identify each body's share of the underlying liabilities on a consistent and reasonable basis, the pension costs are accounted for as if it were a defined contribution scheme. Glasgow City Council has no liability for other employer's obligations to the multi-employer scheme and as the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme.

As a proportion of the total contributions into the Teachers' Pension Scheme during the year ending 31 March 2026, the council's level of participation in the scheme is approximately 9.0%.

The employer's rate of contribution for the teachers' pension scheme administered by the Scottish Government is set with reference to a funding valuation undertaken by the scheme actuary. The latest valuation results, published in October 2023, set the employer's contribution rate to 26.0% from 1 April 2024, having previously been 23.0% between 1 September 2019 and 31 March 2023. The employee rate was 9.9% throughout the year. The amount paid over to the Scottish Public Pensions Agency was as follows:

2024/25 £000	**Scottish Teachers Superannuation Scheme**	**2025/26 £000**
76,636	Employer's Contributions	80,445
28,506	Employee's Contributions	30,004
105,142	**Total**	**110,449**

The employer's contributions due to be paid in the next financial year are estimated to be £87.834 million.

In addition, the council is responsible for all pension payments relating to added years benefits it has awarded, together with the related increases. In 2025/26 these amounted to £6.755 million (2024/25 £6.580 million).

12.3. Capital cost of discretionary increases

Councils are also required to disclose the capital cost of discretionary increases in pensions payments, whether the employees are members of the Local Government Pension Scheme or the Scottish Teachers' Superannuation Scheme. In 2025/26 the capitalised costs attributable to the early retirals from Glasgow City Council and from predecessor authorities were as follows:

2024/25 £000	**Capital cost of discretionary increases**	**2025/26 £000**
0	Current year	0
234,196	In earlier years	228,371
234,196	**Total**	**228,371**

13. Grant income

The council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2025/26:

2024/25 £000	**Grant income in the Comprehensive Income and Expenditure Statement**	**2025/26 £000**
	Credited to Taxation and Non-specific Grant Income	
(1,266,540)	General Revenue Grant	(1,331,686)
(386,817)	Redistribution from Non-Domestic Rates pool	(402,292)
(83,234)	Capital Grant and Contributions	(131,190)
	Credited to Services	
(236,593)	Housing benefit subsidy	(189,281)
(109,314)	Housing investment	(136,568)
(156,345)	Health Board	(173,032)
(23,217)	Criminal Justice	(24,818)
(3,529)	Benefits administration subsidy and initiatives	(3,675)
(31,360)	Attainment funding	(31,879)
(10,527)	No One Left Behind	(13,004)
(15,710)	Shared Prosperity Fund	(9,072)
0	Extended Producer Responsibility	(14,429)
(9,872)	Various education services grants	(8,931)
(25,737)	Various other grants	(22,105)
(1,633)	Various other contributions	(558)
(2,360,428)	**Total**	**(2,492,520)**

14. Agency income and expenditure

The council is the billing authority for Non-Domestic Rates in Glasgow and, in this role, acts as an agent of the Scottish Government. During 2025/26, the council billed £432.277 million (2024/25 £434.214 million) on behalf of the Scottish Government. After provisions for bad and doubtful debts, and prior year adjustments, the council contributed £396.823 million to the National Non-Domestic Rates Pool (2024/25 £401.043 million) and received back from the pool £402.292 million in income (2024/25 £386.817 million).

15. Auditor remuneration

The council incurred fees of £0.814 million (2024/25 £1.214 million) for the statutory inspection of the Annual Accounts by EY and Audit Scotland. An additional fee of £0.129 million was incurred in respect of the 2024/25 statutory inspection resulting in a total fee of £0.943 million for the prior year. No other services were provided by the appointed auditor in 2025/26 (or 2024/25).

16. Related party transactions

Related parties are organisations that the council can control or influence or who can control or influence the council. Scottish Government has effective control over the general operations of the council. It is responsible for providing the statutory framework within which the council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the council has with other parties (e.g. council tax bills, housing benefits). Grants received from government departments are set out in note 13 on page 54.

The council has an interest in a number of companies and other public bodies. Where the interest in another entity is considered material, the entity is consolidated with the accounts of the council to form the Group Financial Statements. Further details on the combining entities are shown within the Group Financial Statements.

Related party transactions during the year and balances as at 31 March 2026 are as follows:

2024/25 Net Expenditure / (Income) £000	*Debtor / (Creditor) at 31 March 2025 £000*	**Related party transactions and balances**	**2025/26 Expenditure £000**	**2025/26 Income £000**	**Debtor / (Creditor) at 31 March 2026 £000**
(99)	42,590	Scottish Event Campus Ltd	620	(796)	42,531
41,748	3,205	City Building (Glasgow) LLP	53,651	(7,937)	4,078
4,288	1,209	City Building (Contracts) LLP	47,994	(1,483)	(6,972)
83,271	(5,185)	Culture and Sport Glasgow	105,677	(14,676)	(4,753)
12,134	(85,453)	City Property Glasgow (Investments) LLP	16,757	(4,660)	(84,547)
6,756	(179,751)	City Property Glasgow (Operations SL1) LLP	9,264	(2,152)	(178,899)
7,432	(168,851)	City Property Glasgow (Operations SL2) LLP	8,663	(1,000)	(168,239)
10,812	(190,636)	City Property Glasgow (Operations SL3) LLP	11,821	(435)	(190,802)
2,709	(217)	City Property (Glasgow) LLP	2,961	(655)	268
3,421	(388)	Jobs & Business Glasgow	4,280	(1,175)	(411)
10,820	427	Strathclyde Partnership for Transport	11,124	0	786
61,818	2,245	Strathclyde Pension Fund	59,842	(5,466)	(545)
76,636	(6,520)	Teachers' Pension Fund	80,445	0	0
769	0	Clyde Gateway	2,105	(33)	12
(174,604)	(61,843)	Glasgow City Integration Joint Board	627,410	(616,819)	(89,072)

Note: Related parties disclosure acknowledge key management personnel of Glasgow City Council and associated group as set out in the respective Remuneration Reports. Key councillors are identified as members of group bodies.

In addition to transactions with related companies and other related bodies noted above, significant revenue and capital payments made to organisations where council members are represented, totalled £14.264 million (2024/25 £32.019 million), broken down as follows:

2024/25 £000	**Organisation**	**2025/26 £000**
24,658	NHS Greater Glasgow & Clyde	13,344
6,272	Citizens Theatre	225
1,089	University of Glasgow Court	695
32,019	**Total**	**14,264**

In addition to transactions with related companies and other related bodies noted above, significant revenue and capital payments made to organisations where council officers are represented, totalled £13.945 million (2024/25 £11.189 million), broken down as follows:

2024/25 £000	**Organisation**	**2025/26 £000**
11,189	Enable Scotland	13,945
11,189	**Total**	**13,945**

17. Low Emission Zone

Under the powers granted by Part 2 of the Transport (Scotland) Act 2019, and in accordance with The Low Emission Zones (Emission Standards, Exemptions and Enforcement) (Scotland) Regulations (hereafter referred to as “the regulations”) 2021, Glasgow City Council has introduced a Low Emission Zone. A low emission zone (LEZ) is an area where only certain vehicles are allowed to enter based on their emissions standards. The LEZ was introduced to address air pollution in the city centre, mainly nitrogen dioxide (NO2), caused by road traffic. The LEZ comprises an area of approximately one square mile of the City Centre.

Enforcement of the zone officially commenced on 1 June 2023 after a one-year grace period, and the regulations now apply to all vehicles entering the zone. When a non-compliant vehicle is detected in the zone, a Penalty Charge Notice (PCN) is issued to the registered keeper of the vehicle.

The regulations specify that any local authorities operating an LEZ scheme must keep accounts for the duration of the scheme’s operation. This account should outline the costs of proposing, making, and operating the scheme.

In 2025/26, the LEZ generated a net expenditure of £0.251 million (2024/25 £0.151 million net revenue). The following table sets out the financial performance of the scheme:

2024/25 £000	**Low Emission Zone**	**2025/26 £000**
(757)	Income from fines and penalties	(514)
(0)	Capital grants and contributions	(28)
(757)	**Total revenue**	**(542)**
219	Employee costs	370
370	Supplies and services	411
17	Capital expenditure	12
606	**Total expenditure**	**793**
(151)	**Net (revenue)/expenditure**	**251**

The costs of operating the scheme were funded by the income generated from PCN's.

Employee costs which could not be allocated directly to the project have been apportioned based on the estimated staff time spent on the project, all other costs are allocated directly.

18. Long-term assets

18.1. Valuation of long-term assets

Category	Valuer	Basis of Valuation	Date of last full Valuation	Useful Life
Property, plant and equipment:				
Other land and buildings	City Property (Glasgow) LLP	Current value	March 2026	Land – Not applicable Buildings – 40 years
Vehicles, plant, furniture and equipment	Not applicable	Depreciated historic cost	Not applicable	5-10 years
Infrastructure assets	Not applicable	Depreciated historic cost	Not applicable	40 years
Community assets	Not applicable	Valued at £1 on 1 April 1994, with additions valued at cost	Not applicable	Not applicable
Assets under construction	Not applicable	Cost	Not applicable	Not applicable
Corporate surplus assets	City Property (Glasgow) LLP	Fair value	March 2023	40 years
Other long-term assets:				
Heritage assets	Internal/external experts	Fair value or cost	Not applicable	Not applicable
Investment property	City Property (Glasgow) LLP	Fair value	March 2026	40 years
Intangible assets	Not applicable	Depreciated historic cost	Not applicable	7 years
Assets held for sale	City Property (Glasgow) LLP	Lower of carrying value at date declared held for sale and fair value less cost of sale.	March 2026	40 years

Land and buildings are re-valued on a maximum five year rolling basis in accordance with the guidelines provided within the Royal Institution of Chartered Surveyors Valuation Standards Manual but may be more frequent where a change in classification occurs or a material movement is expected due to market conditions. The date of the last full valuation was 31 March 2026. From 1 April 2025 the code requirements have changed in respect of revaluations of property, plant and equipment and assets values on the five year rolling programme are also subject to indexation during the four intervening years. Where appropriate indices cannot be obtained a desktop revaluation will be carried out in year three.

The significant assumptions applied in selecting appropriate indices for property are:

- Savills Brownfield Land Index has been applied to all land indexation calculations, due to Glasgow's industrial heritage and most have buildings located on them.
- The indices recommended by Savills are the most appropriate for each asset category.

Index	Average change %	Valuation change £000
Savills Brownfield - Land	(10.40)	(28,509)
MSCI Scotland - Office Capital Growth	(1.00)	(31)
BCIS All in TIP – Buildings	2.80	31,678
Scotland Nationwide Index – Residential Buildings	3.00	2,038
Total indexation applied in 2025/26	**0.33**	**5,176**

	Other Land and Buildings £000	Vehicles, plant, furniture and equipment £000	Surplus Assets £000	Total £000
Carried at historical cost	0	64,432	0	64,432
Valued at current value as at:				
31 March 2026	794,891	0	2,081	796,972
31 March 2025	668,032	0	6,516	674,548
31 March 2024	701,873	0	0	701,873
31 March 2023	98,409	0	29,125	127,534
31 March 2022	65,711	0	5,696	71,407
Indexation applied to valuations above	9,119	0	(3,943)	5,176
Total cost or valuation	**2,338,035**	**64,432**	**39,475**	**2,441,942**

18.2. Depreciation

Depreciation is calculated on a straight-line basis and is provided for all operational and surplus assets other than land, community assets and heritage assets. The useful life of property assets are determined in consultation with City Property (Glasgow) LLP. Technical officers within services determine non-property asset lives. Infrastructure assets are depreciated over 40 years.

18.3. Community assets

When the council's asset register was first compiled in 1994, existing community assets were included at £1 in accordance with accepted practice. Additions to this category since 1994 have been added at cost.

18.4. Heritage assets

The council's heritage assets comprise museum and gallery collections, which are held according to the fair value of assets included on the museums records system. Civic regalia is held at fair value. Where the council holds information on the cost of statues and fountains, these are included at cost. However, where information on cost or value is not available, and where cost of obtaining information outweighs benefit to users of the Annual Accounts, these assets are not recognised in the Balance Sheet.

18.5. Summary of capital expenditure and sources of finance

2024/25 £000	**Capital expenditure and sources of finance**	**2025/26 £000**
	Capital investment	
117,878	Property, plant and equipment	209,946
0	Heritage assets	20
1,856	Intangible assets	933
0	Investment property	2,000
119,734	**Total expenditure**	**212,899**
	Sources of finance	
(2,158)	Net borrowing	135,923
8,096	Asset sales	3,414
24,246	Assets acquired under finance leases	7,211
86,459	Government grants and other capital contributions	65,084
3,091	Revenue contributions	1,267
119,734	**Total sources of finance**	**212,899**

The Capital Financing Requirement (CFR) defines the underlying need to borrow for capital purposes which has been included within the Management Commentary on page 14.

18.6. Summary of assets held

18.6.1. Intangible assets

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

18.6.2. Property

To deliver the wide range of services it provides, the council operates over 300 schools, owns more than 150 cultural and recreational facilities, around 300 playing pitches and 46 residential facilities for the young, elderly and those with learning or physical disabilities. The council has over 150 offices, depots and workshops throughout the city and, in addition, operates a wide range of other facilities including, for example, crematoria and cemeteries.

18.6.3. Plant, vehicles and equipment

The council directly owns a fleet of around 250 vehicles, with additional vehicles held under the terms of a finance lease.

18.6.4. Infrastructure

Included within the city's infrastructure are approximately 1,700 kilometres of roads, around 300 road bridges and over 70,000 street lighting units.

18.6.5. Community assets

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

18.6.6. Heritage assets

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

18.6.7. Right-of-use assets

The council adopted IFRS 16 from 1 April 2024, to recognise right-of-use assets, which meant that a significant number of property, vehicle, plant and equipment leases utilised to support the operational delivery of council activities, where the council acts as lessee came onto the balance sheet. IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. Right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior year figures.

As a lessee, the council has previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the council. Under IFRS16, the council recognises right-of-use assets and lease liabilities for most leases.

The council has elected to apply recognition exemptions to low value assets and to short-term leases as detailed in note 1.11 on pages 25 to 26. The council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The table below shows the change in value of the right-of-use assets held under leases by the council:

Right-of-use assets	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Total Right- of-use Assets £000
Initial recognition on adoption of IFRS 16	32,459	12,363	44,822
Additions	19,405	4,841	24,246
Revaluations	21,777	0	21,777
Depreciation	(36,487)	(7,952)	(44,439)
Disposals	0	0	0
Other movements (incl. transfers)	775,105	17	775,122
At 31 March 2025	**812,259**	**9,269**	**821,528**
Movement in 2025/26:			
Additions	3,850	3,361	7,211
Revaluations	64,112	0	64,112
Depreciation	(41,154)	(6,177)	(47,331)
Disposals	(1,619)	(1,945)	(3,564)
Other movements (incl. transfers)	18,720	0	18,720
At 31 March 2026	**856,168**	**4,508**	**860,676**

The council incurred the following expenses and cash flows in relation to leases:

2024/25 (Re-stated) £000	**Lease expenses and cash flows**	**2025/26 £000**
	Comprehensive income and expenditure statement	
52,642	Interest expense on lease liabilities	51,456
68	Expense relating to exempt leases of low-value items	68
(134)	Gain on entry into peppercorn lease	0
	Cash flow statement	
83,735	Total cash flow for leases	88,526
52,642	Cash payments for interest portion of lease liabilities	51,456
68	Low value lease payments where exemptions taken	68

The lease liability obligations will be payable over the following periods:

31 March 2025 Minimum Lease Payments £000	*31 March 2025* Liabilities £000	Finance lease obligations	**31 March 2026** Minimum Lease Payments £000	**31 March 2026** Liabilities £000
57,974	16,821	Not later than one year	56,304	15,568
202,147	43,164	Later than one year and not later than five years	206,714	47,501
1,365,150	737,723	Later than five years	1,318,959	729,966
1,625,271	**797,708**	**Total**	**1,581,977**	**793,035**

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. These will be subject to annual review.

18.7. Commitments under capital investments

The council's approved capital investment programme will continue to progress during 2026/27 and subsequent years. As at 31 March 2026, the council has outstanding commitments on significant contracts for capital investment totalling £159.491 million (31 March 2025 £120.896 million). These outstanding commitments comprise the following:

Project description	Outstanding commitment at 31 March 2026 £000	Contract completion
City Deal – City Centre	39,478	End 2031
NRS Depot Improvements	24,613	End 2027
FICT Transition and Refresh	18,653	End 2030
FICT Transformation	18,363	End 2030
Calton Gaelic School	9,681	End 2027
Linburn Academy Refurbishment & Extension	9,652	End 2027
Pollok Stables	7,692	End 2027
City Deal – Sighthill	7,028	End 2031
City Deal – Clyde Waterfront & West End Innovation Quarter	5,674	End 2028
Brighton Place Redevelopment	4,069	End 2027
Other Projects (16 projects)	14,588	Various
Total	**159,491**	

18.8. Fair value measurement of non-financial assets

Surplus asset and investment property are valued at fair value. Assets held for sale are valued at the lower of carrying value at date declared held for sale and fair value less cost of sale. Valuation reports prepared for these assets incorporate the methodology employed by the valuer in arriving at their opinion of value. The methodology includes comparable data which is recognised in accordance with the fair value measurement hierarchy. The valuers seek to minimise the volume of unobservable inputs and maximise the volume of observable inputs in forming their opinion of value. For these asset classes, the valuation inputs generally comprise either level 2 or level 3 inputs with adjustments not limited to location, rental growth, lease terms, covenants, costs, discount rates and vacancy levels. For valuations conducted in 2025/26, both the income and market valuation techniques were widely adopted in forming opinions of fair value. The resulting valuations for surplus assets of £39.475 million and assets held for sale of £1.765 million were entirely based on level 2 inputs.

18.9. Tax Incremental Financing (TIF) Projects

The council entered into an agreement with the Scottish Government in October 2012 in respect of the Buchanan Quarter Tax Increment Finance (TIF) scheme. This agreement essentially allows for the repayment of debt arising from infrastructure investment from incremental Non-Domestic Rates (NDR) revenue. The assets to be funded by the TIF project largely comprise public realm and infrastructure improvements within the Buchanan Quarter of Glasgow city centre.

The project is for a period of 25 years, with the first material capital investment incurred during the financial year ending 31 March 2014. During the TIF project period, the council is entitled to retain the TIF revenue from its NDR revenue, a pro-rated amount of NDR equal to the amount (if any) by which the collected amount exceeds the baseline collectable amount. The council is required to apply 100% of the TIF revenue towards repayment of the TIF debt. Following repayment in full, and until the end of the project period, the council is entitled to retain 50% of the TIF revenue for further infrastructure investment.

Net capital expenditure incurred in the year to 31 March 2026, to be funded from borrowing, in respect of TIF assets totalled £nil (2024/25 £nil). This is reflected within the 'Summary of capital expenditure and sources of finance', outlined within note 18.5 on page 60. Total TIF debt, to be repaid over the project period, in respect of investment to 31 March 2026, has been calculated in accordance with Local Government Finance Circular No. 8/2016 at £21.773 million (£21.773 million at 31 March 2025).

19. Property, Plant and Equipment

This note details the movement in Property, Plant and Equipment (PPE) during 2025/26. The valuation bases, useful lives and depreciation methods used are disclosed within notes 18.1 (pages 58 to 59) and 18.2 (page 59). A summary of capital expenditure during the year, together with the sources of finance and the amount of contractual commitments for PPE, are disclosed separately in notes 18.5 (page 60) and 18.7 (page 62).

Movement in PPE 2025/26	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Infrastructure Assets £000	Right-of-Use Assets £000	Community Assets £000	Assets Under Construction £000	Corporate Surplus Assets £000	Total Property, Plant and Equipment £000
Net book value at 1 April 2025	**2,199,677**	**62,264**	**867,378**	**821,528**	**24,459**	**53,596**	**42,940**	**4,071,842**
Additions	21,439	22,574	32,300	7,211	104	126,318	0	209,946
Revaluations	218,552	0	0	64,112	0	0	(2,257)	280,407
Impairment	0	0	0	0	0	0	0	0
Depreciation	(90,166)	(20,856)	(32,580)	(47,331)	0	0	(65)	(190,998)
Disposals	(1,280)	0	0	(3,564)	0	0	(2,640)	(7,484)
Other movements (incl. transfers to other asset categories)	(10,187)	450	10,538	18,720	0	(11,162)	1,497	9,856
Net book value at 31 March 2026	**2,338,035**	**64,432**	**877,636**	**860,676**	**24,563**	**168,752**	**39,475**	**4,373,569**
Gross book value	2,338,246	157,966		885,129	24,563	168,752	39,475	
Accumulated depreciation	(211)	(93,534)		(24,453)	0	0	0	
Net book value at 31 March 2026	**2,338,035**	**64,432**	**877,636**	**860,676**	**24,563**	**168,752**	**39,475**	**4,373,569**

Movement in PPE 2024/25	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Infrastructure Assets £000	Right-of-Use Assets £000	Community Assets £000	Assets Under Construction £000	Corporate Surplus Assets £000	Total Property, Plant and Equipment £000
Net book value at 1 April 2024	**2,877,347**	**75,289**	**836,472**	**0**	**24,335**	**74,762**	**39,884**	**3,928,089**
Initial recognition of asset	0	0	0	44,822	0	0	0	44,822
Additions	22,679	12,562	28,457	24,246	124	29,810	0	117,878
Revaluations	140,512	0	0	21,777	0	0	(748)	161,541
Impairment	0	0	0	0	0	0	0	0
Depreciation	(82,397)	(25,706)	(31,088)	(44,439)	0	0	(58)	(183,688)
Disposals	(13)	0	0	0	0	0	(4,320)	(4,333)
Other movements (incl. transfers to other asset categories)	(758,451)	119	33,537	775,122	0	(50,976)	8,182	7,533
Net book value at 31 March 2025	**2,199,677**	**62,264**	**867,378**	**821,528**	**24,459**	**53,596**	**42,940**	**4,071,842**
Gross book value	2,272,169	179,886		865,967	24,459	53,596	43,509	
Accumulated depreciation	(72,492)	(117,622)		(44,439)	0	0	(569)	
Net book value at 31 March 2025	**2,199,677**	**62,264**	**867,378**	**821,528**	**24,459**	**53,596**	**42,940**	**4,071,842**

Infrastructure asset values have been disclosed in accordance with the Scottish Government's Finance Circular 8/2024 Statutory Override - Accounting for Infrastructure Assets. The council has applied both statutory overrides set out in the circular which are as follows:

- For accounting periods commencing from 1 April 2021 until 31 March 2027, a local authority is not required to report the gross carrying amount and accumulated depreciation for infrastructure assets.
- For the accounting periods from 1 April 2010 to 31 March 2027, the carrying amount to be derecognised in respect of a replaced part of an infrastructure asset is to be accounted for as a nil amount, and no subsequent adjustment can be made to the carrying amount of the asset with respect to that part.

Right-of-use assets comprise Other Land and Buildings £856.168m (2024/25 £812.259m) and Vehicles, Plant, Furniture and Equipment £4.508m (2024/25 £9.269m).

20. Heritage assets

This note details the movement in Heritage Assets during 2025/26. The valuation bases, useful lives and depreciation methods used are disclosed within notes 18.1 (pages 58 to 59) and 18.4 (page 59).

Movement in Heritage assets	Fine art £000	Civic regalia £000	Statues and fountains £000	Total Heritage assets £000
Cost or Valuation:				
At 1 April 2024	**1,143,858**	**821**	**16,860**	**1,161,539**
Additions in year	0	0	0	0
Revaluations	21,865	365	0	22,230
Transfers	0	0	0	0
At 31 March 2025	**1,165,723**	**1,186**	**16,860**	**1,183,769**
Movement in 2025/26:				
Additions in year	0	0	20	20
Revaluations	6,884	321	0	7,205
Transfers	0	0	0	0
At 31 March 2026	**1,172,607**	**1,507**	**16,880**	**1,190,994**

The following table shows assets that may be regarded as Heritage Assets, which have not been included in the Balance Sheet as the council considers that obtaining valuations would involve disproportionate cost, or reliable cost or valuation information cannot be obtained for these items. This is because of the diverse nature of assets held, the number of assets held and the lack of comparable market values. The Code therefore permits such assets to be excluded from the Balance Sheet.

Assets excluded from Heritage Assets	Estimated number of assets 31 March 2026
Fountains	5
Statues	51
War memorials	31
Museum and Gallery Collection items	1,187,064

21. Intangible assets

The council accounts for purchased software licences held for various Information and Communications Technology (ICT) systems used throughout the council as Intangible assets. The cost of the licences are written-off on a straight-line basis over the expected life of the licences, which is seven years for all systems. The council does not recognise any internally generated intangible assets.

There have been no changes to the estimated useful life and there have been no revaluations of intangible assets during the year. The amortisation charge for intangible assets in 2025/26 was £3.624 million (2024/25 £4.099 million). There has been no impairment charge in 2025/26 (2024/25 £nil). The movement on intangible asset balances during the year is as follows:

2024/25 £000	Movement in Intangible assets	2025/26 £000
	Balance at start of year:	
30,479	Gross carrying amounts	30,659
(13,098)	Accumulated amortisation	(15,410)
17,381	**Net carrying amount at start of year**	**15,249**
1,856	Additions	933
111	Transfers	0
(4,099)	Amortisation for the period	(3,624)
15,249	**Net carrying amount at end of the year**	**12,558**
	Comprising:	
30,659	Gross carrying amounts	26,302
(15,410)	Accumulated amortisation	(13,744)
15,249	**Net carrying amount at end of the year**	**12,558**

22. Assets held for sale

Assets are recognised as held for sale when their carrying value is likely to be recovered principally through a sale transaction rather than through continued use. At 31 March 2026, the valuation of assets held for sale was £1.765 million (£3.022 million as at 31 March 2025).

2024/25 £000	Assets Held for Sale	2025/26 £000
12,084	Balance at 1 April	3,022
	Assets newly classified as held for sale:	
251	Property, plant and equipment	161
(950)	Revaluation losses	(95)
	Assets declassified as held for sale:	
(7,895)	Property, plant and equipment	(1,250)
(468)	Assets disposed	(73)
0	Expenditure in year	0
3,022	**Balance at 31 March**	**1,765**

23. Net short-term debtors

The net short-term debtors balance consists of gross amounts owed to the council, primarily in respect of Council Tax and grants, and H.M. Revenue and Customs debtors, after provision for bad debts. It also includes sums due from other authorities and various other sundry debtors. During 2025/26, there was an accounting adjustment made to debtors and the associated impairment loss within the Financial Statements of £26.320 million. This mainly related to Council Tax (£17.532 million). The individual Non-Domestic Rates debtors are not included in the Balance Sheet but the outstanding debt and impairment loss are monitored separately, with the council acting as a collecting agent for the Scottish Government. Records associated with all outstanding debts are retained and recovery action will continue to be taken, where possible.

The following table shows an analysis of debtors outstanding by customer group:

2024/25 £000	**Analysis of net short-term debtors**	**2025/26 £000**
119,670	Bodies external to general government	147,774
155,449	Central government bodies	155,179
5,224	Other local authorities	5,921
2,097	NHS bodies	27,443
134	Public corporations and trading funds	156
282,574	**Total**	**336,473**

24. Cash and cash equivalents

The council hold cash in hand, as well as deposits with financial institutions. Cash equivalents are short-term, highly liquid investments, principally held to meet liabilities in the short-term, rather than to make an investment gain. They are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value. The balance of cash and cash equivalents comprises the following elements:

2024/25 £000	**Cash and cash equivalents**	**2025/26 £000**
75,423	Short-term deposits	26,294
4,076	Bank current accounts	5,998
118	Cash imprest held by the council	117
79,617	**Total**	**32,409**

25. Short-term creditors

The short-term creditors balance consists of amounts received in advance or owed by the council, primarily in respect of payroll, grants, lease liabilities and various other sundry creditors. The following table provides further analysis by supplier group:

2024/25 £000	**Analysis of creditors**	**2025/26 £000**
368,354	Bodies external to general government	376,106
17,184	Central government bodies	57,437
18,516	Other local authorities	5,923
1,355	NHS bodies	23,100
900	Public corporations and trading funds	1,057
406,309	**Total**	**463,623**

26. Provisions

The council has identified a number of material liabilities, where the amount or timing of the transaction is uncertain, and made provision for future expenditure. All provisions have been reassessed at the financial year end.

The following table provides an analysis of the movement in provisions during 2025/26:

Provisions	Asset decommissioning £000	Employee related legal cases £000	Other outstanding legal cases £000	Other provisions £000	Total £000
Balance as at 1 April 2025	18,468	4,375	144	1,208	24,195
Additional provisions made during the year	171	3	73	2,142	2,389
Costs incurred and charged against provision	(938)	(434)	(11)	0	(1,383)
Unused amounts reversed during the year	0	(3,086)	0	(31)	(3,117)
Balance at 31 March 2026	**17,701**	**858**	**206**	**3,319**	**22,084**

Provisions for asset decommissioning reflect the council's liability for restoration and ongoing maintenance in respect of landfill sites formerly operated by the council, principally Cathkin Landfill Site. These have been provided for based on the net present value of estimated future costs.

Provisions for employee related legal cases comprise mainly of the short-term provision for additional allowances. During 2025/26, £0.152 million equal pay compensation payments have been met from the provision, with the £3.086 million balance of the equal pay provision reversed. Any future equal pay compensation payments will be met from the Equal Pay Earmarked Reserve.

Other provisions include provision for building dilapidations (£1.116 million) and financial guarantees in relation to loan repayments and bond issue relating to group subsidiaries (£0.942 million). All other provisions are individually immaterial.

27. Financial instruments

The statement of accounting policies in note 1.24 on page 32, explains the requirement of the reporting basis for financial instruments.

27.1. Categories of financial instruments

Financial instruments in the Balance Sheet at 31 March 2026 comprise the following financial assets and financial liabilities with their measurement bases.

2024/25 Fair value through profit and loss £000	*2024/25* Amortised cost £000	*2024/25* Total £000	**Financial assets**	**2025/26** Fair value through profit and loss £000	**2025/26** Amortised cost £000	**2025/26** Total £000
			Long-term:			
159	0	159	Investments	237	0	237
0	1,271	1,271	Debtors	0	912	912
			Short-term:			
1	79,617	79,618	Investments	1	32,409	32,410
0	249,620	249,620	Debtors	0	290,435	290,435
160	**330,508**	**330,668**	**Total financial assets**	**238**	**323,756**	**323,994**

2024/25 Amortised cost £000	**Financial liabilities**	**2025/26 Amortised cost £000**
	Long-term:	
1,558,883	Borrowing	1,562,983
69,304	Creditors	70,574
	Short-term:	
150,227	Borrowing	167,592
334,167	Creditors	394,049
2,112,581	**Total financial liabilities**	**2,195,198**

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

Income, expense, gains and losses for the year ended 31 March 2026 and recognised within the Comprehensive Income and Expenditure Statement (page 18) for financial instruments comprise the following:

2024/25 £000	**Income, expense, gains and losses on financial instruments**	**2025/26 £000**
	(Income) and expense from:	
(19,723)	Interest revenue from financial assets measured at amortised cost	(16,990)
131,693	Interest expenses	126,951
22	Management fee	8
111,992	**(Income) and expenses**	**109,969**
	Net (gains) and losses on:	
(85)	Financial assets measured at fair value through profit or loss	(65)
11,215	Financial assets measured at amortised cost	7,829
11,130	**Total net (gains) / losses**	**7,764**
123,122	**Total (income), expense, (gains) and losses**	**117,733**

27.3. Fair value of assets and liabilities carried at amortised cost

Financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. The fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments. The rates quoted in this valuation were obtained by the council's treasury management advisors from the market on 31 March 2026.

In terms of the fair value measurement hierarchy, the financial instruments measured at fair value are considered level 2 being inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

The calculations are made using the following assumptions:

(i) The PWLB new loan rate, in force at 31 March 2026, has been used as the discount rate for PWLB debt;

(ii) For other market debt and investments the discount rate used is the rate available for an instrument with the same terms from a comparable lender;

(iii) Interpolation techniques have been used between available rates where the exact maturity date was not available;

(iv) No early repayment or impairment is recognised.

2024/25		**Valuation of financial liabilities**	**2025/26**	
Carrying Amount £000	*Fair Value £000*		**Carrying Amount £000**	**Fair Value £000**
1,709,110	1,406,475	Borrowing	1,730,575	1,403,463

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

27.4. Nature and extent of risks arising from financial instruments

The council's management of treasury risks minimises the council's exposure to the unpredictability of financial markets and protects the financial resources available to fund services. The council has fully adopted CIPFA's 'Treasury Management in the Public Services: Code of Practice' and has written principles for overall risk management as well as written policies and procedures covering specific areas such as credit risk, liquidity risk and market risk.

27.5. Credit risk

Credit risk arises from the short-term lending of surplus funds to banks, building societies and other local authorities as well as credit exposures to the council's customers. The council's policy for managing credit risk is outlined within the approved Treasury Management and Annual Investment Strategy Approved TM & AIS 2025/26. No credit limits were exceeded during the financial year and the council expects full repayment on the due date of deposits placed with counterparties.

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

2024/25 £000	**Aged debt profile**	**2025/26 £000**
267,059	Less than 3 months	305,735
3,304	3 to 6 months	4,244
5,740	6 months to 1 year	7,293
104,330	More than 1 year	105,379
380,433	**Total**	**422,651**

27.6. Liquidity risk

As the council has access to borrowings from the PWLB, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. The council has safeguards in place to ensure that a significant proportion of its borrowing does not mature for repayment at any one time in the future to reduce the financial impact of re-borrowing at a time of unfavourable interest rates. The maturity analysis of borrowing at nominal value is as follows:

2024/25		**Borrowing**	**2025/26**	
Principal £000	*Interest £000*		**Principal £000**	**Interest £000**
1,319,937	691,225	Public Works Loans Board	1,355,715	671,463
312,000	477,098	Lender Option Buyer Option (LOBO)	282,000	420,195
39,875	17,265	Market debt	38,106	14,772
9,712	0	Temporary borrowing	26,531	713
1,681,524	**1,185,588**	**Total**	**1,702,352**	**1,107,143**
135,703	65,356	Less than 1 year	152,292	67,481
91,230	129,090	Between 1 and 2 years	146,598	128,908
391,706	150,118	2 to 5 years	392,021	144,050
243,794	169,027	5 to 10 years	224,630	150,082
155,280	554,450	10 to 30 years	313,000	514,206
636,811	115,932	30 to 50 years	446,811	101,962
27,000	1,615	50 to 70 years	27,000	454
1,681,524	**1,185,588**	**Total**	**1,702,352**	**1,107,143**

The maturity analysis of borrowing is outlined in the above table at nominal values. However, these liabilities are reflected in the Balance Sheet at amortised cost, which includes accrued interest of £15.299 million (£14.524 million in 2024/25) and an effective interest rate adjustment of £12.924 million (£13.061 million in 2024/25) in respect of LOBOs with stepped interest rates.

The maturity analysis of other financial liabilities is given within note 11 on page 47, and note 18.6.7 on pages 61 to 62, in respect of obligations under PPP and similar contracts, and finance leases.

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

27.7. Market risk

27.7.1. Interest rate risk

Movements in market interest rates expose the council to risk due to uncertainty in the interest payable on borrowings and interest receivable on investments. Higher interest rates would increase the interest charged on variable borrowing and increase income received on variable rate lending, both of which would impact on the Comprehensive Income and Expenditure Statement.

A further risk in the movements of market rates is the impact on the fair value of borrowings and investments. An increase in interest rates would decrease the fair value of borrowings and investments at fixed rates. Changes to the fair value of borrowings do not impact on the council taxpayer as they are not carried at fair value in the council's Balance Sheet and are only reflected in the notes to the accounts for information.

The council has a number of strategies for managing interest rate risk. In conjunction with its treasury management advisors, the council actively monitors changes in interest rates to inform decisions on the lending of surplus funds, new borrowing and restructuring of debt.

Taking cognisance of interest rate forecasts provided by its treasury management advisors, the risk of a 1% increase in interest rates is deemed to be reasonable. As at 31 March 2026, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

2024/25 £000	**Estimated financial effect**	**2025/26 £000**
3,018	Increase in the interest payable on variable rate borrowings	2,594
(1,100)	Increase in interest receivable on variable rate investments	(1,160)
1,918	**Net impact on the (surplus) or deficit on the provision of services**	**1,434**

2024/25 £000	**Other presentational changes** (no impact on the Comprehensive Income and Expenditure Statement)	**2025/26 £000**
100,176	Decrease in the fair value of fixed rate borrowings	90,047

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

27.7.2. Market price risk

Part of the council's Insurance Fund is invested in externally managed portfolios under the powers of Schedule 3 of the Local Government (Scotland) Act 1975 and Section 3 of the Local Government etc. (Scotland) Act 1994. The Insurance Fund investments were managed during the year by Ruffer Limited Liability Partnership.

The investment objectives of the fund are to achieve low volatility, positive returns from an actively managed portfolio of different asset classes, including internationally listed or quoted equities or equity related securities (including convertibles) or bonds which are issued by corporate issuers, supra-nationals or government organisations and currencies. The portfolio may also be invested in collective investment schemes, cash and money market instruments. Pervading these objectives is a fundamental philosophy of capital preservation. The principal performance objective of the portfolio is to achieve a positive total annual return, after all expenses, of double the Bank of England base rate.

27.7.3. Foreign exchange rate risk

Investment in foreign currency denominated equities and bonds forms a part of the investment strategy of funds managed by Ruffer Limited Liability Partnership and the foreign exchange risk is actively managed as a key element of the portfolio's asset allocation. In addition, the council held euros to meet future currency commitments with a sterling equivalent value of £0.223 million as at the 31 March 2026 exchange rate (£0.214 million at 31 March 2025). The potential financial impact of exchange rate movements in this respect is not material.

28. Deferred liabilities

Deferred liabilities represent amounts falling due in more than 12 months from the balance sheet date. An analysis of deferred liabilities at 31 March 2026 is provided in the following table:

2024/25 £000	**Analysis of deferred liabilities**	**2025/26 £000**
96,166	Long-term liability relating to the PPP secondary schools contract	76,169
780,887	Long-term lease liability relating to council properties, vehicles and equipment	777,467
36,631	Developers' contributions received for the provision of recreational greenspace in line with council policy	37,016
42,723	Other	44,534
956,407	**Total**	**935,186**

29. Contingent liabilities

The council remains liable for potential liabilities arising from claims lodged against Strathclyde Regional Council (SRC) on a geographical basis. There is also a shared liability in connection with Municipal Mutual Insurance Limited, one of the key insurers of the former SRC (and other local authorities across the United Kingdom). Following the Supreme Court ruling on Employers' Liability Insurance 'Trigger' Litigation on 28 March 2012, the council has a provision to meet a 25% clawback of estimated payments made by Municipal Mutual Insurance Limited in respect of known claims. The council recognises a contingent liability for further unknown claims in the future.

The council recognises the potential for compensation claims following the prosecution of former members of staff at Kerelaw Residential School. Some claims will be historic and relate to SRC and some will post date reorganisation.

Whilst the council has made appropriate provision for all tax and national insurance liabilities and the settlement of all known outstanding claims in respect of equal pay and the implementation of the Workforce Pay and Benefits Review, the council recognises the potential for compensation claims in respect of cases not yet settled or presented.

The council recognises a potential liability in respect of guaranteeing any unfunded pension costs, which may arise in certain circumstances, in relation to employees of City Building (Glasgow) Limited Liability Partnership, City Building (Contracts) Limited Liability Partnership, Culture and Sport Glasgow, City Property (Glasgow) Limited Liability Partnership, Jobs & Business Glasgow and Glasgow Housing Association. As sponsoring authority, the council has guaranteed to accept liability for any unfunded costs which may arise relating to their membership of the Local Government Pension Scheme (LGPS) administered by Glasgow City Council should they cease to exist, withdraw from the LGPS or otherwise become unable to continue covering any unfunded liabilities with regard to the Local Government Pension Scheme (Scotland)

Regulations 1998, as amended, or the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998.

The council has provided a financial guarantee in relation to loan repayments of a group subsidiary (80% of loan value), namely City Property Glasgow (Investments) Limited Liability Partnership (original total loan £285 million). The council has also provided financial guarantees in relation to bond returns of group subsidiaries (100% of bond return), namely City Property Glasgow (Operations SL) Ltd (original bond issued £195 million) and City Property Glasgow (SL Operations 3) Ltd (original bond issued £210 million). The likelihood of these guarantees being called is assessed annually. As at 31 March 2026, the risk has been assessed as minimal and the guarantees have been accounted for on that basis. However, the council also recognises the potential for future liabilities in the event that the related companies do not meet their contractual obligations under the respective funding agreements.

The council recognises an exposure to risk with regard to possible future environmental claims associated with land transferred to Glasgow Housing Association.

The council recognises and has provided for the liability in respect of its obligation to undertake restoration and aftercare work in respect of former landfill sites. As at 31 March 2026, a sum of £17.701 million has been provided for, principally in respect of the former Cathkin Landfill Site. However, the council recognises a contingent liability in respect of other landfill sites formerly operated by the council. The timing of further liabilities in respect of asset decommissioning is uncertain and the associated costs cannot be reliably estimated at this time.

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgement has now been upheld by the Court of Appeal. The Local Government Pension Scheme is a contracted out defined benefit scheme, and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment has not been published. In June 2025, the UK Government confirmed that it would introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards and that scheme obligations will otherwise be unaffected. Legislation permitting to this was included in the government's Pension Scheme Bill (Amendments) tabled in September 2025. As a result, the group and council does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

Various other actions and claims are pending. These include procurement claims, contractual disputes, breach of human rights and employer, public and motor liability claims. The council is opposing these claims but continues to review each case individually for liabilities that arise as the legal process progresses.

It is anticipated that any costs subsequently arising from these contingent liabilities will in the main be borne by the council and not reimbursed by other parties.

30. Events after the balance sheet date

There were no material events between 31 March 2026 and the date of submission that require to be reflected in the Financial Statements.

31. Cash flow statement - Operating activities

2024/25 £000		**2025/26 £000**
1,184,321	Cash paid to and on behalf of employees	1,290,345
(1,266,540)	General Revenue Grant	(1,331,686)
(386,817)	Non-Domestic Rates receipts from national pool	(418,256)
131,635	Interest paid	126,886
(15,425)	Interest received	(12,026)
(4,244)	Dividends received	(4,900)
344,277	Other net operating cash payments	231,011
(12,793)	**Net cash flows from operating activities**	**(118,626)**

32. Cash flow statement - Investing activities

2024/25 £000		**2025/26 £000**
98,360	Purchase of property, plant and equipment and intangible assets	195,616
0	Purchase of short-term and long-term investments	0
(8,096)	Proceeds from sale of property, plant and equipment and intangible assets	(3,414)
(89,959)	Other receipts from investing activities	(64,105)
305	**Net cash flows from investing activities**	**128,097**

33. Cash flow statement - Financing activities

Reconciliation of Liabilities arising from Financing Activities	**Balance as at 31 March 2025 £000**	**Financing Cash Flows 2025/26 £000**	**Non-Cash Flow Changes: Acquisition 2025/26 £000**	**Non-Cash Flow Changes: Other 2025/26 £000**	**Balance as at 31 March 2026 £000**
Long-term borrowing	(1,558,883)	(145,081)	0	140,981	(1,562,983)
Short-term borrowing	(150,227)	124,254	0	(141,619)	(167,592)
Finance lease liabilities	(797,708)	19,487	0	(14,815)	(793,036)
On balance sheet PPP and similar contract liabilities	(59,861)	20,040	0	(72,674)	(112,495)
Other financing activities: NDRI Net Debtor/Creditor	67,345	19,037	0	(15,964)	70,418
Total liabilities from financing activities	**(2,499,334)**	**37,737**	**0**	**(104,091)**	**(2,565,688)**

Reconciliation of Liabilities arising from Financing Activities	***Balance as at 31 March 2024 £000***	***Financing Cash Flows 2024/25 £000***	***Non-Cash Flow Changes: Acquisition 2024/25 £000***	***Non-Cash Flow Changes: Other 2024/25 £000***	***Balance as at 31 March 2025 £000***
Long-term borrowing	(1,540,023)	121,317	0	(140,177)	(1,558,883)
Short-term borrowing	(64,384)	(223,331)	0	137,488	(150,227)
Finance lease liabilities	(744,339)	14,378	(24,246)	(43,501)	(797,708)
On balance sheet PPP and similar contract liabilities	(76,576)	16,715	0	0	(59,861)
Other financing activities: NDRI Net Debtor/Creditor	20,653	46,692	0	0	67,345
Total liabilities from financing activities	**(2,404,669)**	**(24,229)**	**(24,246)**	**(46,190)**	**(2,499,334)**

Council Tax Income Account

2024/25 £000	**Council Tax**	**2025/26 £000**
459,443	Gross Council Tax levied and contributions in lieu	496,800
	Less :	
(90,280)	Other discounts and reductions	(96,516)
4,691	Prior years' Council Tax	4,008
(19,616)	Provision for bad and doubtful debts	(19,962)
(77,273)	Council Tax Reduction	(82,548)
276,965	**Transfers to Comprehensive Income and Expenditure Statement**	**301,782**

Notes to the Council Tax Income Account

The Council Tax Income Account (Scotland) shows the gross income raised from council taxes levied and deductions made under statute. The resultant net income is transferred to the Comprehensive Income and Expenditure Statement.

The charge for each household is based on the valuation banding to which the dwelling is allocated by the Assessor. The Council Tax can be reduced by 25% where a dwelling has only one occupant. Where a property is both unoccupied and unfurnished a 6 month exemption from payment of Council Tax may be due. A 10% discount can be applied after the initial 6 months or for properties that are otherwise empty for up to 12 months, after which a 100% additional premium is payable, unless the property is being actively marketed for sale or let. The property bandings can be adjusted where the property has been adapted for use by disabled persons and total exemptions are available for where the property is only occupied by certain categories of resident, for example full-time students.

From 1 April 1996, charges in respect of water and sewerage became the responsibility of the relevant Water Authority, now Scottish Water. Glasgow City Council collects total monies and makes a precept payment to Scottish Water on the basis of anticipated collection rates.

Calculation of the Council Tax base (The Band D figures quoted are based on the Council Tax base as at 11 September 2024)

Band	**Valuation**	**No. of dwellings**	**No. of exemptions**	**No. of disabled relief cases**	**No. of discounts 25%**	**50%**	**Total equivalent dwellings**	**Ratio to Band D**	**No. of Band D equivalents**	**Charges per band**
A	Up to £27,000	70,778	16,163	142	37,675	466	45,105	240/360	30,066	£1,074
B	£27,001 - £35,000	81,785	5,650	80	42,622	769	65,175	280/360	50,692	£1,253
C	£35,001 - £45,000	73,131	4,822	-10	30,918	733	60,203	320/360	53,514	£1,432
D	£45,001 - £58,000	45,934	3,491	-1	15,402	580	38,302	1	38,302	£1,611
E	£58,001 - £80,000	33,453	2,944	-104	9,376	392	27,865	473/360	36,612	£2,117
F	£80,001 - £106,000	15,291	1,438	-50	3,436	212	12,838	585/360	20,862	£2,618
G	£106,001 - £212,000	6,812	375	-52	1,274	78	6,028	705/360	11,805	£3,155
H	Over £212,000	685	46	-5	60	10	614	882/360	1,504	£3,947
									243,357	
					Add:	Class 17 and 24 dwellings			19	
					Less:	Provision for non-payment			12,169	
						Band D Equivalent			**231,207**	

Note: The charges above exclude the water and sewerage element of the Council Tax. This disclosure is quoted as at 11 September 2024 to align with the budget position for 2025/26.

Non-Domestic Rates Income Account

2024/25 £000	**Non-Domestic Rates**	**2025/26 £000**
548,574	Gross rates levied and contributions in lieu	549,010
	Less :	
(114,360)	Relief and other deductions	(116,733)
(12,864)	Provision for bad and doubtful debts	(12,820)
421,350	**Net Non-Domestic Rate Income**	**419,457**
(20,307)	Prior years - adjustments	(22,634)
401,043	**Contribution to National Non-Domestic Rates Pool**	**396,823**
386,817	Sum due from central rates pool	402,292
386,817	**Income credited to Comprehensive Income and Expenditure Statement**	**402,292**

Notes to the Non-Domestic Rates Income Account

The non-domestic rate account (Scotland) is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate non-domestic rate account. The statement shows the gross income from the rates and deductions made under statute. The net income is paid to the Scottish Government as a contribution to the national non-domestic rate pool. Non-Domestic Rates are a tax levied by local authorities on the occupiers of commercial property within their areas, as distinct from a charge for their use of service. The basis of tax, the rateable value of the property, was subject to revaluation by the Assessor at 1 April 2023. The uniform business rate for 2025/26 was set by the Scottish Government at 49.8p (49.8p in 2024/25). The Small Business Rates Relief scheme was superseded by the Small Business Bonus Scheme, introduced on 1 April 2008 and applies to properties with a rateable value up to and including £20,000. This scheme is funded by a supplement (5.6p and 7.0p in the pound) to the rate poundage for businesses with a rateable value of more than £51,000 and £100,000 respectively. With effect from 1 April 2023, the Non-Domestic Rates (Scotland) Act 2020, allows discretion to each individual local authority around the value of Empty Property Relief (EPR) to be awarded. The funding previously provided by the Scottish Government to deliver EPR across Scotland was allocated to individual local authorities as part of the 2025/26 settlement. The council agreed to retain EPR awards at the same rates that were available under the statutory scheme in 2025/26.

The contribution to the National Non-Domestic Rates Pool shown in the table above is the Non-Domestic Rates contributed by the council through the pooling arrangements for government grant purposes. The sum due from the central rates pool shown in the same table represents the Non-Domestic Rates distributed to the council through the aggregate external finance distribution.

Rateable values and numbers of premises as at 1 April

	Number of subjects		Rateable values	
Premises	*2024/25*	**2025/26**	*2024/25 £000*	**2025/26 £000**
Industrial and freight	2,076	2,083	58,855	58,148
Commercial subjects				
Shops	7,928	7,947	252,571	245,734
Offices	9,046	9,191	279,906	278,763
Hotels, boarding houses etc.	377	325	34,558	34,319
Others	4,569	4,659	132,580	130,607
Miscellaneous and formula valued subjects	4,505	4,526	269,061	271,778
Total	**28,501**	**28,731**	**1,027,531**	**1,019,349**

❖ Common Good Fund

The Common Good is the ancient patrimony of the former burghs, with additions that have taken place from time to time. The most concise statement of the administration of the Common Good Fund is contained in a judgement by Lord Kyllachy - "The Common Good is corporate property and falls as such to be administered by the council - and applied by them for the benefit of the community in such manner as, and using reasonable judgement as, they think proper". It is an indispensable qualification of any object, to which the Common Good can be legally applied, that it should be one in which the general public of Glasgow City Council, as distinct from the general public of any other locality, is interested.

The Common Good Fund (the Fund) primarily meets the cost of civic ceremonies and hospitality to distinguished visitors to the city. The principal assets of the Fund are its various properties throughout the city and financial investments.

The council has an approved policy to maintain the overall value of the Fund over time. The net assets of the Fund were £20.274 million as at 31 March 2026 (£20.001 million at 31 March 2025).

Common Good Fund Movement in Reserves Statement

	Total Usable Reserves £000
Balance at 1 April 2024	**20,881**
Movement in reserves during 2024/25:	
Total Comprehensive Income and (Expenditure)	(880)
Increase or (Decrease) in the year	**(880)**
Balance at 31 March 2025	**20,001**
Movement in reserves during 2025/26:	
Total Comprehensive Income and (Expenditure)	273
Increase or (Decrease) in the year	**273**
Balance at 31 March 2026	**20,274**

Income and Expenditure Statement for the year ended 31 March 2026

2024/25 Expenditure £000	*2024/25 Income £000*	*2024/25 Net Expenditure £000*	**Service**	**Note**	**2025/26 Expenditure £000**	**2025/26 Income £000**	**2025/26 Net Expenditure £000**
609	(45)	564	Common Good Fund		579	(57)	522
609	**(45)**	**564**	**Cost of Services**		**579**	**(57)**	**522**
0	(821)	(821)	Interest and investment income and expenditure		0	(467)	(467)
2,069	(932)	1,137	Income, expenditure and changes in the fair value of investment properties		86	(414)	(328)
2,069	**(1,753)**	**316**	**Financing and Investment (Income) and Expenditure**		**86**	**(881)**	**(795)**
2,678	**(1,798)**	**880**	**(Surplus) or Deficit on the Provision of Services**	**7**	**665**	**(938)**	**(273)**
		880	**Total Comprehensive (Income) and Expenditure**				**(273)**

Balance Sheet as at 31 March 2026

2024/25 £000		**Note**	**2025/26 £000**
3,253	Investment property	**2, 3**	3,243
15,805	Long-term investments	**4**	16,247
19,058	**Long-term Assets**		**19,490**
6	Short-term investments	**4**	7
10	Inventories		7
83	Net short-term debtors		88
937	Cash and cash equivalents	**5**	745
1,036	**Current Assets**		**847**
(93)	Short-term creditors		(63)
(93)	**Current Liabilities**		**(63)**
20,001	**Net Assets**		**20,274**
20,001	Usable Reserves	**6**	20,274
20,001	**Total Reserves**		**20,274**

The unaudited accounts were issued on 30 June 2026

Robert Emmott BSc (Hons) CPFA
Executive Director of Financial Services
30 June 2026

Notes to the Common Good Fund

1. Accounting policies

1.1 The financial statements for the year ended 31 March 2026 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 2025/26 (the Code). The Code is based on International Financial Reporting Standards (IFRS), with interpretation appropriate to the public sector. The statements are designed to give a true and fair view of the financial performance and position of the Fund.

1.2 The accounting concepts of materiality, accruals, going concern and primacy of legislative requirements have been considered in the application of accounting policies. In this regard, the materiality concept means that information is included where the information is of such significance as to justify its inclusion. The accruals concept requires the non-cash effects of transactions to be included in the financial statement for the year in which they occur, not in the period in which the cash is paid or received. The going concern concept assumes that the council will not significantly curtail the scale of its operation. Wherever accounting principles and legislative requirements are in conflict, the latter shall apply.

1.3 The accounting convention adopted is historical cost, modified by the revaluation of certain categories of long-term assets and the fair value of investments.

1.4 Where the Fund has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the transaction date. Where amounts in foreign currency are outstanding at the year end, they are reconverted at the exchange rate as at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Income and Expenditure Statement.

1.5 Financial assets comprising the investment portfolio currently managed for the council by Ruffer Limited Liability Partnership are recognised as fair value through profit or loss. Financial assets (investments and debtors) and financial liabilities (borrowing and creditors) are recognised at amortised cost.

2. Investment property

The Fund owns a number of properties across the city, which are held to generate rental income or for capital appreciation. They are, therefore, accounted for as investment property and held at fair value in accordance with the Code. The fair value must reflect market conditions at the balance sheet date and thus the fair value of investment property is reviewed annually for material differences. Gains or losses arising from changes in the fair value of the investment property are recognised in the Surplus or Deficit on the Provision of Services. Investment properties are not depreciated. The consumption of the economic benefits in the asset over time is, instead, automatically reflected in the property’s fair value. All the investment properties are leased under operating leases to third parties. The amounts received in rental income are detailed at note 7 (page 82).

3. Fair value measurement of investment property

Each financial year, a valuation report is prepared for Common Good assets which incorporates the methodology employed by the valuer in arriving at their opinion of value. The methodology includes comparable data which is recognised in accordance with the fair value measurement hierarchy. The valuers seek to minimise the volume of unobservable inputs and maximise the volume of observable inputs in forming their opinion of value. For Common Good assets, the valuation inputs comprise level 2 inputs with adjustments not limited to location, rental growth, lease terms, covenants, costs, discount rates and vacancy levels. For 2025/26, both the income and market valuation techniques were widely adopted in forming opinions of fair value. The resulting valuation was £3.243 million at 31 March 2026.

4. Short and long-term investments

The Fund's investments were managed by Ruffer Limited Liability Partnership during the year. The fair value of investments as at 31 March 2026 was £16.254 million (£15.811 million at 31 March 2025). These are split between short and long-term investments on the Common Good Fund Balance Sheet. In terms of the fair value measurement hierarchy, short and long-term investments are considered to be valuations at level 1, being quoted prices (unadjusted) in active markets for identical assets that can be accessed at the measurement date.

The investment objective of the Fund is to achieve low volatility, positive returns from an actively managed portfolio of different asset classes, including internationally listed or quoted equities or equity related securities (including convertibles) or bonds, which are issued by corporate issuers, supra-nationals or government organisations, and currencies. The portfolio may also be invested in collective investment schemes, cash and money market instruments. Pervading this objective is a fundamental philosophy of capital preservation. The principal performance objective of the portfolio is to achieve a positive total annual return, after all expenses, of double the Bank of England base rate. Actual performance for the year to 31 March 2026 was 8.15%.

5. Cash and cash equivalents

Cash and cash equivalents of £0.745 million represents the balance held in the council's loans fund at 31 March 2026 (£0.937 million at 31 March 2025).

6. Reserves

The Code requires reserves to be summarised as Usable and Unusable Reserves. The Usable Reserve represents the accumulated Surplus on the Provision of Services. Following the introduction of IFRS 9 'Financial Instruments' in 2018/19 the cumulative gains/losses on unrealised equities now sit in the usable reserve and can fluctuate dependant on fund performance.

During 2025/26 the Surplus on the Provision of Services totalled £0.273 million, £0.239 million in relation to unrealised gains in addition to £0.034 million in relation to ordinary activities. At 31 March 2026, the usable reserves balance is £20.274 million all relating to ordinary activities. In line with proper accounting practice, any element of the reserve related to unrealised gains may only be used to meet future unrealised losses and is not available to support ordinary activities.

There are currently no unusable reserves.

7. Analysis of income and expenditure

The following table provides an analysis of the Fund's income and expenditure:

2024/25 £000		**2025/26 £000**	**%**
	Where the money came from		
(1,147)	Interest and gains on investments	(467)	50
(606)	Rental income	(414)	44
(45)	Other receipts	(57)	6
(1,798)	**Total income**	**(938)**	**100**
	How the money was spent		
360	Civic hospitality	475	72
2,068	Investment property costs	86	13
151	Treasury management	1	0
0	Impairment losses on investments	0	0
99	Other supplies and services	103	15
2,678	**Total expenditure**	**665**	**100**
880	**(Surplus) or Deficit on the Provision of Services**	**(273)**	

❖ Sundry Trusts and Funds

Introduction

Sundry Trusts and Funds have been set up from donations made by various individuals and organisations over many years. It is generally the case that only income arising from these funds can be disbursed each year, thus ensuring that resources are available to meet their continuing requirements.

A total of 13 Sundry Trusts were held at 31 March 2026, with an overall balance of £17.744 million (£16.258 million at 31 March 2025).

The tables below include the 13 Sundry Trusts, distinguishing whether Glasgow City Council is sole trustee or not:

		Glasgow City Council is sole trustee	
Balance 2024/25 £000	**Name of Fund**	**Objectives**	**Balance 2025/26 £000**
Charities			
1,113	Lord Provost's Children's Fund	The prevention or relief of poverty, the advancement of education, the advancement of citizenship or community development and the relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage – beneficiaries of school age and under	1,152
1,011	Lord Provost's Fund for Older People	The prevention or relief of poverty, the advancement of citizenship or community development, the relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage – beneficiaries of retiral age	1,062
3,352	Lord Provost's Fund for Vulnerable Citizens	The prevention or relief of poverty, the advancement of education, the advancement of citizenship or community development, the relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage – beneficiaries between school age and retiral age	3,557
5,476		**Charities**	**5,771**
Non-Charities			
22	Glasgow Education Trust	General purpose – education in schools	23
67	Glasgow Necropolis Fund	For the upkeep of the Necropolis	25
15	Southern Necropolis Lair Fund	For the upkeep of lairs and stones in Southern Necropolis	0
7,893	Art and Museum Purchase Fund	For the purchase of works of art for the council	9,045
322	Donald McPherson	For the purchase of books at the Mitchell Library	349
36	Louis E Campbell Bequests	For the purchase of books at the Mitchell Library	36
76	Mitchell Centenary Fund	For the purchase of books at the Mitchell Library	82
51	Barbara Collier Trust Fund	To advance the education and help assist pupils at Hyndland Secondary School to achieve a place at University	35
0	Lord Provost/Lady Provost Lunch	To raise funds for good causes	0
8,482		**Non-Charities**	**9,595**
13,958		**Total**	**15,366**

Glasgow City Council is not sole trustee			
Balance 2024/25 £000	**Name of Fund**	**Objectives**	**Balance 2025/26 £000**
Charities			
2,300	Blindcraft Trust Fund	Provide support of the blind or visually impaired	2,378
2,300		**Charities**	**2,378**

Of the Sundry Trusts reported, 4 have charitable status, with a Total Reserves balance of £8.149 million at 31 March 2026 (£7.776 million at 31 March 2025). The remaining 9 trusts with non-charitable status have a Total Reserves balance of £9.595 million at 31 March 2026 (£8.482 million at 31 March 2025).

Sundry Trusts and Funds Movement in Reserves Statement

	Total Usable Reserves £000
Balance at 31 March 2024	**16,195**
Movement in reserves during 2024/25:	
Total Comprehensive Income and (Expenditure)	63
Increase or (Decrease) in the year	**63**
Balance at 31 March 2025	**16,258**
Movement in reserves during 2025/26:	
Total Comprehensive Income and (Expenditure)	1,486
Increase or (Decrease) in the year	**1,486**
Balance at 31 March 2026	**17,744**

Comprehensive Income and Expenditure Statement for the Year ended 31 March 2026

2024/25 Charities £000	2024/25 Non – Charities £000	2024/25 Total £000	Sundry Trusts and Funds	Note	2025/26 Charities £000	2025/26 Non – Charities £000	2025/26 Total £000
379	192	571	Expenditure		366	80	446
(107)	(3)	(110)	Income		(117)	(512)	(629)
272	**189**	**461**	**Cost of Services**		**249**	**(432)**	**(183)**
(253)	(271)	(524)	Interest and investment (income) and expenditure		(622)	(681)	(1,303)
(253)	**(271)**	**(524)**	**Financing and Investment (Income) and Expenditure**		**(622)**	**(681)**	**(1,303)**
19	**(82)**	**(63)**	**(Surplus) or Deficit on the Provision of Services**		**(373)**	**(1,113)**	**(1,486)**
19	**(82)**	**(63)**	**Total Comprehensive (Income) and Expenditure**		**(373)**	**(1,113)**	**(1,486)**

Balance Sheet as at 31 March 2026

2024/25 Charities £000	2024/25 Non – Charities £000	2024/25 Total £000	Sundry Trusts and Funds	Note	2025/26 Charities £000	2025/26 Non – Charities £000	2025/26 Total £000
7,678	8,336	16,014	Long-term investments	**1**	8,049	8,964	17,013
0	0	0	Short-term debtors		1	0	1
120	199	319	Cash and cash equivalents	**2**	123	631	754
120	**199**	**319**	**Current Assets**		**124**	**631**	**755**
(22)	(53)	(75)	Short-term creditors		(24)	0	(24)
(22)	**(53)**	**(75)**	**Current Liabilities**		**(24)**	**0**	**(24)**
7,776	**8,482**	**16,258**	**Net Assets**		**8,149**	**9,595**	**17,744**
7,776	8,482	16,258	Usable Reserves	**3**	8,149	9,595	17,744
7,776	**8,482**	**16,258**	**Total Reserves**		**8,149**	**9,595**	**17,744**

Notes to the Accounts

1. Long-term investments

The fair value of investments managed by Ruffer Limited Liability Partnership at 31 March 2026 was £16.963 million (£15.964 million at 31 March 2025). The investment objectives of the Fund is to preserve the capital over rolling 12 month periods, and secondly to grow the portfolio at a higher rate (after fees) than could reasonably be expected from depositing the cash in a UK bank. The Fund is invested in a variety of different asset classes, including fixed interest stocks and equities (both UK and international), and an allocation of other risk investments designed to improve the overall return, but never to the extent of risking serious capital loss.

Further long-term investments held at 31 March 2026 total £0.050 million (£0.050 million at 31 March 2025) relating to a National Savings Deposit Bond.

In terms of the fair value measurement hierarchy the long-term investments measured at fair value are considered Level 1 being quoted prices (unadjusted) in active markets for identical assets that can be accessed at the measurement date.

2. Cash and cash equivalents

Cash and cash equivalents of £0.754 million represents the balance held in the council's loans fund at 31 March 2026 (£0.319 million at 31 March 2025).

3. Reserves

The Code requires reserves to be summarised as Usable and Unusable Reserves. The Usable Reserve represented the accumulated Surplus on the Provision of Services. Following the introduction of IFRS 9 'Financial Instruments' in 2018/19 the cumulative gains/losses on unrealised equities now sit in the usable reserve and can fluctuate dependant on fund performance.

During 2025/26 the Surplus on the Provision of Services totalled £1.486 million, an increase of £1.016 million in relation to unrealised gains and an increase of £0.470 million in relation to ordinary activities. At 31 March 2026, the usable reserves balance is £17.744 million, £12.988 million relates to unrealised gains and £4.756 million relates to ordinary activities. In line with proper accounting practice, any element of the reserve related to unrealised gains may only be used to meet future unrealised losses and is not available for ordinary activities.

There are currently no unusable reserves.

Group Financial Statements

Introduction

The Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 places a requirement on authorities to consider all their interests in external organisations, including limited companies and other statutory bodies. Where the interest is considered to be material, the authority is required to prepare a full set of Group Financial Statements, in addition to those prepared for the authority's single entity Financial Statements. The Group Financial Statements are designed to give a 'true and fair view' of the financial performance and position of the council's group.

Combining entities

The council has created a number of companies, commonly known as Arms' Length External Organisations (ALEOs), to further council objectives. Where the council has a 'controlling interest', these ALEOs are termed 'subsidiaries'. The council also has a 'significant interest' in a number of ALEOs, other companies and statutory bodies that are termed 'associates', and is an equal partner in the Glasgow City Integration Joint Board with NHS Greater Glasgow and Clyde, which is termed as a 'joint board'. The subsidiaries, associates and joint board representing the combining entities are listed below. Additional information on these entities can be found in note 5 on pages 97 to 103.

Basis of consolidation

The Group Financial Statements for the year ended 31 March 2026 have been prepared on the basis of a full consolidation, with all financial transactions and balances of the council and its material subsidiaries consolidated on a line-by-line basis. Capital transactions between group members have not been eliminated. Associates and joint boards have been incorporated using the equity method, where an opening investment is recognised in the Group Balance Sheet and adjusted each year by the council's share of the associate's operating results, and other gains and losses. The pension reserves of material subsidiaries and the share of City Building (Glasgow) pension reserve are disclosed as usable group reserves; distinct from the unusable pension reserves of the authority and other associates, permitted under statute. Note 5 on pages 97 to 103 provides detail on the unaudited accounts position of combining entities. As part of the Group consolidation adjustments pension assets have been recognised for these entities in line with the accounting policy adopted by the council. The accounting periods for all entities are for the year to 31 March 2026.

Changes to group structure

During the year to 31 March 2026 there were no changes to the group structure.

Subsidiaries

- Scottish Event Campus Limited
- City Building (Contracts) Limited Liability Partnership
- Culture and Sport Glasgow, trading as Glasgow Life
- City Property Glasgow (Investments) LLP
- City Property Glasgow (Operations SL1) LLP
- City Property Glasgow (Operations SL2) LLP

- City Property Glasgow (Operations SL3) LLP
- City Property Glasgow (Operations SL) Limited
- City Property Glasgow (SL Operations 3) Limited
- Jobs & Business Glasgow

Associates and Joint Ventures

- Strathclyde Partnership for Transport
- Strathclyde Concessionary Travel Scheme
- Glasgow City Integration Joint Board
- City Building (Glasgow) Limited Liability Partnership

Group Comprehensive Income and Expenditure Statement for the Year ended 31 March 2026

2024/25 Exp. £000	*2024/25 Income £000*	*2024/25 Net Exp. £000*	Service	Note	2025/26 Exp. £000	2025/26 Income £000	2025/26 Net Exp. £000
153,764	(34,806)	118,958	Chief Executive's Office		166,001	(33,208)	132,793
923,549	(52,832)	870,717	Education Services		948,804	(52,086)	896,718
344,591	(253,298)	91,293	Financial Services		301,481	(204,579)	96,902
505,957	(235,504)	270,453	Neighbourhoods, Regeneration and Sustainability		474,009	(276,259)	197,750
1,520,514	(920,989)	599,525	Social Work Services		1,653,096	(1,011,260)	641,836
20,174	(33)	20,141	Related Companies and Joint Boards		11,576	(22)	11,554
100	0	100	Equal Pay Obligation		0	0	0
500	(12)	488	Common Good Fund	7	157	(4)	153
571	(110)	461	Sundry Trusts	7	446	(579)	(133)
30,544	(42,273)	(11,729)	City Building (Contracts) LLP		63,383	(18,005)	45,378
1,713	(2,184)	(471)	City Property Glasgow (Investments) LLP		1,751	(1,663)	88
524	0	524	City Property Glasgow (Operations SL2) LLP		649	0	649
135,069	(34,059)	101,010	Culture and Sport Glasgow		138,704	(44,350)	94,354
5,693	(802)	4,891	Jobs & Business Glasgow		6,270	(1,608)	4,662
46,050	(53,706)	(7,656)	Scottish Event Campus Ltd		57,085	(58,997)	(1,912)
3,689,313	**(1,630,608)**	**2,058,705**	**Cost of Services**		**3,823,412**	**(1,702,620)**	**2,120,792**
0	(3,916)	(3,916)	(Gain) or loss on the disposal of Property, Plant and Equipment.		0	(95)	(95)
0	(134)	(134)	Gain on entry into peppercorn lease		0	0	0
0	**(4,050)**	**(4,050)**	**Other Operating Expenditure**		**0**	**(95)**	**(95)**
129,281	0	129,281	Interest payable and similar charges		123,134	0	123,134
0	(23,511)	(23,511)	Interest and investment income		0	(20,530)	(20,530)
14,894	(1,408)	13,486	Net interest on the net defined benefit liability	11	14,777	0	14,777
26,680	(45,218)	(18,538)	Income, expenditure and changes in the fair value of investment properties	15	34,401	(63,602)	(29,201)
0	(615)	(615)	Minority interest		0	(369)	(369)
170,855	**(70,752)**	**100,103**	**Financing and Investment Income and Expenditure**		**172,312**	**(84,501)**	**87,811**
0	(1,266,540)	(1,266,540)	Non-ringfenced Government grants		0	(1,331,686)	(1,331,686)
0	(386,817)	(386,817)	Non-Domestic Rates		0	(402,292)	(402,292)
0	(276,965)	(276,965)	Council Tax / Community Charge		0	(301,782)	(301,782)
0	(83,234)	(83,234)	Capital grants and contributions		0	(131,190)	(131,190)
0	**(2,013,556)**	**(2,013,556)**	**Taxation and Non-specific Grant Income**		**0**	**(2,166,950)**	**(2,166,950)**
3,860,168	**(3,718,966)**	**141,202**	**(Surplus) or Deficit on the Provision of Services**		**3,995,724**	**(3,954,166)**	**41,558**
		(64,343)	Share of (surplus) or deficit on provision of services by associates				(32,276)
		2,513	Tax expenses or (receipts) of subsidiaries	13			1,741
		79,372	**Group (Surplus) or Deficit**				**11,023**
			Items that will not be reclassified to the (Surplus) or Deficit on the Provision of Services				
		(142,039)	(Surplus) or deficit on revaluation of Property, Plant and Equipment				(264,070)
		(190,002)	Actuarial (gains) or losses on Pension Assets and Liabilities	11			(102,642)
		2,250	Other unrealised (gains) or losses				2,750
		35,584	Share of other comprehensive (income) and expenditure of associates				(27,138)
		615	Minority interest				369
		(293,592)	**Other Comprehensive (Income) and Expenditure**				**(390,731)**
		(214,220)	**Total Comprehensive (Income) / Expenditure**				**(379,708)**

Group Movement in Reserves Statement for the year ended 31 March 2026

Movement in Reserves Statement	General Fund Reserve £000	Revenue Reserve Fund £000	Capital Reserve Fund £000	Capital Grants Unapplied Account £000	**Total Usable Reserves £000**	**Total Unusable Reserves £000**	**Total Authority Reserves £000**	**Authority's share of Usable Reserves of Subsidiaries & Associates £000**	**Authority's share of Unusable Reserves of Subsidiaries & Associates £000**	**Minority Interest £000**	**Total Reserves £000**
Balance as at 31 March 2024	**141,155**	**23,844**	**35,423**	**15,923**	**216,345**	**2,103,855**	**2,320,200**	**557,597**	**222,366**	**9,875**	**3,110,038**
Total comprehensive income and (expenditure)	(276,956)	0	0	0	(276,956)	254,821	(22,135)	277,552	(41,834)	637	214,220
Adjustments to usable reserves permitted by accounting standards	43,445	0	0	0	43,445	(43,445)	0	0	0	0	0
Adjustments between group and authority accounts: Purchase of goods and services between subsidiaries	97,935	0	0	0	97,935	0	97,935	(97,935)	0	0	0
Transfers (to) or from other statutory reserves	8,957	925	(9,882)	0	0	0	0	0	0	0	0
Increase or (decrease) before transfers	**(126,619)**	**925**	**(9,882)**	**0**	**(135,576)**	**211,376**	**75,800**	**179,617**	**(41,834)**	**637**	**214,220**
Adjustments between accounting and funding basis under statutory provisions	116,052	0	0	(3,225)	112,827	(112,827)	0	(55,835)	55,835	0	0
Increase or (decrease) in the year	**(10,567)**	**925**	**(9,882)**	**(3,225)**	**(22,749)**	**98,549**	**75,800**	**123,782**	**14,001**	**637**	**214,220**
Balance as at 31 March 2025	**130,588**	**24,769**	**25,541**	**12,698**	**193,596**	**2,202,404**	**2,396,000**	**681,379**	**236,367**	**10,512**	**3,324,258**
Total comprehensive income and (expenditure)	(230,904)	0	0	0	(230,904)	349,258	118,354	268,208	(7,223)	369	379,708
Adjustments to usable reserves permitted by accounting standards	51,280	0	0	0	51,280	(51,280)	0	0	0	0	0
Adjustments between group and authority accounts: Purchase of goods and services between subsidiaries	147,286	0	0	0	147,286	0	147,286	(147,286)	0	0	0
Transfers (to) or from other statutory reserves	(18,210)	(6,084)	24,294	0	0	0	0	0	0	0	0
Increase or (decrease) before transfers	**(50,548)**	**(6,084)**	**24,294**	**0**	**(32,338)**	**297,978**	**265,640**	**120,922**	**(7,223)**	**369**	**379,708**
Adjustments between accounting and funding basis under statutory provisions	74,714	0	0	6,606	81,320	(81,320)	0	(4,448)	4,448	0	0
Increase or (decrease) in the year	**24,166**	**(6,084)**	**24,294**	**6,606**	**48,982**	**216,658**	**265,640**	**116,474**	**(2,775)**	**369**	**379,708**
Balance as at 31 March 2026	**154,754**	**18,685**	**49,835**	**19,304**	**242,578**	**2,419,062**	**2,661,640**	**797,853**	**233,592**	**10,881**	**3,703,966**

Group Balance Sheet as at 31 March 2026

31 March 25 £000		Note	£000	31 March 26 £000
2,374,705	Other land and buildings		2,497,946	
73,068	Vehicles, plant, furniture and equipment		78,482	
867,378	Infrastructure assets		877,636	
821,732	Right of use assets		860,822	
24,459	Community assets		24,563	
53,789	Assets under construction		171,465	
42,940	Corporate surplus assets		39,475	
4,258,071	**Property, Plant and Equipment**	**14**		4,550,389
1,183,769	Heritage assets			1,190,994
226,281	Investment property	**15**		225,276
34,427	Intangible assets	**16**		34,289
31,984	Long-term investments	**17**		33,502
303,613	Investments in associates and joint boards	**19**		363,027
24,699	Long-term debtors	**17**		22,713
273,055	Net pension asset	**11**		314,922
6,335,899	**Long-term Assets**			**6,735,112**
7	Short-term investments	**17**		8
3,683	Inventories			3,864
293,537	Net short-term debtors	**17**		349,197
288,506	Cash and cash equivalents	**17,20**		258,185
3,022	Assets held for sale			1,765
588,755	**Current Assets**			**613,019**
(164,207)	Short-term borrowing	**18**		(182,099)
(507,016)	Short-term creditors	**21**		(570,421)
(6,038)	Short-term provisions			(4,364)
0	Current tax liability			(1,578)
(677,261)	**Current Liabilities**			**(758,462)**
(21,381)	Long-term provisions			(20,688)
(2,346,471)	Long-term borrowing	**18**		(2,337,921)
(240,277)	Unfunded pension liability	**11**		(234,364)
(282,695)	Deferred liabilities	**22**		(261,459)
(5,600)	Deferred tax liability			(5,600)
(18,129)	Deferred grants	**23**		(17,632)
(5,240)	Deferred income			(6,090)
(3,342)	Capital grants receipts in advance			(1,949)
(2,923,135)	**Long-term Liabilities**			**(2,885,703)**
3,324,258	**Net Assets**			**3,703,966**
130,588	General Fund Reserve		154,754	
24,769	Revenue Reserve Funds		18,685	
25,541	Capital Reserve Funds		49,835	
12,698	Capital Grants Unapplied Account		19,304	
193,596	Usable Reserves			242,578
2,202,404	Unusable Reserves			2,419,062
928,258	Group Reserves			1,042,326
3,324,258	**Total Reserves**			**3,703,966**

The unaudited accounts were issued on 30 June 2026

Robert Emmott BSc (Hons) CPFA
Executive Director of Financial Services
30 June 2026

Group Cash Flow Statement for the Year ended 31 March 2026

2024/25 £000		**2025/26 £000**
141,202	Group (Surplus) or Deficit on the Provision of Services	41,558
(204,162)	Adjustments to net (surplus) or deficit on the provision of services for non-cash movements	(202,082)
44,984	Adjustments for items included in the net (surplus) or deficit on the provision of services that are investing and financing activities	18,028
0	Taxation	1,741
(17,976)	**Net cash flows from operating activities**	**(140,755)**
(707)	Investing activities	137,787
(43,857)	Financing activities	33,289
(62,540)	**Net (increase) or decrease in Cash and cash equivalents**	**30,321**
(225,966)	Cash and cash equivalents at the beginning of the reporting period	(288,506)
(288,506)	**Cash and cash equivalents at the end of the reporting period**	**(258,185)**

❖ Notes to the Group Financial Statements

1. Group accounting policies

The group's accounting policies align with those specified for the single entity's Financial Statements (pages 22 to 34). Group accounts have been prepared using uniform accounting policies for like transactions and events. The accounting policies of subsidiaries, associates and joint ventures shall align with those of the single entity. Where material differences exist, appropriate adjustments are made to the financial statements of the relevant group members when preparing the group accounts to ensure compliance with the group's accounting policies. Within the Group Balance Sheet and Cash Flow Statement, there are a number of line items that have material differences to the council statements for which separate notes have not been included. These differences arise due to the standard consolidation procedures whereby component entity balances are added and inter-group transactions eliminated. The changes in these notes are the results of the normal consolidation process and further explanation of these differences is not considered to alter the readers understanding of the notes presented within the council and group financial statements. Specific group policies are as follows:

1.1. Goodwill

The council inherited its interest in Scottish Event Campus Limited, Strathclyde Partnership for Transport and Strathclyde Concessionary Travel Scheme as a result of local government reorganisation in April 1996. There was no goodwill on acquisition.

1.2. Going concern

All group members have prepared their accounts on a going concern basis. In common with these public bodies, the council's Group Financial Statements have been prepared on a going concern basis, as it is expected that funding, aligned with robust budget processes, will continue to provide sufficient resources.

1.3. Pensions

Disclosure of information relating to the pensions of Glasgow City Council, its subsidiaries and associates follows the reporting requirements of IAS19 Employee Benefits.

Glasgow City Council, City Building (Contracts) LLP, Culture and Sport Glasgow, and Jobs & Business Glasgow are members of the Local Government Pension Scheme, a defined benefit scheme. The cost of providing pensions for employees was charged to the Group Comprehensive Income and Expenditure Statement in accordance with the Code.

Strathclyde Partnership for Transport is also an admitted body of the Local Government Pension Scheme and has used the asset ceiling method to arrive at their net asset valuation.

Scottish Event Campus Limited and Jobs & Business Glasgow operate defined contribution schemes on behalf of their employees. For these defined contribution schemes, the pension costs reported for the year are equal to the contributions payable to the scheme for the accounting period and are included within Cost of Services in the Group Comprehensive Income and Expenditure Statement. Assets or liabilities are recognised only to the extent that they are prepaid or outstanding at the year end.

1.4. Common Good Fund and Sundry Trusts

Expenditure and income associated with the Common Good Fund and Sundry Trusts are included within Cost of Services in the Group Comprehensive Income and Expenditure Statement. Trading between the Common Good Fund, Sundry Trusts and the group has been eliminated.

1.5. Depreciation

For the group and its associates, depreciation has been provided on a straight-line basis for the following long-term assets:

Category	Useful Life (years)
Buildings	5 - 60
Plant, Vehicles and Equipment	1 - 20
Infrastructure	10 - 40
Surplus Property	40
Surplus Equipment	10
Rolling Stock	1 - 25
Sundry Assets	1 - 25

2. Assumptions about the future and other sources of estimation uncertainty

The Group Financial Statements contain estimated figures that are based on assumptions made by the group about the future or outcomes that are otherwise uncertain. Estimates are made considering historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The item in the Group Balance Sheet at 31 March 2026 for which there is a significant risk of material adjustment in the forthcoming financial year is as follows:

Item	Uncertainties	Effect if results differ from assumptions
Pensions liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which pay is projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Strathclyde Pension Fund has engaged a firm of consulting actuaries to provide expert advice about the assumptions to be applied. The IAS19 report value shows pension assets of £6,938 million and pension liabilities of £4,539 million. In accordance with proper accounting practice, the asset is limited to the forecast reductions in contributions as compared to the future service costs. This has resulted in the group pensions asset being recognised at £314.9 million. A 1% movement on assets and liabilities would be £69 million and £45 million respectively, both significant sums. Note 11 on pages 108 to 112 provides further disclosure on Pension costs.	The effects on the net pension liability of changes in individual assumptions can be measured. The actuary has estimated that a 0.1% decrease in the real discount rate would result in an increase to the pension liability of £69 million. Similarly, a 0.1% increase in the rate of salary increase and pension increase rates would increase the liability by £5 million and £64 million respectively. In terms of life expectancy, an increase of 1 year is estimated to equate to an increased liability of £181 million.

3. Group Expenditure and Funding Analysis for the Year ended 31 March 2026

2024/25 Net (Income)/ Expenditure Chargeable to the General Fund £000	*2024/25 Adjustments £000*	*2024/25 Net Expenditure in the CIES £000*	**Service**	**2025/26 Net (Income)/ Expenditure Chargeable to the General Fund £000**	**2025/26 Adjustments £000**	**2025/26 Net Expenditure in the CIES £000**
103,220	15,738	118,958	Chief Executive's Office	118,324	14,469	132,793
797,560	73,157	870,717	Education Services	820,275	76,443	896,718
147,550	(56,257)	91,293	Financial Services	159,298	(62,396)	96,902
195,486	74,967	270,453	Neighbourhoods, Regeneration and Sustainability	161,684	36,066	197,750
568,203	31,322	599,525	Social Work Services	617,388	24,448	641,836
17,406	2,735	20,141	Related Companies and Joint Boards	8,682	2,872	11,554
100	0	100	Equal Pay Obligations	0	0	0
488	0	488	Common Good Fund	153	0	153
461	0	461	Sundry Trusts	(133)	0	(133)
(13,421)	1,692	(11,729)	City Building (Contracts) LLP	44,744	634	45,378
8,268	(8,739)	(471)	City Property Glasgow (Investments) LLP	9,138	(9,050)	88
524	0	524	City Property Glasgow (Operations SL2) LLP	649	0	649
96,879	4,131	101,010	Culture and Sport Glasgow	86,413	7,941	94,354
4,292	599	4,891	Jobs & Business Glasgow	4,316	346	4,662
(7,464)	(192)	(7,656)	Scottish Event Campus Ltd	(1,912)	0	(1,912)
1,919,552	**139,153**	**2,058,705**	**Cost of Services**	**2,029,019**	**91,773**	**2,120,792**
(1,978,798)	**(535)**	**(1,979,333)**	**Other (Income) and Expenditure**	**(2,125,881)**	**16,112**	**(2,109,769)**
(59,246)	**138,618**	**79,372**	**Group (Surplus) or Deficit**	**(96,862)**	**107,885**	**11,023**
		698,752	**Opening General Fund Balance**			811,967
		59,246	Surplus/(Deficit) on General Fund in Year			96,862
		53,969	Transfers (to)/from Other Statutory Reserves			43,778
		811,967	**Closing General Fund Balance**			**952,607**

Note to the Group Expenditure and Funding Analysis – Adjustments

2024/25 Adjustments for Capital Purposes £000	*2024/25 Net Change for the Pensions Adjustments £000*	*2024/25 Other Differences £000*	*2024/25 Total Adjustments £000*	**Service**	**2025/26 Adjustments for Capital Purposes £000**	**2025/26 Net Change for the Pensions Adjustments £000**	**2025/26 Other Differences £000**	**2025/26 Total Adjustments £000**
19,100	(3,303)	(59)	15,738	Chief Executive's Office	13,838	277	354	14,469
61,899	12,982	(1,724)	73,157	Education Services	67,514	5,148	3,781	76,443
577	8,127	(64,961)	(56,257)	Financial Services	534	5,224	(68,154)	(62,396)
62,870	11,336	761	74,967	Neighbourhoods, Regeneration and Sustainability	29,661	5,224	1,181	36,066
4,364	28,425	(1,467)	31,322	Social Work Services	6,543	17,424	481	24,448
0	0	2,735	2,735	Related Companies and Joint Boards	0	0	2,872	2,872
0	0	0	0	Equal Pay Obligations	0	0	0	0
0	1,692	0	1,692	City Building (Contracts) LLP	0	634	0	634
0	0	(8,739)	(8,739)	City Property Glasgow (Investments) LLP	0	0	(9,050)	(9,050)
840	11,367	(8,076)	4,131	Culture and Sport Glasgow	3,599	8,125	(3,783)	7,941
280	233	86	599	Jobs & Business Glasgow	(85)	399	32	346
3,692	1,030	(4,914)	(192)	Scottish Event Campus Ltd	3,990	1,136	(5,126)	0
153,622	**71,889**	**(86,358)**	**139,153**	**Cost of Services**	**125,594**	**43,591**	**(77,412)**	**91,773**
(74,950)	**13,482**	**60,933**	**(535)**	**Other (Income) and Expenditure**	**(62,840)**	**14,777**	**64,175**	**16,112**
78,672	**85,371**	**(25,425)**	**138,618**	**(Surplus) or Deficit on the Provision of Services**	**62,754**	**58,368**	**(13,237)**	**107,885**

4. Reserves

The group holds a number of reserves in the Balance Sheet for a variety of purposes. These are classified as either 'Usable' or 'Unusable' Reserves. Usable Reserves are those that can be applied to fund expenditure or reduce taxation. Usable Reserves can also be earmarked for future spending plans. Unusable Reserves are generally required to comply with proper accounting practice or statute.

2024/25 £000	Group Reserves	2025/26 £000
163,659	Group reserves (income and expenditure)	215,107
90,715	Unrestricted revenue reserve funds	97,119
15,383	Restricted revenue reserve funds	16,190
411,622	Unrestricted revenue reserve funds	469,437
681,379	**Total Usable Group Reserves**	**797,853**
2	Share capital	2
135,681	Revaluation reserve of group entities and share of associates	125,793
100,727	Capital adjustment account	107,896
(43)	Employee statutory adjustments account	(99)
236,367	**Total Unusable Group Reserves**	**233,592**
917,746	**Total Group Reserves**	**1,031,445**
10,512	Minority interest	10,881
928,258	**Total Group Reserves Including Minority Interest**	**1,042,326**

5. Combining entities

5.1. Scottish Event Campus Limited

Scottish Exhibition Centre Limited was incorporated under the terms of the Companies Acts to promote international exhibitions, conferences and events on 4 March 1983 and formally changed its name to Scottish Event Campus Limited on 26 January 2017. The council is the principal shareholder in the company holding 19,900,000 ordinary £1 shares, representing 90.87% of the issued share capital. Under accounting standards, the council has a controlling interest in this company. It is, therefore, included in the Group Financial Statements as a subsidiary.

Net assets of the company were £31.156 million at 31 March 2026 compared to £27.112 million at 31 March 2025. The profit on ordinary activities after taxation for the year to 31 March 2026 was £4.044 million, compared to a profit of £3.953 million for the period to 31 March 2025. The limit of the council's commitment to meet accumulated losses is £0.200 million (exclusive of RPI increases), in addition to the value of any rates paid or payable in the year for the conference centre. No dividend payments were due to, or received by, the council in respect of its investment.

The latest set of unaudited accounts is for the year to 31 March 2026. When available, copies of the audited accounts may be obtained from the Chief Executive, Scottish Event Campus Limited, Glasgow G3 8YW.

5.2. City Building (Contracts) Limited Liability Partnership

City Building (Contracts) Limited Liability Partnership was incorporated on 2 October 2006 to provide construction and repairs services to local authorities, other public sector organisations and the private sector. The council is the principal member of the partnership, holding 99.99% of the ordinary capital. Under accounting standards, the council has a controlling interest in this company. It is, therefore, included in the Group Financial Statements as a subsidiary.

After accounting for IAS19 Employee Benefits, the net assets of the partnership remained at £0.001 million at 31 March 2026, which was also the net assets of the partnerships at 31 March 2025. The loss on ordinary activities before and after taxation for the year to 31 March 2026 was £0.258 million, compared to a profit of £0.112 million for the year to 31 March 2025.

The latest set of unaudited accounts is for the year to 31 March 2026. When available, copies of the audited accounts may be obtained from the Managing Director, City Building (Contracts) Limited Liability Partnership, 350 Darnick Street, Glasgow G21 4BA.

5.3. Culture and Sport Glasgow, trading as Glasgow Life

Culture and Sport Glasgow was incorporated on 22 December 2006 as a company limited by guarantee, with Glasgow City Marketing Bureau Limited incorporated within Culture and Sport Glasgow, as a wholly owned subsidiary, from 1 April 2016. The company is also a registered charity, with Glasgow City Council being the sole member. The limit of the council's liability, if the company was wound up, is £1. Under accounting standards, the council has a controlling interest in this company. It is, therefore, included in the Group Financial Statements as a subsidiary.

The company's principal objectives are to advance the arts, heritage, culture and science, education and health, participation in sport, citizenship and community development, through the provision of recreational facilities and other services that contribute to the advancement of well-being.

After accounting for IAS19 Employee Benefits, the net assets of the company were £54.393 million at 31 March 2026, compared to net assets of £51.420 million at 31 March 2025. The loss on ordinary activities after taxation for the year to 31 March 2026 was £1.302 million, compared to a profit of £0.314 million for the year to 31 March 2025.

The latest set of unaudited accounts is for the year to 31 March 2026. When available, copies of the audited accounts may be obtained from the Chief Executive, Culture and Sport Glasgow, Commonwealth House, 38 Albion Street, Glasgow G1 1LH.

5.4. City Property Glasgow (Investments) LLP

City Property Glasgow (Investments) Limited Liability Partnership was incorporated on 13 August 2009 to acquire and manage Glasgow City Council's investment property portfolio. The council is the principal member of the partnership, holding 99.999% of the ordinary capital. Under accounting standards, the council has a controlling interest in this company. It is, therefore, included in the Group Financial Statements as a subsidiary.

The net assets of the partnership were £110.175 million at 31 March 2026, compared to £109.096 million at 31 March 2025. The profit on ordinary activities before and after taxation for the year to 31 March 2026 was £9.926 million, compared to £9.119 million for the period to 31 March 2025.

The latest set of unaudited accounts is for the year to 31 March 2026. When available, copies of the audited accounts may be obtained from the Managing Director, City Property Glasgow (Investments) Limited Liability Partnership, Ground Floor, Exchange House, 229 George Street, Glasgow G1 1QU.

5.5. City Property Glasgow (Operations SL1) LLP

City Property Glasgow (Operations SL1) LLP was incorporated on 28 March 2019 to facilitate funding agreements in relation to settling the council's equal pay liability.

The council is the principal member of the partnership, holding 99.999% of the ordinary capital. Under accounting standards, the council has a controlling interest in this company. It is, therefore, included in the Group Financial Statements as a subsidiary.

The net assets of the partnership were £23.572 million at 31 March 2026 compared to £36.526 million at 31 March 2025. The loss on ordinary activities before and after taxation for the year to 31 March 2026 was £12.954 million compared to a loss of £8.091 million for the year to 31 March 2025.

The latest set of unaudited accounts is for the year to 31 March 2026. When available, copies of the audited accounts may be obtained from the Managing Director, City Property Glasgow (Operations SL1) LLP, Ground Floor, Exchange House, 229 George Street, Glasgow G1 1QU.

5.6. City Property Glasgow (Operations SL2) LLP

City Property Glasgow (Operations SL2) LLP was incorporated on 28 March 2019 to facilitate funding agreements in relation to settling the council's equal pay liability.

The council is the principal member of the partnership, holding 99.999% of the ordinary capital. Under accounting standards, the council has a controlling interest in this company. It is, therefore, included in the Group Financial Statements as a subsidiary.

The net assets of the partnership were £58.176 million at 31 March 2026 compared to £66.872 million at 31 March 2025. The profit on ordinary activities before and after taxation for the year to 31 March 2026 was £5.451 million compared to a profit of £5.281 million at 31 March 2025.

The latest set of unaudited accounts is for the year to 31 March 2026. When available, copies of the audited accounts may be obtained from the Managing Director, City Property Glasgow (Operations SL2) LLP, Ground Floor, Exchange House, 229 George Street, Glasgow G1 1QU.

5.7. City Property Glasgow (Operations SL3) LLP

City Property Glasgow (Operations SL3) LLP was incorporated on 26 July 2022 to facilitate funding agreements in relation to settling the council's equal pay liability.

The council is the principal member of the partnership, holding 99.999% of the ordinary capital. Under accounting standards, the council has a controlling interest in this partnership. It is, therefore, included in the Group Financial Statements as a subsidiary.

The net assets of the partnership were £56.376 million as at 31 March 2026 compared to £77.176 million at 31 March 2025. The loss on ordinary activities before and after taxation for the year to 31 March 2026 was £20.800 million compared to a loss of £15.013 million in the year to 31 March 2025.

The latest set of unaudited accounts is for the year to 31 March 2026. When available, copies of the audited accounts may be obtained from the Managing Director, City Property Glasgow (Operations SL3) LLP, Ground Floor, Exchange House, 229 George Street, Glasgow G1 1QU.

5.8. City Property Glasgow (Operations SL) Limited

City Property Glasgow (Operations SL) Limited was incorporated on 4 July 2019 to facilitate funding agreements in relation to settling the council's equal pay liability.

City Property Glasgow (Operations SL1) LLP is the sole owner of the company, holding 100% of the ordinary capital. Under accounting standards, the council has a controlling interest in this company through holding 99.999% of the ordinary capital of City Property Glasgow (Operations SL1) LLP. It is, therefore, included in the Group Financial Statements as a subsidiary.

The net assets of the partnership were £0.008 million at 31 March 2026, compared to £0.007 million at 31 March 2025. The profit on ordinary activities before and after taxation for the year to 31 March 2026 was £0.001 million compared to a profit of £0.002 million at 31 March 2025.

The latest set of unaudited accounts is for the year to 31 March 2026. When available, copies of the audited accounts may be obtained from the Managing Director, City Property Glasgow (Operations) Limited, Ground Floor, Exchange House, 229 George Street, Glasgow G1 1QU.

5.9. City Property Glasgow (SL Operations 3) Limited

City Property Glasgow (SL Operations 3) Limited was incorporated on 6 September 2022 to facilitate funding arrangements in relation to settling the council's equal pay liability.

City Property Glasgow (Operations SL3) LLP is the sole owner of the company, holding 100% of the ordinary capital. Under accounting standards, the council has a controlling interest in this company through holding 99.999% of the ordinary capital of City Property Glasgow (Operations SL3) LLP. It is, therefore, included in the Group Financial Statements as a subsidiary.

The net assets of the partnership were £0.026 million at 31 March 2026, compared to £0.025 million at 31 March 2025. The profit on ordinary activities before and after taxation for the year to 31 March 2026 was £0.001 million, compared to a profit of £0.002 million at 31 March 2025.

The latest set of unaudited accounts is for the year to 31 March 2026. When available, copies of the audited accounts may be obtained from the Managing Director, City Property Glasgow (SL Operations 3) Limited, Ground Floor, Exchange House, 229 George Street, Glasgow G1 1QU.

5.10. Jobs & Business Glasgow

Glasgow's Regeneration Agency was incorporated on 28 March 2011 as a company limited by guarantee and formally changed its name to Jobs & Business Glasgow on 11 March 2013.

The company is also a registered charity, with Glasgow City Council being the sole member. The limit of the council's liability, if the company was wound up, is £1. The council is the principal member of the partnership, holding 99.99% of the ordinary capital. Under accounting standards, the council has a controlling interest in this company. It is, therefore, included in the Group Financial Statements as a subsidiary.

The company's principal objectives are to reduce the gap between Glasgow and Scotland's employment rate by increasing the percentage of Glasgow jobs going to Glasgow residents, and to match business density rates in competitor cities by raising the rate of sustainable business.

After accounting for IAS19 Employee Benefits, the net assets of the company were £14.905 million at 31 March 2026 compared to £14.785 million at 31 March 2025. The total net expenditure for the year to 31 March 2026 was £0.098 million, compared to net expenditure of £0.854 million for the year to 31 March 2025.

The latest set of unaudited accounts is for the year to 31 March 2026. When available, copies of the audited accounts may be obtained from the Managing Director, Jobs & Business Glasgow, 94 Duke Street, Glasgow G4 0UW.

5.11. Strathclyde Partnership for Transport

Strathclyde Partnership for Transport was formed on 1 April 2006, as successor to Strathclyde Passenger Transport Authority and Strathclyde Passenger Transport Executive. It is one of the seven Regional Transport Partnerships in Scotland and is responsible for formulating the public transport policy for the 12 local authorities in the West of Scotland.

The latest set of unaudited accounts is for the year to 31 March 2026. When available, copies of the audited accounts may be obtained from the Treasurer to Strathclyde Partnership for Transport, 131 St. Vincent Street, Glasgow G2 5JF.

Under accounting standards, the council has a significant interest in this statutory body (£162.896 million or 27.99% of £582.000 million net assets). The Board is included within the Group Financial Statements as an associate. In 2025/26, Glasgow City Council contributed £10.267 million or 27.99% of the Board's estimated running costs (2024/25 £9.978 million) and its share of net assets as at 31 March 2026 was £162.896 million (31 March 2025 £148.832 million).

The following table represents the group's share of key financial information extracted from the Strathclyde Partnership for Transport accounts for 2025/26:

2024/25 £000	*2024/25 GCC Share £000*	**Strathclyde Partnership for Transport**	**2025/26 £000**	**2025/26 GCC Share £000**
(115,125)	(31,955)	Gross (income)	(122,094)	(34,173)
(31,819)	(8,832)	(Surplus) or Deficit on the Provision of Services	(32,248)	(9,026)
3,392	941	Other Comprehensive (Income) and Expenditure	(13,538)	(3,789)
367,769	102,080	Long-term assets	403,546	112,949
186,984	51,900	Current assets	217,687	60,929
(16,326)	(4,532)	Current liabilities	(37,182)	(10,407)
(98)	(27)	Long-term liabilities excluding pension liability	(52)	(15)
(2,115)	(587)	Pension asset / (liability)	(1,999)	(560)

An analysis of the amounts owed and owing between Glasgow City Council and Strathclyde Partnership for Transport is provided below and includes normal trade debtors and creditors:

2024/25 £000	**Strathclyde Partnership for Transport**	**2025/26 £000**
	Amounts owed to GCC	
663	Short-term debtors	1,146
	Amounts owing by GCC	
(236)	Short-term creditors	(360)

5.12. Strathclyde Concessionary Travel Scheme

Strathclyde Concessionary Travel Scheme comprises the 12 councils within the West of Scotland and oversees the operation of the concessionary fares scheme for public transport within the area. The costs of the Scheme are met by the 12 councils and by the Scottish Government via grant funding. Strathclyde Partnership for Transport administers the Scheme on behalf of the Board.

The latest set of unaudited accounts is for the year to 31 March 2026. When available, copies of the audited accounts may be obtained from the Treasurer to Strathclyde Partnership for Transport, 131 St. Vincent Street, Glasgow G2 5JF.

Under accounting standards, the council has a significant interest in this statutory body. The Board is included within the Group Financial Statements as an associate. In 2025/26, Glasgow City Council contributed £0.857 million or 20.51% of the Board's estimated running costs (2024/25 £0.842 million) and its share of net assets as at 31 March 2026 was £0.940 million (31 March 2025 £0.768 million).

The following table represents the group's share of key financial information extracted from Strathclyde Concessionary Travel Scheme accounts for 2025/26:

2024/25 £000	**Strathclyde Concessionary Travel Scheme**	**2025/26 £000**
(900)	Gross (income)	(897)
(301)	(Surplus) or Deficit on the Provision of Services	(172)
1,025	Current assets	999
(257)	Current liabilities	(59)

5.13. Glasgow City Integration Joint Board

Glasgow City Integration Joint Board is a partnership consisting of Glasgow City Council and NHS Greater Glasgow and Clyde, set up to improve the wellbeing of people who use health and social care services across the Glasgow area, commencing 6 February 2016.

The latest set of unaudited accounts is for the year to 31 March 2026. When available, copies of the audited accounts may be obtained from the Chief Officer, Glasgow City Integration Joint Board, 32 Albion Street, Glasgow G1 1LH.

Under accounting standards, the council has a significant interest in this statutory body. The statutory body is included within the Group Financial Statements as a material joint venture. In 2025/26, the council contributed £627.410 million (2024/25 £573.674 million) or 33% of the board's running costs, and its share of net assets as at 31 March 2026 was £44.536 million (31 March 2025 £30.922 million) or 50%.

The following table represents the group's share of key financial information extracted from the accounts of Glasgow City Integration Joint Board for 2025/26:

2024/25 £000	*2024/25 GCC Share £000*	**Glasgow City Integration Joint Board**	**2025/26 £000**	**2025/26 GCC Share £000**
(1,996,732)	(998,366)	Gross (income)	(2,176,759)	(1,088,380)
5,051	2,526	(Surplus) or Deficit on the Provision of Services	(27,229)	(13,615)
61,843	30,922	Current assets	89,072	44,536

An analysis of the amounts owed and owing between Glasgow City Council and Glasgow City Integration Joint Board relating to normal trade debtors and creditors is provided below:

2024/25 £000	**Glasgow City Integration Joint Board**	**2025/26 £000**
	Amounts owed to GCC	
4	Short-term debtors	0
	Amounts owing by GCC	
(61,843)	Short-term creditors	(89,072)

5.14. City Building (Glasgow) Limited Liability Partnership

City Building (Glasgow) Limited Liability Partnership is a 50/50 joint venture partnership between Glasgow City Council and the Wheatley Housing Group, set up to provide an integrated, responsive, effective and efficient building repair and construction service to Glasgow City Council, Glasgow Housing Association Limited and other service users, commencing 1 April 2017.

The latest set of unaudited accounts is for the year to 31 March 2026. When available, copies of the audited accounts may be obtained from the Managing Director, City Building (Glasgow) Limited Liability Partnership, 350 Darnick Street, Glasgow G21 4BA.

Under accounting standards, the council has a significant interest in this company. The company is included within the Group Financial Statements as a material joint venture. In 2025/26, the council contributed £7.472 million (2024/25 £10.777 million) or 50% of the company's running costs and its share of the year end net assets was £154.790 million (2024/25 £123.091 million).

The following table represents the group's share of key financial information extracted from the accounts of City Building (Glasgow) Limited Liability Partnership for 2025/26:

2024/25 £000	*2024/25 GCC Share £000*	**City Building (Glasgow) Limited Liability Partnership**	**2025/26 £000**	**2025/26 GCC Share £000**
(163,034)	(81,517)	Gross (income)	(173,719)	(86,860)
(8,545)	(4,273)	(Surplus) or Deficit on the Provision of Services	2,398	1,199
69,286	34,643	Other Comprehensive (Income) and Expenditure	(46,698)	(23,349)
346	173	Long-term assets	796	398
40,659	20,330	Current assets	32,872	16,436
(39,440)	(19,720)	Current liabilities	(17,313)	(8,657)
(1,282)	(641)	Long-term liabilities excluding pension liability	(1,042)	(521)
245,898	122,949	Pension asset / (liability)	294,267	147,134

An analysis of the amounts owed and owing between Glasgow City Council and City Building (Glasgow) Limited Liability Partnership relating to normal trade debtors and creditors is provided below:

2024/25 £000	**City Building (Glasgow) Limited Liability Partnership**	**2025/26 £000**
	Amounts owed to GCC	
7,692	Short-term debtors	8,379
	Amounts owing by GCC	
(4,487)	Short-term creditors	(4,302)

6. Nature of combination

The council inherited its interest in Scottish Event Campus Limited, Strathclyde Partnership for Transport and Strathclyde Concessionary Travel Scheme as a result of local government reorganisation in April 1996. To advance council objectives, the council has established further limited companies and Limited Liability Partnerships, which were incorporated between November 2004 and September 2022.

The combination of these entities has been accounted for on an acquisition basis. There was no goodwill on acquisition.

7. Reporting authority adjustments to align to IFRS

The Code requires that the Common Good Fund and Sundry Trusts are included within the Group Comprehensive Income and Expenditure Statement, if material. Following the elimination of inter-company trading, net expenditure on the Common Good Fund of £0.153 million (£0.488 million in 2024/25) and net income on Sundry Trusts of £0.133 million (£0.461 million net expenditure in 2024/25) have been included as separate lines within Cost of Services in the Comprehensive Income and Expenditure Statement.

8. Financial impact of consolidation

The effect of the inclusion of the subsidiaries and associates in 2025/26 was to increase council reserves and net assets by £1,042.326 million (in 2024/25 net assets increased by £928.258 million) representing the council's net asset in the consolidating entities.

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

All subsidiaries, associates and joint committees that the council has an interest in are assessed annually, on the grounds of materiality, for consolidation into the Group accounts. The initial criteria for the materiality threshold is that they must have greater than 1% of either council turnover or non-current assets. The following companies and joint committees did not meet the minimum materiality threshold and have not been consolidated into the Group Financial Statements as they are considered immaterial to the understanding of the accounts. The following information is included for the latest available reporting year. The disclosure will be updated where required in the audited annual accounts.

- **GCC LLP Investments Limited** is a subsidiary company incorporated under the terms of the Companies Act on 4 July 2006. The company is an investment holding company, being the council's partner in the limited liability partnerships formed in recent years. The company is limited by guarantee with Glasgow City Council holding 1,000 ordinary shares, representing 100% of the issued share capital. Current assets of £0.001 million were matched by share capital of £0.001 million as at 31 March 2026.

- **City Property (Glasgow) Limited Liability Partnership** is a subsidiary that was incorporated on 17 February 2009. It was formed to manage and dispose of Glasgow City Council's surplus properties. After accounting for IAS19 Employee Benefits, the net assets of the partnership were £1.647 million at 31 March 2026, compared to net assets of £1.182 million at 31 March 2025. The profit available for discretionary division among members for the year to 31 March 2026 was £0.464 million, compared to a profit of £0.303 million for the year to 31 March 2025. In terms of IAS19 Employee Benefits the partnership had a net pension asset of £16.140 million and an unfunded element of pension liability of £0.755 million, these values were restricted to nil within the reported results of the partnership.

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

2024/25 Net Expenditure/ (Income) £000	*Debtor / (Creditor) at 31 March 2025 £000*	**City Property (Glasgow) Limited Liability Partnership**	**2025/26 Expenditure £000**	**Income £000**	**Debtor / (Creditor) at 31 March 2026 £000**
2,709	(217)	Glasgow City Council	2,961	(655)	268

- **Scotland Excel** is a Joint Committee established on 1 April 2008 to replace the Authorities Buying Consortium and other similar bodies across Scotland. It is the largest non-profit purchasing agency in Scotland and serves the buying needs of 32 local authorities and similar public sector bodies in Scotland. During the year, the council contributed £0.396 million (2024/25 £0.396 million) representing 9.9% of the organisation's estimated running costs for the year to 31 March 2026.

- **Clydeplan,** formerly known as the Glasgow and Clyde Valley Strategic Development Planning Authority Joint Committee, was constituted under a formal agreement of the eight councils in the Glasgow and Clyde Valley area. Under the Town and Country Planning (Scotland) Act 1997, each member council not only has responsibilities for local planning matters in their area but also the strategic issues that cover the wider area of the Glasgow and Clyde Valley. Accordingly, the Joint Committee prepares, monitors and reviews the Structure Plan on behalf of member councils and liaises with Central Government, Scottish Enterprise and other bodies. Clydeplan was dissolved on 31 March 2025. Activities have transferred to a new sub-committee of the Glasgow City Region and it is no longer considered a group body for 2025/26. The council made no financial contribution to the organisation in the year to 31 March 2026 (2024/25 £0.043 million).

- **West of Scotland European Forum (WoSEF)** was set up in 2007 as a Joint Committee including the 12 local authorities and a number of influential organisations in the region. Following on from the work previously undertaken by the West of Scotland European Consortium, WoSEF's purpose is to develop positive links between the communities of the region and the institutions of the European Union. WoSEF is set to be dissolved following the audit of the 2024/25 annual accounts.

- **Continuing Education Gateway** is a consortium of 10 local authorities in the West of Scotland. It was formed in April 2000 to further the provision of careers and educational guidance services. During the year, the council contributed £0.123 million (2024/25 £0.123 million) representing 31.3% of the consortium's estimated running costs for the year to 31 March 2026.

- **West of Scotland Archaeology Service** was set up in 1997 as a Joint Committee of 12 local authorities in the region. It is currently funded by 10 local authorities, and by Historic Scotland for specific projects. Its primary purpose is to provide planning related archaeological advice to its members, permitting them to discharge their duties in respect of Scottish Government planning guidance for the treatment of archaeological remains in the planning process. During the year, the council made a contribution of £0.009 million (2024/25 £0.009 million) representing 6.0% of the Joint Committee's estimated running costs for the year to 31 March 2026.

- **SEEMIS Group LLP** was incorporated on 11 May 2009 and commenced trading on 1 July 2010. It is funded by the 32 participating authorities and the principal activity of the LLP is the provision of information technology solutions to Education Services. During the year, the council made a contribution of £0.500 million (2024/25 £0.487 million) representing 9.2% of the organisation’s estimated running costs for the year to 31 March 2026.

- **Glasgow City Region – City Deal Cabinet** is a Joint Committee established on 20 January 2015. The purpose of the Committee is to determine the Strategic Development priorities for the Clyde Valley Region and to monitor and ensure the delivery of the City Deal programme as agreed between member authorities and the UK and Scottish Governments. The City Deal programme aims to deliver a £1.1 billion investment programme, including delivery of labour market and innovation programmes. During the year the council contributed £0.126 million (2024/25 £0.121 million) representing 33.9% of the organisation’s running costs for the year to 31 March 2026.

- **The Clyde Valley Learning and Development Project Joint Committee** was established in October 2007. The purpose of the committee is to establish and deliver a number of shared approaches to training, learning and development between the 8 Clyde Valley Councils. During the year, the council contributed £0.010 million (2024/25 £0.010 million) representing 11.2% of the Joint Committee’s running costs for the year to 31 March 2026.

- **Transforming Communities Glasgow** was established as a charitable company in April 2012 and commenced trading in June 2015. The main purpose of the charity is to facilitate a single strategic focus for the regeneration of transformational regeneration areas. During the year, the council contributed £0.002 million (2024/25 £0.002 million) representing 33.3% of the Joint Committee’s running costs for the year to 31 March 2026.

10. Group subjective analysis

2024/25 £000	*%*	**Subjective analysis**	**2025/26 £000**	**%**
		Where the money came from		
(1,974,857)	52.2	Government grants and local taxation	(2,078,838)	52.1
(705,070)	18.6	Other grants, reimbursements and contributions	(696,142)	17.5
(800,926)	21.2	Customer and client receipts	(914,589)	23.0
(65,019)	1.7	Interest and investment income	(79,537)	2.0
(258,799)	6.8	Income from other departments	(249,770)	6.3
(84,538)	2.2	Other miscellaneous income	(53,775)	1.3
(1,408)	0.0	Net interest on the net defined benefit liability	0	0.0
258,799	(6.8)	Inter-departmental recharges	249,770	(6.3)
(3,916)	0.1	Gain on disposal of property, plant and equipment	(95)	0.0
(68,063)	1.8	Share of surplus from associates and joint boards	(32,276)	0.8
(83,234)	2.2	Capital grants and contributions	(131,190)	3.3
(3,787,031)	**100.0**	**Total income**	**(3,986,442)**	**100.0**
		How the money was spent		
1,341,544	34.7	Employee costs	1,398,486	35.0
350,881	9.1	Premises costs	301,653	7.5
204,742	5.3	Supplies and services	210,985	5.3
53,478	1.4	Transport and plant	48,364	1.2
1,256,006	32.4	Third party payments	1,398,442	34.9
528,666	13.7	Transfer payments	528,278	13.2
226,361	5.9	Depreciation, amortisation and impairment losses	212,461	5.3
156,485	4.0	Financing costs	158,135	4.0
(11,575)	(0.3)	Allocations	(24,346)	(0.6)
14,894	0.4	Net interest on the net defined benefit liability	14,777	0.4
(258,799)	(6.7)	Inter-departmental recharges	(249,770)	(6.2)
3,720	0.1	Share of deficit from associates	0	0.0
3,866,403	**100.0**	**Total expenditure**	**3,997,465**	**100.0**
79,372		**Group (surplus) or deficit for the year**	**11,023**	

The above table reflects the management structure of the council and other combining entities and includes the subjective analysis of expenditure incurred on inter-departmental trading activities within the council. Both income and expenditure have been adjusted to exclude amounts related to inter-departmental trading within the council. Adjustments have also been made to exclude inter-company trading. Total income and total expenditure represent transactions with bodies external to the group.

11. Pension Costs

11.1. Local Government Pension Scheme

Glasgow City Council, City Building (Contracts) LLP, Culture and Sport Glasgow, and Jobs & Business Glasgow are members of the Local Government Pension Scheme - a defined benefit scheme that offers retirement benefits to employees under the terms and conditions of employment. Although these benefits will not actually be payable until employees retire, the group has a commitment to recognise the cost of retirement benefits within Cost of Services when the employees earn them, rather than when the benefits are eventually paid as pensions.

The following transactions have been made in the Group Comprehensive Income and Expenditure Statement in 2025/26:

2024/25 £000	**Local Government Pension Scheme**	**2025/26 £000**
	Comprehensive Income and Expenditure Statement	
	Cost of Services:	
124,165	Current service cost	97,144
11,895	Past service cost	4,782
	Financing and Investment Income and Expenditure:	
(61,579)	Net interest (income) / cost	(116,951)
66,873	Interest on the effect of asset ceiling	131,728
141,354	**Total post-employment benefits charged / (credited) to the Surplus or Deficit on the Provision of Services**	**116,703**
	Other Comprehensive Income and Expenditure	
	Remeasurement of the net defined benefit liability:	
79,467	Return on assets	(215,936)
(732,798)	Actuarial (gains) / losses arising on changes in financial assumptions	(134,275)
(8,476)	Actuarial (gains) / losses arising from changes in demographic assumptions	28,073
(62,109)	Other Experience	36,612
533,894	Pension asset derecognition	182,884
20	Other remeasurements	0
(48,648)	**Total post-employment benefits charged / (credited) to the Comprehensive Income and Expenditure Statement**	**14,061**
141,354	Net charge / (credit) to the Surplus or Deficit on the Provision of Services brought forward	116,703
	Movement in Reserves Statement	
(69,317)	Reversal of net (charge) / credit made to the Surplus or Deficit on the Provision of Services in accordance with IAS19	(52,319)
	Actual amount charged against the General Fund balance for pensions in the year:	
72,037	**Employers contribution paid**	**64,384**

11.2. Pension Assets and Liabilities

Assets are valued at fair value. Liabilities are valued on an actuarial basis using the projected unit method which assesses the future liabilities of the fund discounted to their present value. The council's liabilities have been assessed by Hymans Robertson Limited Liability Partnership, an independent firm of actuaries. Calculations have been based on the triennial valuation of the scheme as at 31 March 2023.

The actuary reported a net asset position against unfunded liabilities of £80.558 million at 31 March 2026. The recognition of this asset was limited to £314.922 million based on the asset ceiling calculation of the extent to which the council family could recover the asset through reduced contributions. At the same time, there remains unfunded liabilities totalling £234.364 million. These balances have been recorded separately as assets and liabilities in line with accounting standards. The pension liability represents the best estimate of the current value of pensions which the council will have to fund.

The following table sets out the principal assumptions used by the actuary at 31 March 2026:

2024/25	**Actuarial Assumptions**	**2025/26**
	Long-term expected rate of return on assets in the scheme:	
5.8%	Equity Investments	6.2%
5.8%	Bonds	6.2%
5.8%	Property	6.2%
5.8%	Cash and net debtors/ creditors	6.2%
	Mortality assumptions:	
	Longevity at 65 for current pensioners:	
19.4	Men	19.8
22.4	Women	22.5
	Longevity at 65 for future pensioners:	
20.6	Men	20.9
24.2	Women	24.3
	General assumptions:	
2.8%	Rate of price increases	3.0%
3.5%	Rate of increase in salaries	3.7%
2.8%	Rate of increase in pensions	3.0%
5.8%	Rate for discounting scheme liabilities	6.2%
75.0%	Take-up of option to convert annual pension into retirement lump sum	75.0%
	Employer share of net assets	
68%	Equities Investments	71%
22%	Bonds	19%
8%	Property	7%
2%	Cash and Net Debtors/Creditors	3%
100%	**Total**	**100%**

The amount included in the Balance Sheet arising from the group's obligation in respect of its defined benefit plans is as follows:

2024/25 £000	**Pension Assets and Liabilities recognised in the Balance Sheet**	**2025/26 £000**
4,408,219	Present value of scheme liabilities	4,538,732
(6,443,169)	Fair value of plan assets	(6,938,617)
2,002,172	Pension asset derecognition	2,319,327
(32,778)	**Net liability or (asset) arising from defined benefit obligation**	**(80,558)**

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

2024/25 £000	**Reconciliation of present value of scheme liabilities**	**2025/26 £000**
4,995,016	**Opening balance at 1 April**	**4,408,219**
124,165	Current service costs	97,144
11,895	Past service cost (including curtailments)	4,782
239,276	Interest costs	254,129
37,750	Contributions by scheme participants	39,734
(196,436)	Benefits paid	(195,686)
	Remeasurement (gains) and losses:	
(732,798)	Actuarial (gains) / losses arising from changes in financial assumptions	(134,275)
(8,476)	Actuarial (gains) / losses arising from changes in demographic assumptions	28,073
(62,109)	Other experience	36,612
(64)	Other remeasurements	0
4,408,219	**Closing present value of scheme liabilities**	**4,538,732**

2024/25 £000	**Reconciliation of the movements in the fair value of scheme assets**	**2025/26 £000**
6,308,318	**Opening balance at 1 April**	**6,443,169**
300,855	Interest income	371,080
37,750	Contributions by scheme participants	39,734
72,037	Contributions by employer	64,384
(196,436)	Benefits paid	(195,686)
	Remeasurement gain / (loss):	
(79,467)	Return on assets, excluding the amount included in the net interest cost	215,936
112	Other remeasurements	0
6,443,169	**Closing fair value of scheme assets**	**6,938,617**

The closing fair value of scheme assets above is included at the unaudited position for Strathclyde Pension Fund.

2024/25 £000	**Adjusted balance sheet position**	**2025/26 £000**
6,443,169	Assets	6,938,617
(4,167,942)	Funded liabilities	(4,304,368)
2,275,227	**Net asset (unadjusted)**	**2,634,249**
(2,002,172)	Asset ceiling adjustment for economic benefit calculation result	(2,319,327)
273,055	**Closing fair value of scheme assets**	**314,922**

11.3. Analysis of Pension Fund's Assets

2024/25 Quoted Prices in Active Markets £000	Prices not quoted in Active Markets £000	Total £000	Local Government Pension Scheme assets	**2025/26** Quoted Prices in Active Markets £000	Prices not quoted in Active Markets £000	Total £000
0	156,771	**156,771**	Cash and cash equivalents	0	223,761	**223,761**
			Equity Instruments:			
317,464	681	**318,145**	Consumer	286,257	1,264	**287,521**
300,198	417	**300,615**	Manufacturing	348,233	904	**349,137**
50,085	0	**50,085**	Energy and utilities	63,419	0	**63,419**
144,307	2,823	**147,130**	Financial institutions	184,135	2,847	**186,982**
153,191	73	**153,264**	Health and care	160,513	0	**160,513**
369,530	172	**369,702**	Information technology	416,532	0	**416,532**
1,334,775	**4,166**	**1,338,941**	**Sub-total equity instruments**	**1,459,089**	**5,015**	**1,464,104**
			Debt Securities:			
0	1	**1**	Corporate Bonds (Investment Grade)	0	1	**1**
0	**1**	**1**	**Sub-total debt securities**	**0**	**1**	**1**
			Private Equity:			
0	1,489,347	**1,489,347**	All	0	1,664,021	**1,664,021**
			Property:			
0	486,123	**486,123**	UK	0	480,979	**480,979**
			Derivatives			
0	(4)	**(4)**	Foreign Exchange	0	0	**0**
			Other investment funds:			
23,590	1,549,044	**1,572,634**	Equities	0	1,801,578	**1,801,578**
0	1,359,139	**1,359,139**	Bonds	0	1,252,256	**1,252,256**
0	3,158	**3,158**	Commodities	0	5,448	**5,448**
0	22,734	**22,734**	Infrastructure	0	40,563	**40,563**
0	14,325	**14,325**	Other	0	5,906	**5,906**
23,590	**2,948,400**	**2,971,990**	**Sub-total other investment funds**	**0**	**3,105,751**	**3,105,751**
1,358,365	**5,084,804**	**6,443,169**	**Total Assets**	**1,459,089**	**5,479,528**	**6,938,617**

11.4. Impact on Group Cash Flows

The total contribution expected to be made to the Local Government Pension Scheme by the group in the year to 31 March 2027 is £11.999 million.

11.5. Defined Contribution Schemes

Scottish Event Campus Limited and Jobs & Business Glasgow operate defined contribution schemes for employees where assets of the scheme are held separately from those of the group. Contributions are charged to the Group Comprehensive Income and Expenditure Statement as they become payable in accordance with the rules of the scheme. The amounts paid into these pension schemes in the year are as follows:

2024/25 £000	**Defined Contribution Schemes**	**2025/26 £000**
1,030	Scottish Event Campus Limited	1,136
133	Jobs & Business Glasgow	81
1,163	**Total**	**1,217**

12. Minority interest

The minority interest credited to the Group Comprehensive Income and Expenditure Statement is in recognition of the share of the surplus for the year that is attributable to the minority shareholdings of Scottish Event Campus Limited.

On the Group Balance Sheet within group reserves, with accounting policies aligned, the share of the assets of Scottish Event Campus Limited attributable to minority shareholdings was £10.881 million for 2025/26 (2024/25 £10.512 million).

13. Taxation

For the Scottish Event Campus Limited and Culture and Sport Glasgow, the difference between tax at the standard rate on the company's profits for the year and the actual level of corporation tax is mainly as a result of tax rate changes, adjustments for prior periods and non-taxable/deductible items.

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

2024/25 £000	**UK Corporation Tax**	**2025/26 £000**
2,513	Deferred tax	1,741
2,513	**Total**	**1,741**

14. Long-term assets

14.1. Movement in Property, plant and equipment

The table below illustrates the movement in property, plant and equipment, analysed by asset category, arising from additions, disposals, revaluations, depreciation and transfers during the year. As a result of these movements, the net book value held at 31 March 2026 was £4,550.389 million.

Movement in PPE 2025/26	**Other Land and Buildings £000**	**Vehicles, Plant, Furniture and Equipment £000**	**Infrastructure Assets £000**	**Right-of-Use Assets £000**	**Community Assets £000**	**Assets Under Construction £000**	**Corporate Surplus Assets £000**	**Total Property, Plant and Equipment £000**
Net book value at 1 April 2025	**2,374,705**	**73,068**	**867,378**	**821,732**	**24,459**	**53,789**	**42,940**	**4,258,071**
Additions	22,930	28,221	32,300	7,211	104	129,029	0	**219,795**
Revaluations	218,151	0	0	64,054	0	0	(2,257)	**279,948**
Impairment	0	0	0	0	0	0	0	**0**
Depreciation	(106,390)	(23,342)	(32,580)	(47,331)	0	0	(65)	**(209,708)**
Disposals	(1,280)	(89)	0	(3,564)	0	0	(2,640)	**(7,573)**
Other movements (incl. transfers to other asset categories)	(10,170)	624	10,538	18,720	0	(11,353)	1,497	**9,856**
Net book value at 31 March 2026	**2,497,946**	**78,482**	**877,636**	**860,822**	**24,563**	**171,465**	**39,475**	**4,550,389**
Gross book value	2,576,994	202,569		885,275	24,563	171,465	39,475	
Accumulated depreciation	(79,048)	(124,087)		(24,453)	0	0	0	
Net book value at 31 March 2026	**2,497,946**	**78,482**	**877,636**	**860,822**	**24,563**	**171,465**	**39,475**	**4,550,389**

Movement in PPE 2024/25	***Other Land and Buildings £000***	***Vehicles, Plant, Furniture and Equipment £000***	***Infrastructure Assets £000***	***Right-of-Use Assets £000***	***Community Assets £000***	***Assets Under Construction £000***	***Corporate Surplus Assets £000***	***Total Property, Plant and Equipment £000***
Net book value at 1 April 2024	***3,052,851***	***83,462***	***836,472***	***0***	***24,335***	***76,893***	***39,884***	***4,113,897***
Initial recognition of asset	*0*	*0*	*0*	*45,026*	*0*	*0*	*0*	***45,026***
Additions	*24,441*	*15,618*	*28,457*	*24,246*	*124*	*30,003*	*0*	***122,889***
Revaluations	*140,557*	*0*	*0*	*21,777*	*0*	*0*	*(748)*	***161,586***
Impairment	*0*	*0*	*0*	*0*	*0*	*0*	*0*	***0***
Depreciation	*(85,020)*	*(27,639)*	*(31,088)*	*(44,439)*	*0*	*0*	*(58)*	***(188,244)***
Disposals	*(285)*	*(11)*	*0*	*0*	*0*	*0*	*(4,320)*	***(4,616)***
Other movements (incl. transfers to other asset categories)	*(757,839)*	*1,638*	*33,537*	*775,122*	*0*	*(53,107)*	*8,182*	***7,533***
Net book value at 31 March 2025	***2,374,705***	***73,068***	***867,378***	***821,732***	***24,459***	***53,789***	***42,940***	***4,258,071***
Gross book value	*2,492,638*	*220,936*		*866,171*	*24,459*	*53,789*	*43,509*	
Accumulated depreciation	*(117,933)*	*(147,868)*		*(44,439)*	*0*	*0*	*(569)*	
Net book value at 31 March 2025	***2,374,705***	***73,068***	***867,378***	***821,732***	***24,459***	***53,789***	***42,940***	***4,258,071***

14.2. Summary of capital expenditure and sources of finance

2024/25 £000	**Capital expenditure and sources of finance**	**2025/26 £000**
	Capital investment	
122,889	Property, plant and equipment	219,795
0	Heritage assets	20
4,122	Intangible assets	4,361
1,270	Investment property	4,963
128,281	**Total gross expenditure**	**229,139**
	Sources of finance	
(2,158)	Borrowing	135,923
8,096	Asset Sales	3,414
24,246	Assets acquired under finance lease	7,211
86,459	Government grants and other capital contributions	65,084
11,638	Revenue contributions	17,507
128,281	**Total sources of finance**	**229,139**

15. Investment property

The following items of income and expense have been accounted for in the Comprehensive Income and Expenditure Statement in relation to investment properties owned by the group for capital appreciation or rental income:

2024/25 £000	**Investment property**	**2025/26 £000**
(45,218)	Rental income from investment property	(63,602)
26,680	Investment Property Expenditure and Changes in Fair Value	34,401
(18,538)	**Net gain**	**(29,201)**

There are no restrictions on the group's ability to realise the value inherent in its investment property or on the group's right to the remittance of income and the proceeds of disposal. The group has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of investment properties of the group over the year:

2024/25 £000	**Movement in fair value**	**2025/26 £000**
237,139	**Balance at start of year:**	**226,281**
1,270	Additions	4,963
(20,690)	Disposals	(7,321)
8,562	Net gain / (loss) from fair value adjustments	1,353
226,281	**Balance at end of year**	**225,276**

16. Intangible assets

Purchased software licences held for various Information and Communications Technology (ICT) systems used throughout the Group are accounted for as Intangible assets. The cost of the licences are written-off on a straight-line basis over the expected life of the licences, which is seven years for all systems.

Any costs associated with the annual indexation of the sale and leaseback agreements in place across the Group are recorded as an intangible asset and amortised over the remaining life of the loan.

The movement on intangible asset balances during the year is as follows:

2024/25 £000	**Movement in intangible assets**	**2025/26 £000**
	Balance at start of year:	
48,139	Gross carrying amounts	50,586
(13,098)	Accumulated amortisation	(16,159)
35,041	**Net carrying amount at start of year**	**34,427**
4,123	Additions	4,361
111	Transfers	0
(4,848)	Amortisation for the period	(4,499)
34,427	**Net carrying amount at end of the year**	**34,289**
	Comprising:	
50,586	Gross carrying amounts	49,133
(16,159)	Accumulated amortisation	(14,844)
34,427	**Net carrying amount at end of the year**	**34,289**

17. Investments and debtors

The following table summarises the movement in the value of investments and debtors of the Group over the year:

Movement in value of investments and debtors 2025/26	**Long-term investments £000**	**Long-term debtors £000**	**Short-term investments £000**	**Short-term debtors £000**	**Total £000**
Opening balance	31,984	24,699	288,513	293,537	638,733
Movement in year	1,518	(1,986)	(30,320)	55,660	24,872
Closing balance	**33,502**	**22,713**	**258,193**	**349,197**	**663,605**

Movement in value of investments and debtors 2024/25	***Long-term investments £000***	***Long-term debtors £000***	***Short-term investments £000***	***Short-term debtors £000***	***Total £000***
Opening balance	*38,294*	*26,653*	*225,973*	*308,212*	*599,132*
Movement in year	*(6,310)*	*(1,954)*	*62,540*	*(14,675)*	*39,601*
Closing balance	***31,984***	***24,699***	***288,513***	***293,537***	***638,733***

18. Fair value measurement of assets and liabilities

Each financial year, a valuation report is prepared for non-financial assets, which incorporates the methodology employed by the valuer in arriving at their opinion of value. The methodology includes comparable data, which is recognised in accordance with the fair value measurement hierarchy. The valuers seek to minimise the volume of unobservable inputs and maximise the volume of observable inputs informing their opinion of value. For the group assets, the valuation inputs comprise either Level 1, Level 2 or Level 3 inputs, with adjustments not limited to location, rental growth, lease terms, covenants, costs, discount rates and vacancy levels. For 2025/26, both the income and market valuation techniques were widely adopted in forming opinions of fair value. In addition, short and long-term investments measured at fair value are categorised as Level 1, this being quoted prices (unadjusted) in active markets for identical assets that can be accessed at the measurement date. The resulting valuation of £300.021 million (2024/25 £304.229 million) comprises £33.505 million with Level 1 inputs (2024/25 £31.986 million) and £266.516 million with Level 2 inputs (2024/25 £272.243 million) and £0 million with Level 3 inputs (2024/25 £0 million).

Fair Value Measurement of assets 2025/26	**Level 1 £000**	**Level 2 £000**	**Level 3 £000**	**Total £000**
Surplus Properties	0	39,475	0	39,475
Assets held for sale	0	1,765	0	1,765
Commercial Units	0	225,276	0	225,276
Other investments	33,505	0	0	33,505
Total	**33,505**	**266,516**	**0**	**300,021**

In terms of the fair value measurement hierarchy, the financial instruments measured at fair value are categorised as Level 2, being inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Valuation of financial liabilities 2025/26	**Carrying Amount £000**	**Fair Value £000**
Borrowing	(2,520,020)	(2,033,911)

The maturity analysis of group borrowing at nominal value is as follows:

2024/25		**Borrowing**	**2025/26**	
Principal £000	*Interest £000*		**Principal £000**	**Interest £000**
1,319,937	*691,226*	Public Works Loans Board	1,355,715	671,464
312,000	*477,098*	Lender Option Buyer Option (LOBO)	282,000	420,195
450,053	*154,993*	Market debt	439,642	142,729
392,645	*311,038*	Bonds	389,408	294,179
8,456	*0*	Temporary borrowing	25,032	713
2,483,091	***1,634,355***	**Total**	**2,491,797**	**1,529,280**
149,638	*91,987*	Less than 1 year	166,799	93,758
107,003	*155,366*	Between 1 and 2 years	164,258	154,830
445,275	*226,502*	2 to 5 years	448,660	219,040
355,847	*285,880*	5 to 10 years	344,760	263,778
761,517	*757,073*	10 to 30 years	893,509	695,458
636,811	*115,932*	30 to 50 years	446,811	101,962
27,000	*1,615*	50 to 70 years	27,000	454
2,483,091	***1,634,355***	**Total**	**2,491,797**	**1,529,280**

The maturity analysis of financial liabilities is outlined in the above table at nominal values. However, these liabilities are reflected in the Balance Sheet at amortised cost, which includes accrued interest of £15.299 million (£14.524 million in 2024/25) and an effective interest rate adjustment of £12.924 million (£13.061 million in 2024/25) in respect of LOBOs with stepped interest rates.

19. Investments / liabilities in associates and joint ventures

The effect of accounting for City Building (Glasgow) LLP as a joint venture resulted in the inclusion of an asset within the Group Balance Sheet. The group share of the investments in Strathclyde Partnership for Transport, Strathclyde Concessionary Travel Scheme and Glasgow City Integration Joint Board are an asset and are included on the Balance Sheet as a long-term investment. Details of the group's share of investments in associates and joint ventures are shown below:

2024/25 £000	**Investments in Associates and Joint Ventures**	**2025/26 £000**
148,832	Strathclyde Partnership for Transport	162,896
768	Strathclyde Concessionary Travel Scheme	940
30,922	Glasgow City Integration Joint Board	44,536
123,091	City Building (Glasgow) LLP	154,655
303,613	**Total**	**363,027**

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

2024/25 £000	**Associates and Joint Ventures**	**2025/26 £000**
1,112,738	**Gross income**	**1,210,310**
102,253	Long-term assets	118,261
104,174	Current assets	122,881
(24,508)	Current liabilities	(19,394)
(668)	Long-term liabilities	(5,295)
122,362	Pension asset / (liability)	146,574
303,613	**Net asset**	**363,027**

20. Cash and cash equivalents

The group holds cash in hand as well as deposits with financial institutions. Cash equivalents are short-term, highly liquid investments, principally held to meet liabilities in the short-term, rather than to make an investment gain. They are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value. The balance of cash and cash equivalents comprises the following elements:

2024/25 £000	**Cash and cash equivalents**	**2025/26 £000**
111,423	Short-term deposits	66,294
176,965	Bank current accounts	191,774
118	Cash imprests	117
288,506	**Total Cash and cash equivalents**	**258,185**

21. Short-term creditors

The short-term creditors balance consists of amounts received in advance or owed by the Group, primarily in respect of payroll, grants and various other sundry creditors. The following table provides further analysis by supplier group:

2024/25 £000	**Analysis of creditors**	**2025/26 £000**
25,410	Central government bodies	66,659
18,573	Other local authorities	3,019
1,355	NHS bodies	23,101
908	Public corporations and trading funds	1,156
460,770	Bodies external to general government	476,486
507,016	**Total**	**570,421**

22. Deferred liabilities

Deferred liabilities represent amounts falling due in more than 12 months from the balance sheet date. An analysis of deferred liabilities as at 31 March 2026 is provided in the following table:

2024/25 £000	**Analysis of deferred liabilities**	**2025/26 £000**
96,166	Long-term liability relating to the council PPP secondary schools contract	76,169
86,262	Long-term lease liability relating to council properties, vehicles and equipment	81,433
36,631	Developers' contributions received by GCC for the provision of recreational greenspace in line with council policy	37,016
63,636	Other group deferred liabilities	66,841
282,695	**Total**	**261,459**

23. Deferred grants

Following the elimination of inter-company transactions, the balance remaining on deferred grants of £17.632 million (2024/25 £18.129 million) represents external funding in support of capital projects.

24. Charitable reserves

Included within Group Reserves are charitable reserves representing the funds of Culture and Sport Glasgow, Jobs & Business Glasgow and the charitable element of Sundry Trusts.

The following table identifies charitable funds prior to consolidation adjustments:

Charitable Funds	**Balance at 31 March 2025 £000**	**Net movement 2025/26 £000**	**Balance at 31 March 2026 £000**
Culture and Sport Glasgow	57,501	2,885	60,386
Jobs & Business Glasgow	12,338	2,567	14,905
Sundry Trusts - charitable element	7,776	373	8,149
Total	**77,615**	**5,825**	**83,440**

❖ Annual Governance Statement

1. Scope of responsibility

1.1 Glasgow City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for. Under the Local Government in Scotland Act 2003, the council also has a statutory duty to make arrangements to secure best value, which is to ensure continuous improvement in the way its functions are exercised, and to ensure public funds and assets are used economically, efficiently and effectively.

1.2 In discharging these responsibilities, elected members and senior officers must ensure proper arrangements for the governance of the council's affairs and facilitate the effective exercise of its functions, which includes the management of risk and stewardship of the resources at its disposal.

1.3 Collectively known as the Council Family, the council has established various subsidiaries and associates to deliver services more effectively. While these organisations are required to implement their own organisational governance and management structures and arrangements, they also form part of the overall governance and control environment of the Council Family. The Corporate Management Team operates to consider matters of common interest across the Council Family.

2. Purpose of the Council

2.1 The Council Plan 2022-27 reflects the political priorities of the council in the current period of the administration. The council has set the framework for strong corporate governance by having a clear vision and values which are outlined below:

Our vision is to support a fair and sustainable city where everyone gets to contribute and all can benefit from a flourishing Glasgow.

Our values are set out in our City Charter and have been developed in consultation with citizens and staff. They are to:

- Be an open, transparent and easily accessible organisation which communicates freely with city residents and involves them in decision making
- Be fairer and more equal giving everyone in Glasgow the chance to flourish and improve their life chances and choices. Work to uphold and protect people's basic human rights including treating them with dignity, fairness, equality, and respect, regardless of their background
- Promote pride in what the city has achieved, its people, its heritage, its facilities and appearance and be proud to live and work in Glasgow
- Work in partnership allowing people to contribute and for ideas from any source to be heard and considered.

2.2 There are **risks and challenges** to delivery of our plan. The council's budget continues to face a number of pressures similar to many other institutions and businesses in the city and our residents. Homelessness is the one of the biggest issues currently facing the council in terms of financial sustainability. The council continues to engage on the options for long term support from both Scottish and UK governments on the impacts of homelessness in Glasgow, with the Scottish Government providing a one-year solution for 2026/27. Additionally, demand on our services is growing due to the complex needs of many of our families. Big changes across the broader public sector are both required and challenging and the council is working with a number of local and national partners to drive whole system change through Public Service Reform and innovation, both to respond to the needs of citizens and the need to secure budget sustainability in a challenging environment. Upstream pressures such as an ageing population, an increase in demand for additional support needs, mental health challenges and public health challenges can only be tackled through transformation and innovation while continuing to be able to set balanced budgets and deal with business as usual pressures.

3. The purpose of the governance framework

3.1 The council's governance framework comprises the systems and processes, and culture and values, by which the council is directed and controlled. Through the framework, the council is accountable to, engages with, and leads its communities. The framework enables the council to monitor the achievement of the four Grand Challenges and over 200 commitments set out in the council Strategic Plan 2022-2027.

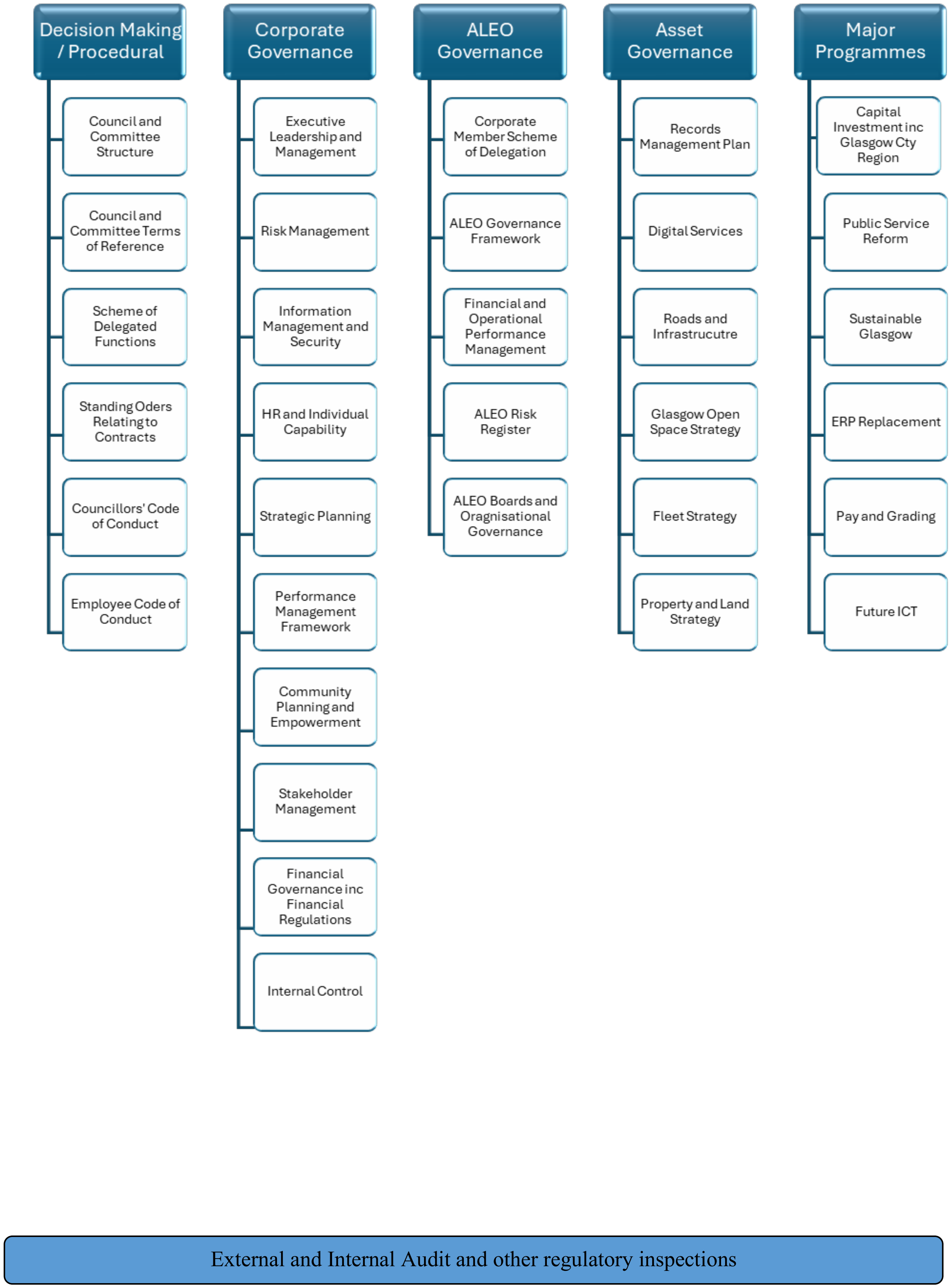
4. The governance framework

4.1 The governance framework comprises the culture, values, systems, and processes by which the council is directed and controlled. It describes the way the council is accountable to communities. It enables the council to monitor the achievement of its commitments and consider whether these have led to the delivery of appropriate and cost-effective services.

4.2 The main features of the council's governance framework are enshrined in the council's Local Code of Corporate Governance (the Code), which is consistent with the principles, and reflects the requirements of, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Framework: Delivering Good Governance in Local Government. The Code is currently under detailed review, taking into account the 2025 Addendum to the Delivering Good Governance Framework, and is expected to be concluded by end 30 June 2026. The current version remains relevant and evidences the council's commitment to achieving good governance and demonstrates how it complies with recommended governance standards.

4.3 A key part of the Code, the council has embedded a system of risk management and internal control. While providing reasonable assurance, these systems cannot, however, provide absolute assurance or certainty in entirely eliminating the risk of the council failing to achieve its aims and objectives; incurring material errors; losses; fraud or breaches of laws and regulations.

4.4 The council's governance framework is set out in the diagram below.



4.5 The main features of the governance framework in operation across 2025/26 included:

(a) Committee and decision-making structure:

- a City Administration Committee - responsible for discharging all of the council's functions, except those reserved to the council and those matters specifically delegated to statutory committees;
- two Scrutiny Committees - responsible for holding Services and subsidiaries and relevant associates to account;
- five City Policy Committees - responsible for reviewing policies and overseeing implementation of council Plan commitments within remit;
- a Contracts and Property Committee - responsible for approving relevant contract matters and deciding on relevant property matters, and
- quasi-judicial and other committees.

Agendas, papers and minutes for Committees are publicly available and the majority of meetings are webcast with a library of previously webcast meetings available on the council's website.

(b) The Scheme of Delegated Functions sets out the delegations made to committees, the Lord Provost/Depute Lord Provost and officers under the principle that decisions should be made at the most appropriate level consistent with the nature of the issues involved in order to ensure that services are delivered effectively and that there is the required degree of accountability and political oversight. In response to governance issues identified with senior officer exit payments (as detailed in Section 7 below), the council has made updates to the Scheme of Delegated Functions in May 2025. The Scheme of Delegated Functions is now subject to ongoing regular review, overseen by the council's Monitoring Officer, with proposed changes being subject to a robust governance process with regular reports being taken for discussion at meetings of the council's Business Bureau and thereafter for approval at meetings of Full Council.

The council operates Codes of Conduct for employees and elected members are required to adhere to the nationally prescribed Councillors' Code of Conduct. Both Codes of Conduct incorporate the Seven Principles of Public Life (known as the Nolan Principles), together with the additional two principles of Duty and Respect which, collectively, underpin public life in Scotland. This is an area of focus for the council, with additional training for officers and elected members provided during 2025/26. Internal Audit also undertook a culture review during 2025/26.

Training on the principles to be applied in relation to applying, monitoring and reviewing the Scheme of Delegated Functions has been provided to the Corporate Leadership team. Gold courses on both the Scheme of Delegated Functions and the Employee Code of Conduct, with a focus on ensuring that the Nolan Principles are applied and understood, has been rolled out, supported by a Corporate Announcement to all staff from the Chief Executive.

(c) The council approved the Council Strategic Plan 2022-2027 on 27 October 2022. In order to ensure that the Plan clearly articulates its purpose it has been structured into Grand Challenges and the supporting Missions. The Grand Challenges are as follows:

- GC 1 - Reduce poverty and inequality in our communities;
- GC 2 - Increase opportunity and prosperity for all our citizens;
- GC 3 - Fight the climate emergency in a just transition to a net-zero Glasgow;
- GC 4 - Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities.

These Grand Challenges and the Missions are underpinned by Commitments which Services are undertaking to work towards the goal of each Mission. The council agreed that the Strategic Plan will be subject to an annual review to reflect the volatility of outside pressures and budget constraints. There is a transparent change control process in place to assist this.

The Strategic Plan is currently scrutinised and monitored by the Operational Performance and Delivery Scrutiny Committee (OPDSC). The following Grand Challenge Missions were subject to scrutiny during 2025/26:

Grand Challenge	Missions	Dates
GC3	1: Deliver sustainable transport and travel aligned with the city region 2: Become a net zero carbon city by 2030.	12 Mar 2025 3 September 2025 14 January 2026
GC 4	1. Create safe, clean and thriving neighbourhoods 2. Run an open, well governed council in partnership with our communities 3. Enable staff to deliver a sustainable and innovative council structure that delivers value for money	7 May 2025 1 October 2025 11 February 2026
GC1	1. End child poverty in our city using early intervention to support families 2. Met the learning and care needs of children and their families before and through school 3. Improve the health and wellbeing of our local communities 4. Support Glasgow to be a city that is active and culturally vibrant	4 June 2025 5 November 2025 11 March 2026
GC2	1. Support Glasgow residents into sustainable and fair work	6 August 2025 3 December 2025

	2. Support the growth of an innovative, resilient and net zero carbon economy 3. Raise attainment amongst Glasgow's children and young people	

The Committee has continued to receive updates from officers on the ongoing review of the Performance Manual and approach to reporting. The complexity of reporting progress from a large number of Commitments contained in the report, highlighted by the Annual Audit Report by EY, has been acknowledged and work is ongoing to continue to use the annual review of the Strategic Plan and the learnings from the development of the new citywide Glasgow Community Planning Partnership's Performance Framework for the Community Plan (detailed below) to further refine these.

Officers are currently considering the preparatory work for a new strategic plan for 2027 onwards.

(d) The Performance Manual sets out how the council monitors, manages and reports progress and performance to management, elected members and the public. This includes performance against delivery of the Strategic Plan, service performance, equalities, benchmarking and citizens' views on services.

(e) The Glasgow Community Plan 2024-34 details a city-wide, shared priority local outcome of Family Poverty | Reducing Poverty & Inequalities in Glasgow's Communities. Details of this outcome and the enablers to assist the achievement of the outcome are outlined in the Plan, as is how the Partnership should organise itself to ensure good outcomes and effective decision making.

The Glasgow Community Plan was approved by the Glasgow Community Planning Partnership's Strategic Partnership on 13 February 2024. A new Performance Framework for the Partnership was approved by the Executive Board in March 2025 and sets out a citywide approach to reporting outcomes most relevant to the lives of Glasgow's communities, highlighted as a priority within the revised Statutory Performance Information Direction in December 2024. Local action plans are place through the work of the Communities Team of the council and will continue to be developed as Ward Plans for each of the 23 Area Partnerships are refined. The Performance Framework details the outcomes for short (1 year), medium (3 years) and long term (10 years).

(f) The council has a defined process for responding to Asset Transfer Requests and Participation Requests, both of which build on existing channels for communities to enter into dialogue regarding service design and delivery. The People Make Glasgow Communities programme works across the Council Family and builds on the Property and Land Strategy 2020-2030 and ongoing work to empower communities to make their own decisions, and meet the changing needs of neighbourhoods.

(g) The council's approach to risk management is well established and embedded across the organisation. The Corporate Risk Management Policy and Framework, supported by the Pentana risk management system, operates across the Council Family and is subject to regular review. A comprehensive rolling review of the Policy and Framework is currently underway, with elements being refreshed on a phased basis.

Since 2024/25, the Corporate Leadership Team (CLT) has convened as a Risk, Audit and Performance Board on a six-monthly basis, providing strategic oversight of risk management and incorporating in-depth reviews of selected corporate risks. During 2025/26, the Board has approved a revised Risk Management Policy Statement, a Risk Appetite Statement, and updated risk categories and definitions, including defined appetite levels for each category. The Board regularly undertakes deep dive reviews of key topical and emerging risks and these have included asset management and contractor failure.

A Risk Management Forum operates to consider risks across the Council Family, with regular reports presented to the CLT Risk, Audit and Performance Board and the Finance and Audit Scrutiny Committee in June and November 2025. In addition to its oversight role, the Forum leads and supports the ongoing development of the council's risk management arrangements as part of the rolling review of the Corporate Risk Management Policy and Framework. This includes work in key areas such as risk appetite, policy development, and the refinement of risk categories and definitions, supporting delivery of the outputs agreed by the CLT Risk, Audit and Performance Board. A key strand of this activity has involved supporting Services and ALEOs to review and strengthen risk registers, improving the robustness and consistency of risk assessments through clearer rationale, justification and articulation of risk management approaches.

The Corporate Risk Register is supported by a coordinated suite of complementary risk registers operating across the Council Family. These include Service and ALEO Risk Registers, which capture risks arising from service delivery through subsidiaries and associated organisations, and programme and project risk registers.

(h) Implemented in July 2017, the council's Business Continuity Policy and Framework continues to be applied across council Services and continues to form the basis of the review and update of Business Impact Analyses and Business Continuity Plans. The Framework is reviewed and refreshed every two years, with the latest re-launch in May 2024 (note that the 2026 review is underway). Through the Business Continuity Forum (BCF), an officer forum chaired by Digital Services with membership across the Council Family, the business continuity community continues to drive improvements in planning; share information and experiences, and support the council's ability to sustain service delivery in the event of disruption. Representation of the wider Council Family is allowing for broader engagement and participation and feedback on this approach continues to be positive. The annual BC workplan continues to drive engagement and the review, testing and updating of business continuity materials and richer understanding of corporate priorities and dependencies across the Council Family.

Through the Road to Multi-Source Strategy, enhancements to disaster recovery arrangements are also being progressed to improve the council's resilience.

(i) A publicised Whistleblowing Policy is in place and is publicised throughout the council and community. Effective counter fraud and anti-corruption arrangements are in place and are consistent with the main principles set out in the CIPFA Code of Practice on Managing the Risk of

Fraud and Corruption (2014). In response to governance issues previously identified with senior officer exit payments, the Whistleblowing Policy is currently being reviewed and will be relaunched in early 2026/27.

(j) An integral part of the stewardship of council funds, the Financial Regulations, Management and Control: A Code of Practice aims to ensure that the council's financial transactions are conducted in a manner which demonstrates openness, integrity and transparency. The most recent update to the Code of Practice was approved by the Council on 19 May 2022. Since 2004, financial management and reporting has been undertaken through the SAP software package which provides ledger, accounts payable, accounts receivable and banking services. A Financial Controls Framework is in place for the Council Family, setting out the existing seven key controls and how they are applied operationally to mitigate risk and vulnerability to fraud and error. This was relaunched in May 2025.

(k) The statutory Complaints Handling Procedure, which manages and monitors formal contact with members of the public, and the associated reports to senior management and the Operational Performance and Delivery Scrutiny Committee, continued to operate in 2025/26. The most recent report in respect of social work complaints was presented to OPDSC on 1st October 2025 and in respect of all other council services on 5th November 2025 .

(l) The 2023 – 2027 Council Sustainable Procurement Strategy was approved by the City Administration Committee on 23 March 2023 and sets out the vision, objectives and actions that direct and govern procurement activities across the Council Family. The Annual Procurement Report for 2025/26 will be published in September 2026, providing details of:

- the six actions delivered against the Sustainable Procurement Strategy 2023;
- a summary of the regulated procurements that have been completed over the last two years, with a review of whether those procurement complied with the council's procurement strategy;
- a summary of any community benefits requirements imposed as part of regulated procurement that were fulfilled during the year covered by the report;
- a summary of any steps taken to facilitate the involvement of support business in regulated procurements during the year covered by the report; and
- a summary of the regulated procurement the council expects to commence in the next two financial years.

.A link to the current and previous annual procurement reports can be found here – Annual Procurement Report

The Standing Orders Relating to Contracts are regularly reviewed and define how the council will conduct the business of procuring works, goods and services. The most recent update to the Standing Orders Relating to Contracts was approved by the Council on 14 May 2026.

(m) The council's asset management arrangements are evolving to ensure a more collaborative arrangement between all seven asset classes (property, information, ICT, infrastructure, open spaces, fleet, and the civic Collections) and key objectives for each are aligned to the council's Strategic Plan grand challenges and missions. This will inform how the council shapes its assets to deliver outcomes and ensure the council knows and efficiently uses assets to support service delivery and achieve an improved asset base.

(n) Information and data security and records management have a high profile within the council. In 2025/26, the council continued to operate both the Information Security and Integrity Board and Extended Information Security Board to oversee the development, maintenance, and operation of the information governance framework. The Board is supported by a series of sub-groups to ensure information security policies, processes and guidance continue to be fit for purpose; that these are communicated and staff receive the required training; that information security and cyber risks are identified and mitigated, and that the required levels of cyber and information security controls and defences are identified, applied and implemented. Elements of these arrangements were the subject of Internal Audit reports during the year with actions agreed to address issues identified. In 2025/26, the council made three reports to the Information Commissioner's Office (ICO) in relation to information security breaches. No action against the council was taken by the ICO in connection with any of these.

As previously reported, in October 2024, the ICO issued and published a formal Reprimand in relation to the council's failure to meet its statutory duties in the handling of Subject Access Requests (SARs) and served an Assessment Notice on the council following which a compulsory audit of the council's handling of SARs which was undertaken in December 2024. The council had a number of recommendations arising from this audit; with one minor exception, all these recommendations have been implemented although the council remains subject to ICO monitoring. An update on this was presented to the Finance and Audit Scrutiny Committee in February 2026.

Maintaining Public Services Network (PSN) accreditation is key to the council's effective sharing of information with third party organisations, which in turn underpin a number of core council services. The council achieved PSN certification during 2023/24 following a gap of some years and we are currently accredited until May 2026. The council is also accredited to the Payment Card Industry Data Security Standard.

In April 2025, the council entered into a further contract with CGI for provision of ICT services. As part of this new contract, CGI are now utilising offshore resources based in India to provide services to the council. The council notified key partners including the DWP and DVLA of these changes and demonstrated compliance with their standards relating to overseas data access to both organisations.

On 19 June 2025, a cyber incident affecting a CGI sub-contractor was identified, as a result of which the council shut down a number of public-facing web services. Gold command structures were activated and key partner agencies contacted proactively in an attempt to minimise service disruption. The council engaged with Police Scotland, the Scottish Government's Scottish Cyber Coordination Centre (SC3), the National Cyber Security Centre (NCSC, a UK Government agency), Local Government Digital Office as well as our ICT provider and a specialist cyber incident response firm. The Information Commissioner was also notified. Following significant work, services were restored over the course of the summer. The incident was reported to FASC on 20 May 2026. So far as can be determined, no data was lost, extracted or encrypted as a result of the incident. A cyber incident response planning exercise was undertaken on 27 May 2026.

(o) The Council Family structure is subject to continual review to ensure it remains fit for purpose, delivers best value and takes account of new and emerging matters and requirements, including legislative changes. In recent years, the Council Family Review programme has implemented structural changes and this continued in 2025/26. During the year, changes were made to the LLP Agreement and other legal Agreements, including a change in control arrangements of City Building (Glasgow) LLP, approved at City Administration Committee on 21st August 2025.

(p) The ALEO Governance Framework operates at political, strategic and operational levels to govern and oversee the relationship between the council and its subsidiaries and relevant associates. These arrangements continued to apply throughout 2025/26. The Council Family Review programme had identified some potential enhancements to the ALEO Governance Framework and these were reported to OPDSC on 31 May 2023. The noted enhancements specifically in relation to Risk Governance and renewed oversight of City Policies and Strategies have further reported on at OPDSC on 12 March 2025 and are now considered to be embedded within the ALEO governance framework.

(q) The council regularly publishes information about itself and the services it provides and makes the information available in a wide variety of forms and formats. The council engages with stakeholders, including citizens, in a number of ways, including the annual Household Survey, a representative survey of over 1,000 citizens to establish views on matters ranging from service delivery to the development of strategy. Results of the 2025 Glasgow Household Survey were reported to OPDSC on 5 November 2025. A dedicated web page provides a Consultation Hub to co-ordinate consultation with residents and businesses.

5. Review of effectiveness

5.1 The council's governance arrangements set out above operated across 2025/26 and were regarded as fit for purpose in accordance with the governance framework. The governance framework is continually reviewed to reflect best practice, new legislative requirements and the expectations of stakeholders. The effectiveness of the framework, including the system of internal control, is considered at least annually and is informed by:

(a) The work of the members of the Corporate Leadership Team, including statutory officers, who have responsibility for the development and maintenance of the governance environment. Throughout 2025/26, arrangements have continued to operate to ensure that officers were clear on their role and responsibilities and that officers were compliant with the CIPFA Statements on "The Role of the Chief Financial Officer in Local Government" and "The Role of the Head of Internal Audit in Public Service Organisations 2019".

(b) Oversight by the Director of Legal and Administration, who was the council's Monitoring Officer for 2025/26.

(c) The Head of Audit and Inspection's annual report and the work of the Internal Audit section. The latest external 5-yearly quality review of the section was completed in April 2021 and reported to the Finance and Audit Scrutiny Committee on 5 May 2021. This report concluded that the section conforms with the requirements of the then Public Sector Internal Audit Standards 2017 (PSIAS). The Global Internal Audit Standards (in the UK Public Sector) became effective from 1 April 2025. The external 5-yearly quality review of the section's compliance with the Global Internal Audit Standards (in the UK Public Sector) is scheduled for 2026/27. The Internal Audit section continues to hold BSi quality accreditation under ISO9001:2015. Internal Audit continue to present a register of all outstanding audit recommendations to the Finance and Audit Scrutiny Committee on a regular basis. The Internal Audit Plan for 2025/26 was approved by the Finance and Audit Scrutiny Committee on 26 March 2025.

(d) Observations made by external auditors and other review agencies and inspectorates.

(e) The completion of a self-assessment questionnaire by Service Directors and Managing Directors/Chief Executives of subsidiaries and relevant associates. This questionnaire is aligned to the principles contained in the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government, and requires assessments to be made of the extent to which arrangements within each Service/organisation comply with these principles. The responses to the questionnaires are confirmed on a sample basis by Internal Audit, as part of a rolling programme of corporate governance reviews.

(f) The completion of signed statements of internal control by all Service Directors and the Managing Directors/Chief Executives of subsidiaries and relevant associates. Such statements were received for 2025/26, declaring that "There are, in my opinion, no significant matters that require to be raised in this Certificate, which is provided to support Glasgow City Council's Statement of Internal Control for the financial year 2025/26, as it is my opinion that the procedures which have been designed to ensure proper governance and financial control are operating adequately".

(g) The exercising, by the two Scrutiny Committees, of respective remits including scrutiny of the performance of Services, subsidiaries and relevant associates, including financial management, statutory and other performance, and outcomes set through the Glasgow Community Planning Partnership Community Plan, which are relevant to partnership working and monitoring internal financial control, corporate risk management and corporate governance, and receiving and considering summaries of internal and external audit reports. In accordance with the Council's Standing Orders, all Committees are required to undertake an annual evaluation of effectiveness, and in year 3 the assessment is undertaken by a senior officer outwith the Committee. Year 3 assessments for Committees have been undertaken during 2025/26:

- Operational Performance and Delivery Scrutiny Committee
- Finance and Audit Scrutiny Committee
- Wellbeing, Equalities, Communities, Culture and Engagement City Policy Committee
- Economy, Housing, Transport and Regeneration City Policy Committee

- NetZero and Climate Progress Monitoring City Policy Committee
- Education, Skills and Early Years City Policy Committee
- Environment and Liveable Neighbourhoods City Policy Committee

(h) The CIPFA Financial Management Code provides guidance for good and sustainable financial management in local authorities. By complying with the principles and standards within the code authorities will be able to demonstrate their financial sustainability. Council management undertook a self-assessment against the Financial Management Code during 2025/26, which confirmed overall compliance with the Code's requirements.

5.2 Senior officers have been advised on the implications of the result of the review of the effectiveness of the governance framework by Internal and External Audit and plans to address weaknesses and ensure continuous improvement of the systems are in place.

6. Governance Developments and Future Activity

6.1 Work is ongoing to further focus the leadership and governance processes to support Public Service Reform within the council and with partners. Led by the Corporate Leadership Team the work focuses on budget sustainability and innovation to achieve whole system change. Working with Scottish Government, UK Government, the City Region and other local authorities, examples such as the Child Poverty Programme and Innovation Accelerators are being used to further develop this work.

6.2 In June 2021, Audit Scotland and the Accounts Commission published a revised Code of Audit Practice. The Code explains the revised arrangements for the audit of Best Value, this is now based on an annual thematic report. Ernst and Young (EY) have been appointed by the Accounts Commission as external auditor of Glasgow City Council for financial years 2022/23 to 2026/27, this includes all Best Value Audits during this period.

6.3 For the 2025/26 financial year, EY will complete the Best Value Audit on the theme of Asset Transformation the audit specifically focussing on:

- Asset management planning
- Governance and performance
- Partnership working and community engagement.

6.4 The council engage fully with EY throughout the audit process. The best value audit report, any recommendations and management responses contained within will be agreed by officers as factually correct and achievable for implementation. The report will then be considered by the Finance and Audit Scrutiny Committee.

6.5 The 2024/25 Annual Audit Report by EY was considered by the Finance and Audit Scrutiny Committee on 25 February 2026. The report contained a number of important conclusions and recommendations for the council, covering:

- Production of the financial statements
- Financial sustainability considerations

- Governance, including Scheme of Delegated Functions and Code of Conduct, exit packages and restructures.
- Financial management and organisational capacity
- Performance management reporting and the strategic plan

A number of recommendations were made by EY in 2025/26 across the Annual Audit Report and Best Value report and Finance and Audit Scrutiny Committee gets regular updates on these.

6.6 Acting as the lead authority for the Glasgow City Region, the Council will support efforts to draft new regional governance structures in advance of forthcoming Scottish legislation which will enable the establishment of new regional legal entities. Through the Glasgow City Region Cabinet, a full devolution proposal will be submitted to both governments in March 2027.

6.7 In preparation for the future administration following the local government elections in May 2027, officers are already preparing for the elections themselves and a new administration's Strategic Plan covering the next Council term. Ahead of this officers are also considering how the committee structure can continue to evolve and develop to ensure it aligns most effectively to meet best practice both externally and internally, in both their policy development and scrutiny functions.

6.8 A review of culture was undertaken in 2025/26 using the Improvement Service's Culture Checklist 2025. The checklist was issued to all staff who were currently a member of a Service or ALEO Management Team and asked them a series of questions covering four areas – (1) Leadership, (2) People, (3) Collaboration, Learning and Listening, and (4) Ethics and Governance. The outputs from this exercise have provided the Corporate Leadership Team with a baseline of the current culture and discussions have taken place at the Corporate Leadership Team on next steps. A development session for all those who were invited to complete the checklist has been arranged for June 2026 to discuss the future culture and in particular behaviours for the council of the future.

7. Update on significant governance issues previously reported

ICT Service and Security

7.1 The 2021/22 Annual Governance Statement included the unsatisfactory audit opinion relating to ICT security and service delivered via the council's Managed Service provider. Since then, considerable work has been undertaken to deliver improvements to the council's security environment, including technical, governance, reporting and risk management aspects and whilst a number of higher risk areas are now mostly mitigated, there are other areas where remediation is still ongoing. Therefore the Council Family remained exposed to risk in this area during 2025/26. Through the Road to Multi-Source Strategy (R2MS), management continue to work with the council's Managed Security Services Provider (MSSP) and individual Managed Service Providers (MSPs) to mitigate the risks in this complex and ever-changing area, as much as possible during 2026/27.

Senior Officer Exit Payments

7.2 Following publication of the council's 2023/24 Remuneration Report, concerns were raised with the Chief Executive by the Leader of the Council and the City Treasurer regarding payments made to five former Senior Officers as part of their exits from council employment. The council also received questions and requests under Freedom of Information legislation. An initial review of the underlying documentation and process relating to these packages was carried out by the council's Monitoring Officer and Head of Audit and Inspection.

The Chief Executive then instructed Brodies LLP to undertake an independent, external investigation into the circumstances in which the payments were made and the approval processes which led to them. Thereafter Brodies instructed a Kings Counsel to prepare an Opinion to confirm the findings of this review. The scope of this review and detailed findings were considered by the Finance and Audit Scrutiny Committee on 11 March 2025. The Brodies review, supported by the KC, highlighted a number of significant governance issues and recommended a number of improvements to the council's governance arrangements. The council was also subject to a section 102 report by the Controller of Audit for the Accounts Commission in relation to this matter. The section 102 report was considered by the Accounts Commission at its meeting on 14 August 2025, with a final report issued in September 2025.

Management have developed enhanced governance arrangements, procedural changes and updates to the council's Scheme of Delegated Functions to address the issues and recommendations highlighted by Brodies. These were considered by the Wellbeing, Equalities, Communities, Culture and Engagement City Policy Committee on 17 April 2025 before being approved by the City Administration Committee on 8 May 2025. Changes to the Scheme of Delegated Functions and Committee Terms of Reference were approved by Full Council on 15 May 2025. The Internal Audit plan for 2025/26 (approved by the Finance and Audit Scrutiny Committee on 26 March 2025) included specific reviews to provide assurance on the concerns and recommendations arising from the Brodies report, some of this work is currently being finalised and the review of culture has been undertaken (as detailed in para 6.8 above).

An update on the implementation of the actions arising from the section 102 report was provided to the Finance and Audit Scrutiny Committee on 25 March 2026.

City Building – Performance Management

7.3 As part of the 2024/25 City Building Internal Audit plan, a comprehensive review of Performance Management arrangements was undertaken relating to the repairs service provided to Wheatley Housing Group, the Glasgow City Council Group and other third party clients. The audit opinion was unsatisfactory due to the absence of a formal performance management framework and the identification of issues relating to the underlying repairs workflow and data accuracy. Management have agreed and implemented a performance management framework and have commenced a review of repairs workflow. An ICT Strategy was approved by the Board in November 2025 and a detailed plan to achieve this will be presented to the Board in June 2026. This includes the rollout of Servitor Express and an upgrade to the current Servitor system.

8. Significant governance issues

Cyber Incident

8.1 In June 2025, the council was impacted by a cyber incident. This was an opportunistic attack on a third-party supplier, rather than on the council itself. With access gained through the supplier's network, rather than via any council system or user. The isolation of the affected servers meant that a number of the council's web based services were affected for a period to September 2025.

An accredited cyber incident responder was appointed to undertake forensic investigations into the incident and advise on remediation and root cause. And an internal audit review of the lessons learned has been completed and reported to the Finance and Audit Scrutiny Committee on 20 May 2026.

The council dealt with the incident in a managed and appropriate manner with lessons identified to be addressed going forward, and a cyber incident response planning exercise was undertaken on 27 May 2026

9. Internal Audit Opinion

9.1 The council has a system of internal control designed to manage risk to a reasonable level. Internal controls cannot eliminate the risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

9.2 Based on the audit work undertaken, the assurances provided by Service Directors and Managing Directors/Chief Executives of subsidiaries and relevant associates, and noting the issues outlined at Sections 7 and 8 above, it is the Head of Audit and Inspection's opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the governance and control environment which operated during 2025/26 in the council and its subsidiaries and relevant associates.

10. Certification

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the systems of governance and internal control that operate in Glasgow City Council and its subsidiaries and relevant associates. The self-assessments, the statements of internal control signed by Service Directors and Managing Directors (of subsidiaries and relevant associates) and the work undertaken by Internal Audit has shown that, with the exception of those matters listed above, the arrangements in place are operating as planned. However, improvements are specifically required in relation to ICT services and resilience. Work is ongoing to address these matters and officers will monitor and report on the implementation.

We will continue to review and enhance, as necessary, our governance arrangements.

Remuneration report for the year ended 31 March 2026

1. Introduction

The remuneration report is set out in accordance with the Local Government Accounts (Scotland) Regulations 1985 (as amended by the Local Authority Accounts (Scotland) Amendment Regulations 2011). These Regulations require various disclosures about the remuneration and pension benefits of senior councillors and senior employees.

All information disclosed in the tables at 4.1 to 4.6 and 5.1 to 5.3 in this remuneration report will be audited by Ernst & Young LLP. The other sections of the remuneration report will be reviewed by Ernst & Young LLP to ensure that they are consistent with the Financial Statements.

2. Definitions

The term senior councillor means the Leader of the Council, the Lord Provost or a councillor who holds a significant position of responsibility in the council's management structure, all as defined by regulation 2 of the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007(3).

The term senior employee means any employee of Glasgow City Council and its subsidiaries:

- Who has responsibility for the management of the local authority to the extent that the person has the power to direct or control the major activities of the authority (including activities involving the expenditure of money), during the year to which the report relates, whether solely or collectively with other persons; or
- Who holds a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of the Local Government and Housing Act 1989 (4); or
- Whose annual remuneration, including any remuneration from a local authority subsidiary body, is £150,000 or more.

The term 'remuneration' means gross salary, fees and bonuses, taxable allowances and expenses and compensation for loss of employment. It excludes pension contributions paid by the council. Pension contributions made to a person's pension are disclosed as part of the pension benefits disclosure.

The term 'pension benefits' covers in-year pension contributions for the employee or councillor by the council and the named person's accrued pension benefits at the reporting date.

3. Remuneration policy

Elected members

The full council sets the remuneration levels for senior councillors and senior employees. Its role is to ensure the application and implementation of fair and equitable systems for pay and for performance management within the guidelines of, and as determined by, Scottish Ministers and the Scottish Government. In reaching its decisions, the council has regard to the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities; the council's policies for the improvement of the delivery of public services; and the funds available to the council.

The remuneration of senior councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007(SSI No. 2007/183) and amendments. The regulations provide for the grading of councillors for the purposes of remuneration arrangements, as either the Leader of the Council, the Civic Head (which is the Lord Provost in Glasgow), senior councillors or councillors. The Leader of the Council and the Civic Head cannot be the same person for the purposes of payment of remuneration. A senior councillor is a councillor who holds a significant position of responsibility in the council's political management structure.

The salary that is to be paid to the Leader of the Council is set out in the regulations. For 2025/26, the maximum salary for the Leader of the Council is £71,519. The regulations permit the council to remunerate one Civic Head and set out the maximum salary that may be paid to that Civic Head. For 2025/26, the maximum salary for the Civic Head is £53,640.

The regulations also set out the remuneration that may be paid to senior councillors and the total number of senior councillors the council may have. The maximum yearly amount that may be paid to a senior councillor is £53,640 and the council is permitted to have a maximum of 24 senior councillors. The council is able to exercise local flexibility in the determination of the precise number of senior councillors and their salaries within these maximum limits. The council pays senior councillor supplements to city conveners, chairs of committees and the leaders of the Labour and Green opposition parties. In 2025/26 the council had no more than 24 senior councillors at any one time. The table at 4.1 shows the total remuneration paid to any councillors that held a senior councillor post at any point in 2024/25 or 2025/26 and includes the remuneration of the Leader of the Council and the Civic Head.

The regulations also permit the council to pay contributions or other payments as required to the Local Government Pension Scheme in respect of those councillors who elect to become councillor members of the pension scheme. The Glasgow City Council Members' Allowances Scheme, for those councillors who elect to join the scheme, was agreed at a meeting of the full council on 17 May 2007.

Senior employees

The salaries of senior employees within the council are set based upon the salary points of the leadership job family, as set out in the council's Pay, Grading and Benefits Structure. These arrangements were originally agreed through approval of the Workforce Pay and Benefits Review report at a special meeting of the council's Executive Committee on 13 October 2006 and may be amended each year to allow for cost of living increases as negotiated by the Scottish Joint Council (SJC), for the general workforce and the Scottish Negotiating Council for Teachers (SNCT). The council does not pay bonuses or performance related pay. All council employees are eligible to join the Local Government Pension Scheme (LGPS). The scheme is described in section 5 entitled 'Pension Benefits'.

Subsidiaries

The council has a number of subsidiary bodies, which are governed via their company documents, service agreements and boards of directors. The council has responsibility for appointing directors and chairpersons to subsidiary boards. Since the introduction of the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2011, on the 1 July 2011, there has been no remuneration paid to councillors on the board of any subsidiary or any other group entity.

The council does not have any direct control over the remuneration arrangements for the employees of any of these subsidiary bodies. The powers to set remuneration for employees lies solely with the board of each subsidiary body.

4. Remuneration

4.1. Remuneration of senior councillors

2024/25 Total Remuneration £	**Remuneration of senior councillors (includes the basic councillor salary of £25,982)**	Date from	Date to	**Year ended 31 March 2026 Total Remuneration £**
63,939	**Susan Aitken** Leader of the Council and City Convener for City and City Region Economy and Just Transition	April 2025	March 2026	**71,453**
48,127	**Jacqueline McLaren** Lord Provost	April 2025	March 2026	**53,590**
46,417	**Richard Bell** Depute Leader and City Treasurer and City Convener for Financial Inclusion	April 2025	March 2026	**53,341**
35,471	**Christy Mearns** Depute Lord Provost	April 2025	March 2026	**40,762**
30,288	**George Redmond** Leader of the Opposition (Labour)	April 2025	May 2025	**26,952**
-	**Rashid Hussain** Leader of the Opposition (Labour)	May 2025	March 2026	**33,839**
30,288	**Ken Andrew** Chair of Planning Applications Committee	April 2025	March 2026	**34,806**
-	**Jill Brown** Chair of Finance and Audit Scrutiny Committee	April 2025	October 2025	**31,039**
30,288	**Graham Campbell** Chair of Education, Skills and Early Years City Policy Committee	April 2025	March 2026	**34,806**
39,784	**Christina Cannon** City Convener of Education and Early Years	April 2025	March 2026	**45,720**
39,784	**Allan Casey** City Convener for Workforce and Homelessness and Addiction Services	April 2025	March 2026	**45,722**
39,784	**Annette Christie** City Convener for Culture, Sport and International Relations (and Chair of Glasgow Life)	April 2025	March 2026	**45,720**
30,288	**Chris Cunningham** City Convener for Health, Care and Caring and Older People (and Chair of IJB)	April 2025	March 2026	**34,806**
34,353	**Laura Doherty** City Convener for Neighbourhood Services and Assets	April 2025	March 2026	**45,720**
46,417	**Greg Hepburn** Council Business Manager and City Convener for Open Government	April 2025	March 2026	**53,341**
39,784	**Ruairi Kelly** City Convener for Housing, Development, Built Heritage and Land Use	April 2025	March 2026	**45,720**
30,288	**Elaine McSporran** Chair of Environment and Liveable Neighbourhoods City Policy Committee	April 2025	March 2026	**34,806**
39,784	**Anne McTaggart** City Convener for Communities and Equalities	April 2025	March 2026	**45,720**
39,784	**Angus Millar** City Convener for Climate, Glasgow Green Deal, Transport and City Centre Recovery	April 2025	March 2026	**45,720**
30,288	**Jon Molyneux** Co-Leader of Green Group	April 2025	March 2026	**34,806**
30,288	**Margaret Morgan** Convener of Licensing	April 2025	March 2026	**34,806**
-	**Cecilia O’Lone** Chair of Finance and Audit Scrutiny Committee	October 2025	March 2026	**29,768**

2024/25 Total Remuneration £	**Remuneration of senior councillors (includes the basic councillor salary of £25,982)**	Date from	Date to	**Year ended 31 March 2026 Total Remuneration £**
25,154	**Linda Pike** Chair of Wellbeing, Equalities, Communities, Culture and Engagement City Policy Committee	April 2025	March 2026	**34,806**
30,288	**Lana Reid-McConnell** Chair of Net Zero and Climate Progress Monitoring City Policy Committee	April 2025	March 2026	**34,806**
30,288	**Franny Scally** Chair of Contracts and Property Committee	April 2025	March 2026	**34,806**
26,511	**Soryia Siddique** Chair of Operational Performance and Delivery Scrutiny Committee	April 2025	March 2026	**34,806**
30,288	**Martha Wardrop** Chair of Economy, Housing, Transport and Regeneration City Policy Committee	April 2025	March 2026	**34,806**
30,288	**Alex Wilson** Chair of Licensing and Regulatory Committee	April 2025	March 2026	**34,806**
898,261	**Total**			**1,131,799**

Notes:

1. There were no payments in the form of bonuses, benefits in kind or compensation for loss of office. Business expenses are disclosed at table 4.2.
2. Salaries are paid four weekly and this can give rise to small differences in the actual payments made from one financial year to the next.
3. During 2025/26 there were changes to the senior councillor positions within the council. These changes have been reflected in table 4.1 and throughout this remuneration report. Further information is available in the public minutes of Glasgow City Council.

   www.glasgow.gov.uk/article/1546/Councillors-and-Committees

4.2. Remuneration paid to councillors.

The council paid the following salaries, allowances and expenses to all councillors (including the senior councillors above) during the year:

2024/25 £000	**Remuneration**	**2025/26 £000**
2,161	Salaries	2,613
7	Allowances	12
50	Expenses	54
2,218	**Total**	**2,679**

Note:

The annual return of councillors' salaries and expenses for 2025/26 is available to view on the council's website at:

https://www.glasgow.gov.uk/electedmembers

4.3. Remuneration of senior employees

		Year ended 31 March 2026			
2024/25 Total Remuneration £	**Remuneration of senior employees**	Salary, fees and allowances £	Compensation for Loss of Office £	Election duties £	**Total Remuneration £**
211,862	**Susanne Millar** Chief Executive	220,321	0	0	**220,321**
119,855	**Colin Edgar** Director of Communications and Corporate Governance	127,516	0	0	**127,516**
2,961	**Robert Emmott** Executive Director of Financial Services	160,387	0	0	**160,387**
27,266	**Kelda Gaffney** Chief Social Work Officer (from 1 January 2025)	115,319	0	0	**115,319**
170,321	**George Gillespie** Executive Director of Neighbourhoods, Regeneration & Sustainability	177,191	0	0	**177,191**
166,541	**Douglas Hutchison** Executive Director of Education Services (to 23 October 2025)	141,960 FYE £177,501	0	0	**141,960**
-	**John McGhee** Executive Director of Education (from 1 December 2025)	58,569 FYE £160,556	0	0	**58,569**
-	**Frances McMeeking** Assistant Chief Officer (to 30 April 2026)	160,593	45,000	0	**205,593**
119,655	**Mairi Millar** Director of Legal & Administration	127,196	0	0	**127,196**
127,356	**Kevin Rush** Director of Regional Economic Growth	132,680	0	0	**132,680**
945,817	**Total**	**1,421,732**	**45,000**	**0**	**1,466,732**

Notes:

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

2. Salaries are paid four weekly and this can give rise to small differences in the actual payments made from one financial year to the next.

4.4. Remuneration of senior employees of subsidiaries

		Year ended 31 March 2026					
2024/25 Total Remuneration £	**Remuneration of senior employees of subsidiaries**	Salary, fees and allowances £	Bonus £	Taxable allowances & expenses £	Compensation for loss of office £	Benefits in Kind other than in cash £	**Total Remuneration £**
129,859	**Pauline Barclay** Managing Director, City Property (Glasgow) LLP	135,043	0	0	0	0	**135,043**
29,607	**Sharon Wearing** (note 1) Executive Director City Building (Contracts) LLP	167,717	0	0	0	0	**167,717**
165,375	**Susan Deighan** Chief Executive.(to 27 June 2025) Culture and Sport Glasgow t/a 'Glasgow Life'	42,905	0	0	0	0	**42,905**
-	**Kay Morrison** Chief Executive.(from 7 July 2025) Culture and Sport Glasgow t/a 'Glasgow Life'	106,207	0	0	0	0	**106,207**
-	**Dominic McKay** Chief Executive Officer (from 6 May 2025) Scottish Event Campus Ltd	197,740	43,693	22,303	0	2,641	**266,377**
196,257	**William McFadyen** Managing Director (to 1 August 2025) Scottish Event Campus Ltd	102,702	0	7,392	0	1,490	**111,584**
-	**Stewart Roberts** Interim Finance Director (from 10 July 2025) Scottish Event Campus Ltd	94,000	26,000	13,350	0	376	**133,726**
216,799	**Deborah McWilliams** Managing Director (to 1 August 2025) Chief Commercial Officer (from 2 August 2025) Scottish Event Campus Ltd	176,470	35,294	19,091	0	508	**231,363**
194,258	**Colin Hartley** Director of Operations Scottish Event Campus Ltd	151,750	30,350	19,091	0	559	**201,750**
93,300	**Gary Hay** Managing Director, Jobs & Business Glasgow	97,032	0	0	0	0	**97,032**
-	**Fiona Campbell-Downes** Director of People Scottish Event Campus Ltd	130,000	26,000	19,091	0	508	**175,599**
193,511	**Daniel Thurlow** Director of Exhibition Sales, Scottish Event Campus Ltd	151,750	30,350	45,494	0	2,329	**229,923**
195,721	**Kathleen Warden** Director of Conference Sales (to 31 March 2026) Scottish Event Campus Ltd	127,267	25,394	19,091	0	501	**172,253**
1,414,687	**Total**	**1,680,583**	**217,081**	**164,903**	**0**	**8,912**	**2,071,479**

Notes:

1. This employee was employed by Glasgow City Council where she was seconded to City Building (Glasgow) LLP to undertake the role of Executive Director of City Building (Glasgow) LLP and City Building (Contracts) LLP until November 2025. Thereafter she was employed by Wheatley Housing Group as Group Director of Wheatley Developments and City Building.

4.5. Remuneration of employees receiving more than £50,000

In accordance with the disclosure requirement of the regulations, the number of employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) are shown in the table below in bands of £5,000. This information includes those senior employees who are subject to the fuller disclosure requirements in table 4.3.

		Remuneration in 2025/26			
Total 2024/25	**£5,000 band**	Teachers	Those receiving compensation for loss of office	Staff (excl teachers)	**Total**
1,440	50,000 – 54,999	2,044	1	1,417	3,462
769	55,000 – 59,999	423	0	316	739
669	60,000 – 64,999	380	0	482	862
273	65,000 – 69,999	276	0	114	390
315	70,000 – 74,999	145	0	51	196
158	75,000 – 79,999	155	0	153	308
56	80,000 – 84,999	75	0	19	94
13	85,000 – 89,999	9	0	18	27
58	90,000 – 94,999	8	0	7	15
17	95,000 – 99,999	2	0	48	50
14	100,000 – 104,999	9	0	3	12
11	105,000 – 109,999	9	0	7	16
15	110,000 – 114,999	1	0	3	4
3	115,000 – 119,999	2	2	11	15
1	120,000 – 124,999	0	0	1	1
3	125,000 – 129,999	0	0	2	2
1	130,000 – 134,999	0	0	3	3
0	140,000 – 144,999	0	0	2	2
0	145,000 – 149,999	0	0	1	1
1	150,000 – 154,999	0	0	0	0
0	160,000 – 164,999	0	0	1	1
1	165,000 – 169,999	0	0	0	0
1	170,000 – 174,999	0	0	0	0
0	175,000 – 179,999	0	0	1	1
0	205,000 – 209,999	0	1	0	1
1	210,000 – 214,999	0	0	0	0
0	220,000 – 224,999	0	0	1	1
3,820	**Total**	**3,538**	**4**	**2,661**	**6,203**

4.6. Exit packages

The Code requires disclosure of all exit packages agreed, in rising bands. The table below shows all exit packages that were accrued in the year, of which all were voluntary. Exit package values include redundancy, compensatory lump sum and pension strain costs.

2024/25		Exit package bands	2025/26	
Number	*Cash Value £000*		**Number**	**Cash Value £000**
4	51	£1 - £20,000	0	0
8	240	£20,001 - £40,000	1	32
4	222	£40,001 - £60,000	1	45
11	802	£60,001 - £80,000	1	66
8	709	£80,001 - £100,000	1	85
27	3,515	£100,001 - £150,000	1	101
17	2,886	£150,001 - £200,000	1	151
6	1,337	£200,001 - £250,000	1	241
2	537	£250,001 - £300,000	0	0
87	**10,299**	**Total**	**7**	**721**

5. Pension benefits

Pension scheme benefits for councillors and local government employees (excluding teachers) are provided through the Local Government Pension Scheme (LGPS). The LGPS is a funded scheme whereby fund balances are maintained from employee / employer contributions and returns on investments to meet the ongoing and anticipated future costs. Benefits are then paid out of this fund. The LGPS is therefore unique in the Scottish public sector. The other five Scottish public sector schemes (NHS, civil service, police, fire fighter, and teachers) are unfunded, also known as 'pay-as-you-go', where no fund is built up to help cover future payments and employers and employees contribute as if the scheme were funded. One of the objectives of a funded scheme is to reduce the variability of costs over time for employers compared with an unfunded (pay-as-you-go) alternative. The funding mechanism should also minimise inter-generational transfer of liabilities. The LGPS is subject to an actuarial revaluation every three years, and employer contribution rates are re-assessed.

Councillors' benefits earned up to 31 March 2015 are based on career average pay. Pay for each year or part year ending 31 March (other than the pay in final year commencing 1 April) is increased by the increase in the cost of living, as measured by the appropriate indices between the end of that year and the last day of the month in which their membership of the scheme ends. The total of the revalued pay is then divided by the period of membership to calculate average career pay. This is used to calculate the benefits.

For local government employees the LGPS was a final salary pension scheme up to 31 March 2015. This means that benefits are based on the final year's pay and the number of years the person has been a member of the scheme.

For service from 1 April 2015 both Councillors and local government employees are in a career average revalued pension scheme. Each year an amount of pension is earned that is then revalued for inflation until retirement.

From 1 April 2009 a five-tier contribution system was introduced with contributions from members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Up to 31 March 2015 if a person worked part-time their contribution rate was worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned. From 1 April 2015 contribution rates are worked out on actual pay. The tiers and member / Councillor contribution rates for 2024/25 and 2025/26 are as follows:

Whole time pay 2024/25 bandings	Employee contribution rate	Whole time pay 2025/26 bandings
On earnings up to and including £27,000	5.50%	On earnings up to and including £27,500
On earnings above £27,001 and up to £33,000	7.25%	On earnings above £27,501 and up to £33,600
On earnings above £33,001 and up to £45,300	8.50%	On earnings above £33,601 and up to £46,100
On earnings above £45,301 and up to £60,400	9.50%	On earnings above £46,101 and up to £61,400
On earnings of £60,401 and above	12.00%	On earnings of £61,401 and above

At retirement members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The pension accrual rate from 1 April 2015 is 1/49th of pensionable pay. The pension accrual rate from 1 April 2009 to 31 March 2015 was a pension based on 1/60th of final pensionable salary for each year of pensionable service. Prior to 2009 the accrual rate was a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service.

For benefits earned up to 31 March 2015, the LGPS normal pension age for both councillors and employees was 65. Benefits earned from 1 April 2015 have a normal pension age equal to the member's state pension age (or 65 if higher).

The tables at 5.1 - 5.3 summarise the in-year employer contributions and the accrued benefits for all senior councillors, senior employees and senior employees of subsidiaries that held post at some point during 2024/25 or 2025/26. The tables do not include contributions made by employees or councillors to the pension fund.

The value of accrued benefits has been calculated using the age at which the person will first become entitled to receive a full pension on retirement, without reduction, on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; without any adjustments for the effects of future inflation; and total local government service (not just their current appointment). Membership of the pension scheme is voluntary, and not all councillors or employees are members.

5.1. Pension benefits of senior councillors

Pension benefits of senior councillors	In year pension contributions For year to 31 March 2025 £	For year to 31 March 2026 £		Accrued pension Benefits Difference from 31 March 2025 £000	As at 31 March 2026 £000
Susan Aitken	4,165	4,644	Pension	2	16
			Lump Sum	0	0
Jacqueline McLaren	3,124	3,483	Pension	1	6
			Lump Sum	0	0
Richard Bell	3,024	3,467	Pension	2	8
			Lump Sum	0	0
Christy Mearns	2,311	2,649	Pension	1	6
			Lump Sum	0	0
George Redmond	1,973	1,752	Pension	0	2
			Lump Sum	0	0
Rashid Hussain	-	2,199	Pension	0	6
			Lump Sum	0	0
Ken Andrew	1,973	2,262	Pension	1	8
			Lump Sum	0	0
Jill Brown	-	2,018	Pension	1	3
			Lump Sum	0	0
Graham Campbell	1,973	2,262	Pension	1	5
			Lump Sum	0	0
Christina Cannon	2,592	2,972	Pension	1	6
			Lump Sum	0	0
Allan Casey	2,592	2,972	Pension	1	6
			Lump Sum	0	0
Annette Christie	2,592	2,972	Pension	1	6
			Lump Sum	0	0
Chris Cunningham	1,973	2,262	Pension	1	7
			Lump Sum	0	0
Laura Doherty	2,237	2,972	Pension	1	5
			Lump Sum	0	0
Greg Hepburn	3,024	3,467	Pension	1	9
			Lump Sum	0	0
Ruairi Kelly	2,592	2,972	Pension	1	7
			Lump Sum	0	0
Elaine McSporran	1,973	2,262	Pension	1	5
			Lump Sum	0	0
Anne McTaggart	2,592	2,972	Pension	1	5
			Lump Sum	0	0
Angus Millar	2,592	2,972	Pension	1	7
			Lump Sum	0	0
Jon Molyneux	1,973	2,262	Pension	1	5
			Lump Sum	0	0
Margaret Morgan	1,973	2,262	Pension	1	5
			Lump Sum	0	0
Cecilia O'Lone	-	1,935	Pension	0	4
			Lump Sum	0	0
Linda Pike	1,638	2,262	Pension	1	2
			Lump Sum	0	0
Lana Reid-McConnell	1,973	2,262	Pension	2	3
			Lump Sum	0	0

Pension benefits of senior councillors	In year pension contributions For year to 31 March 2025 £	For year to 31 March 2026 £		Accrued pension Benefits Difference from 31 March 2025 £000	As at 31 March 2026 £000
Franny Scally	1,973	2,262	Pension	1	7
			Lump Sum	0	0
Soryia Siddique	1,716	2,262	Pension	0	4
			Lump Sum	0	0
Martha Wardrop	1,973	2,262	Pension	0	9
			Lump Sum	0	2
Alex Wilson	1,973	2,262	Pension	1	7
			Lump Sum	0	0
Total	**58,494**	**73,562**	**Pension**	**26**	**169**
			Lump Sum	**0**	**2**

Notes:

1. All senior councillors shown in the table above are members of the Local Government Pension Scheme (LGPS). The employer contribution rate, set by Strathclyde Pension Fund, was 6.5% in both 2024/25 and 2025/26.

5.2. Pension benefits of senior employees

Pension benefits of senior employees	In year pension contributions For year to 31 March 2025 £	For year to 31 March 2026 £		Accrued pension Benefits Difference from 31 March 2025 £000	As at 31 March 2026 £000
Susanne Millar	13,320	14,321	Pension	11	98
			Lump Sum	10	111
Colin Edgar	7,716	8,288	Pension	4	46
			Lump Sum	1	17
Robert Emmott (note 2)	192	10,425	Pension	80	80
			Lump Sum	101	101
Kelda Gaffney	6,668	7,496	Pension	5	43
			Lump Sum	5	35
George Gillespie	11,085	11,517	Pension	6	92
			Lump Sum	5	107
Douglas Hutchison (note 3)	10,839	6,335	Pension	-35	0
			Lump Sum	0	0
John McGhee	-	3,807	Pension	1	1
			Lump Sum	0	0
Frances McMeeking	-	7,697	Pension	6	69
			Lump Sum	6	89
Mairi Millar	7,688	8,268	Pension	5	41
			Lump Sum	2	18
Kevin Rush	8,289	8,624	Pension	4	46
			Lump Sum	1	12
Total	**65,797**	**86,778**	**Pension**	**87**	**516**
			Lump Sum	**131**	**490**

Notes:

1. All senior employees shown in the table above are members of the Local Government Pension Scheme (LGPS). The employer contribution rate, set by Strathclyde Pension Fund, was 6.5% in both 2024/25 and 2025/26.

2. During 2025/26, this employee transferred in pension benefits from another LGPS provider. This transfer in is reflected in the difference from 31 March 2025.

3. This employee retired on 23 October 2025 and began to receive their pension benefits from that date, as such no accrued pension benefits are shown.

5.3. Pension benefits of senior employees of subsidiaries

Pension benefits of senior employees of Glasgow City Council subsidiaries	In year pension contributions For year to 31 March 2025 £	For year to 31 March 2026 £		Accrued pension Benefits Difference from 31 March 2025 £000	As at 31 March 2026 £000
Pauline Barclay	8,452	8,781	Pension	7	61
			Lump Sum	3	43
Sharon Wearing	8,623	10,902	Pension	7	93
			Lump Sum	5	136
Susan Deighan (note 2)	11,090	2,789	Pension	-80	0
			Lump Sum	-103	0
Kay Morrison	-	6,903	Pension	12	44
			Lump Sum	9	29
Dominic McKay (note 3)	-	32,418	Pension	n/a	n/a
			Lump Sum	n/a	n/a
William McFadyen (note 3)	26,102	9,400	Pension	n/a	n/a
			Lump Sum	n/a	n/a
Stewart Roberts (note 3)		7,520	Pension	n/a	n/a
			Lump Sum	n/a	n/a
Deborah McWilliams (note 3)	18,139	19,412	Pension	n/a	n/a
			Lump Sum	n/a	n/a
Colin Hartley (note 3)	13,260	13,658	Pension	n/a	n/a
			Lump Sum	n/a	n/a
Gary Hay	3,144	3,270	Pension	3	26
			Lump Sum	0	0
Fiona Campbell-Downes (note 3)	-	10,400	Pension	n/a	n/a
			Lump Sum	n/a	n/a
Daniel Thurlow (note 3)	19,153	20,107	Pension	n/a	n/a
			Lump Sum	n/a	n/a
Kathleen Warden (note 3)	22,099	19,046	Pension	n/a	n/a
			Lump Sum	n/a	n/a
Total	**130,062**	**164,606**	**Pension**	**-51**	**224**
			Lump Sum	**-86**	**208**

Notes:

1. All senior employees of subsidiaries shown in the table above are members of the Local Government Pension Scheme (LGPS), with the exception of Scottish Event Campus (SEC) Ltd employees (note 3). The LGPS employer contribution rate, set by Strathclyde Pension Fund, was 6.5% in both 2024/25 and 2025/26.

2. This employee retired on 27 June 2025 and began to receive their pension benefits from that date, as such no accrued pension benefits are shown.

3. All senior employees of Scottish Event Campus (SEC) Ltd shown in the table above are members of a group stakeholder pension scheme with SEC Ltd. This is a defined contribution scheme and so accrued pension benefits information is not applicable.