

Form AR27

Trade Union and Labour Relations (Consolidation) Act 1992

Annual Return for an Employers' Association

Name of Employers' Association:	LONDON COUNCILS			
Year ended:	31 March 2024			
List No:	252E			
Head or Main Office:	12 ARTHUR STREET			
	LONDON			
Postcode	EC4R 9AB			
Website address (if available)	https://www.londoncouncils.gov.uk/			
Has the address changed during the year to which the return relates?	Yes	<input checked="" type="checkbox"/>	No <input type="checkbox"/>	('X' in appropriate box)
General Secretary:	STEVE DAVIES			
Contact name for queries regarding the completion of this return:	RICHARD MERRINGTON			
Telephone Number:	02079349722			
E-mail:	richard.merrington@londoncouncils.gov.uk			

Please follow the guidance notes in the completion of this return

Any difficulties or problems in the completion of this return should be directed to the Certification Office as below or by telephone to: 0330 1093602

You should send the annual return to the following address stating the name of the union in subject:

returns@certoffice.org

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Return of Members

(see note 9)

Number of members at the end of the year				
Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (Including Channel Islands)	Totals
33				33

Change of Officers

Please complete the following to record any changes of officers during the twelve months covered by this return.

Position held	Name of Officer ceasing to hold office	Name of Officer appointed	Date of Change

Officers in post

(see note 10)

Please complete list of all officers in post at the end of the year to which this form relates.

Name of Officer	Position held
Cllr Georgia Gould	Chair
Cllr Darren Rodwell	Deputy Chair
Cllr Ruth Dombey OBE	Vice Chair
Cllr Christopher Hayward	Vice Chair
Cllr Teresa O'Neill OBE	Vice Chair
Mayor Jason Perry	Member
Cllr Ross Garrod	Member
Cllr Jas Athwal	Member
Cllr Peter Mason	Member
Mayor Lutfur Rahman	Member
Cllr Muhammed Butt	Member
Cllr Nesil Caliskan	Member
Cllr Elizabeth Campbell	Member
Cllr Grace Williams	Member
Cllr Stephan Cowan	Member
Cllr Shantanu Rajawat	Member
Cllr Ian Edwards	Member
Mayor Damien Egan	Member
Cllr Peray Ahmet	Member
Mayor Rokshana Fiaz OBE	Member
Mayor Philip Glanville	Member
Cllr Simon Hogg	Member
Cllr Paul Osborn	Member
Cllr Claire Holland	Member
Cllr Andreas Kirsch	Member
Cllr Adam Hug	Member
Cllr Gareth Roberts	Member
Cllr Colin Smith	Member
Cllr Barry Rawlings	Member
Cllr Anthony Okereke	Member
Cllr Kaya Comer-Schwartz	Member
Cllr Ray Morgon	Member

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
35,016,019	From Members	Subscriptions, levies, etc	42,907,884	42,907,884
327,164	Investment income	Interest and dividends (gross)		
		Bank interest (gross)	760,016	760,016
		Other (specify)		
-796,000				
		Total Investment Income	760,016	760,016
118,487	Other Income	Rents received	14,703	14,703
		Insurance commission		
		Consultancy fees		
		Publications/Seminars		
		Miscellaneous receipts (specify)		
17,092,523		Other operating income	22,919,730	22,919,730
34,784,000		Actuarial gain on pension scheme	541,000	541,000
		Total of other income		23,475,433
51,995,010		Total income		67,143,333
86,542,193		Interfund Transfers IN		
	Expenditure			
14,354,141	Administrative expenses	Remuneration and expenses of staff	13,503,856	13,503,856
3,116,347		Occupancy costs	3,028,149	3,028,149
91,140		Printing, Stationery, Post	51,742	51,742
40,332		Telephones	38,140	38,140
2,929,486		Legal and Professional fees	3,442,293	3,442,293
		Miscellaneous (specify)		
		Total of Admin expenses		20,064,180
77,447	Other Charges	Bank charges	61,364	61,364
235,527		Depreciation	248,192	248,192
		Sums written off		
		Affiliation fees		
		Donations		
199,957		Conference and meeting fees	174,978	174,978
		Expenses		
		Miscellaneous (specify)		
16,809,422		Payment to Transport Operators	25,949,900	25,949,900
8,099,779		Grants to Voluntary Organisations	10,297,327	10,297,327
		Other Operating Expenditure	11,860,787	11,860,787
11,541,776		Total of other charges		48,592,548
		Taxation		
57,495,353		Total expenditure		68,656,728
		Interfund Transfers OUT		
29,046,839		Surplus/Deficit for year		-1,513,395
-18,922,716		Amount of fund at beginning of year		10,124,123
10,124,123		Amount of fund at end of year		8,610,728

Accounts other than Revenue Account/General Fund

(see notes 17 to 18)

Account 6		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		Total Income	
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

Account 7		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		Total Income	
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
Cost or Valuation				
At start of period		411,000	219,000	630,000
Additions during period			245,000	245,000
Less: Disposals				
Less: Depreciation		-171,000	-77,000	-248,000
Total to end of period		240,000	387,000	627,000
Book Amount at end of period		240,000	387,000	627,000
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
Total of Fixed Assets		240,000	387,000	627,000

Analysis of Investments

(see note 22)

Quoted		Other Funds
	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	Total Quoted (as Balance Sheet)	
	Market Value of Quoted Investments	
Unquoted	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted investments (to be specified)	
	Total Unquoted (as Balance Sheet)	
	Market Value of Unquoted Investments	

* Market value of investments to be stated where these are different from the figures quoted in the balance sheet

Analysis of investment income (Controlling interests)

(see note 23)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?

Yes		No	
-----	--	----	--

If Yes name the relevant companies:

Company name

Company registration number (if not registered in England & Wales, state where registered)

--	--

Incorporated Employers' Associations

Are the shares which are controlled by the association registered in the association's name

Yes		No	
-----	--	----	--

If NO, please state the names of the persons in whom the shares controlled by the association are registered.

Company name

Names of shareholders

--	--

Unincorporated Employers' Associations

Are the shares which are controlled by the association registered in the names of the association's trustees?

Yes		No	
-----	--	----	--

If NO, state the names of the persons in whom the shares controlled by the association are registered.

Company name

Names of shareholders

--	--

Summary Sheet

(see notes 24 to 33)

	All Funds	Total Funds
		£
Income		
From Members	42,907,884	42,907,884
From Investments	760,016	760,016
Other Income (including increases by revaluation of assets)	23,475,433	23,475,433
Total Income	67,143,333	67,143,333
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	68,656,728	68,656,728
Funds at beginning of year (including reserves)	10,124,123	10,124,123
Funds at end of year (including reserves)	8,610,728	8,610,728
ASSETS		
Fixed Assets		627,000
Investment Assets		
Other Assets		33,234,000
Total Assets		33,861,000
Liabilities		
Total Liabilities		25,250,272
Net Assets (Total Assets less Total Liabilities)		8,610,728

Summary Sheet

(see notes 24 to 33)

		All Funds	Total Funds
		£	£
Income			
From Members			
From Investments			
Other Income (including increases by revaluation of assets)			
	Total Income		
Expenditure (including decreases by revaluation of assets)			
	Total Expenditure		
Funds at beginning of year (including reserves)			
Funds at end of year (including reserves)			
ASSETS			
	Fixed Assets		
	Investment Assets		
	Other Assets		
	Total Assets		
Liabilities			
	Total Liabilities		
Net Assets (Total Assets less Total Liabilities)			

Notes to the accounts

(see note 34)

All notes to the accounts must be entered on or attached to this part of the return.

The Consolidated Statement of Accounts for London Councils Joint Committee for the year ended 31 March 2024 are attached to this return. The notes to the accounts can be found on pages 27 to 59 of the Consolidated accounts.

Accounting policies

(see notes 35 & 36)



Signatures to the annual return

(see notes 37 and 38)

Including the accounts and balance sheet contained in the return.

Please copy and paste your electronic signature here

Secretary's Signature:	Chairman's Signature:
Name: Steve Davies, London Regional Employers' Secretary	Name: Cllr Claire Holland, Chair of London Councils <small>(or other official whose position should be stated)</small>
Date: 28 January 2025	Date: 30th January 2025

Checklist

(see note 39)

(please enter 'X' as appropriate)

Is the return of officers attached? (see Page 2)	Yes	X	No	
Has the list of officers been completed? (see Page 2A)	Yes	X	No	
Has the return been signed? (see Note 37)	Yes	X	No	
Has the auditor's report been completed? (see Note 41)	Yes	X	No	
Is the rule book enclosed? (see Note 39)	Yes	X	No	
Has the summary sheet been completed? (see Notes 6 and 24 to 33)	Yes	X	No	

Checklist for auditor's report

(see notes 41 to 44)

The checklist below is for guidance. A report is still required either set out overleaf or by way of an attached auditor's report that covers the 1992 Act requirements.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate? (See section 36(1) and (2) of the 1992 Act and notes 43 and 44)

Please explain in your report overleaf or attached.

2. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:

- a. kept proper accounting records with respect to its transactions and its assets and liabilities; and
- b. established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.

(See section 36(4) of the 1992 Act set out in note 43)

Please explain in your report overleaf or attached.

3. Your auditors or auditor must include in their report the following wording:

In our opinion the financial statements:

- give a true and fair view of the matters to which they relate to.
- have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.

Auditor's report (continued)

Please see attached.

Signature(s) of auditor or auditors:



Name(s):

Alastair Duke

For and on behalf of PKF
Littlejohn LLP

Profession(s) or Calling(s):

FCA

Address(es)

PKF Littlejohn LLP
15 Westferry Circus
Canary Wharf
London
E14 4HD

Date:

03 February 2025

Contact name for enquiries and telephone number:

Alastair Duke
020 7516 2200

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.



LONDON COUNCILS JOINT COMMITTEE
CONSOLIDATED STATEMENT OF ACCOUNTS
YEAR ENDED 31 MARCH 2024

LONDON COUNCILS – JOINT COMMITTEE

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NARRATIVE REPORT TO THE STATEMENT OF ACCOUNTS**Annual Review****Background to our Shared Ambitions**

As the collective for London local government, the 32 boroughs and the City of London Corporation, collaboration has been central to our organisation since its inception in 1995. The need for effective cross-party collaboration to address common challenges across the capital was only highlighted and accelerated by the health and economic crisis in 2020 and 2021 that are still significantly impacting the capital today.

The success of increased joint working across issues from vaccine roll-outs to the cost of living crisis, culminated in London Borough leaders agreeing a set of Shared Ambitions for London Councils and for London.

These Shared Ambitions form the core of London Councils' work in 2023/24 and progress against each of them is summarised below.

Delivery on our Shared Ambitions**London's Future: A city for all Londoners**

Under the Shared Ambition London's Future, the following key activities and progress has been achieved:

In July 2023 London Councils commissioned Savills and the London School of Economics (LSE) to provide a comprehensive survey of the supply of the Private Rented Sector (PRS) in London and its relationship to homelessness pressures.

Working with London Housing Directors, London Councils coordinated and supported sector-led improvement efforts to raise housing standards and landlord services across London. A report highlighting the key challenges and proposed solutions was published in March 2024.

Working with boroughs and the London Office of Technology and Innovation (LOTI), London Councils launched a new monthly cost of living dashboard to provide granular data on pressures across the capital and inform policy responses.

London Councils published analysis of the impact of the reduction of PRS housing supply in London building the case for increased Local Housing Allowance (LHA) rates and to inform our response to the Renters Reform Bill.

LHA rates were increased in the 2023 Autumn Budget, following successful lobbying by London Councils, building an evidence base through commissioned research and borough case studies.

The Housing and Planning Team have worked in partnership with the GLA through the Housing Delivery Taskforce to develop an evidence-led prospectus which identifies 210,000 stalled sites due to associated development issues, including funding and insufficient infrastructure.

In December 2023, London Councils was part of the pan-London coalition to launch the London Charter to End Rough Sleeping. The Charter enshrines principles and actions needed to tackle the issue. London Councils has been a key partner from the start, driving the project forward alongside homelessness charities, the GLA, and Bloomberg Associates.

In preparation for the next Comprehensive Spending Review, in partnership with GLA Economics, G15 and Trust for London, London Councils jointly commissioned work to investigate the economic benefits of investment in housing.

NARRATIVE REPORT TO THE STATEMENT OF ACCOUNTS (Continued)

London Councils continued to advocate for improvements in the asylum and resettlement system and for the delivery of a place-based approach. The Asylum Working Group and bilateral engagement continues with boroughs to identify issues and risks, which have been escalated to the Home Office through continued engagement, including via the London Regional Oversight Group, the Hotel Closures Continuous Improvement Group and the Asylum Safeguarding Task and Finish Group.

Working in partnership with the GLA, London Councils has been working on development of proposals for apprenticeship levy devolution to London and led the consultation on the proposals.

A joint document on employment and skills devolution with the GLA is currently being developed, which will include an articulation of how funding and shared-decision making would be structured.

Climate Adaptation and Net Zero: delivering the seven climate programmes to address the climate issues facing boroughs

Under the Shared Ambition Climate Adaptation and Net Zero, the following key activities have been achieved:

In September 2023, London boroughs committed to investing £2 million in the next phase of London Councils' Climate Programme, accelerating local government's collaborative work to tackle the climate emergency. London Councils' Climate Programme has been developed from boroughs' ambitious Joint Statement on Climate Change, which committed London boroughs to delivering major programmes which address key climate change issues.

In June 2023, London Councils commissioned Leeds University to calculate updated consumption-based emissions profiles for every London borough to inform their climate change strategies and the Climate Change programme.

In December 2023 London Councils published findings from the fourth year of polling Londoners views on climate change and its impacts. By undertaking this survey annually, we can build our understanding and identify trends in opinions on the issue.

London Councils continued to work with London boroughs and other partners to support a transition to zero emission vehicles (ZEVs) through the delivery of a public network of electric vehicle (EV) charge points.

A review was jointly led and undertaken with the GLA to identify the specific challenges in meeting London's retrofit targets (measures to improve the energy efficiency of London's older housing stock). A joint GLA-London Councils commission from Arup was completed to address the London delivery system for retrofit. The findings were shared with Chief Executives London Committee (CELC), London Environment Directors (LEDNet), and the Retrofit London Political Steering Group, alongside ongoing engagement with Leaders.

In March 2024, London Councils launched Retrofit Delivery Plan for London. This piece of work, led jointly by GLA and London Councils, reviews London's current approach to retrofitting social and leasehold homes. The report makes recommendations for how we can make the funding, policy and delivery system in London work more effectively to meet our fuel poverty and carbon reduction goals. The next phase of work will focus on developing and agreeing options for mobilising a potential London Office for Retrofit.

The development of the London-wide Surface Water Strategy has been a key achievement in the reporting period. An interim update to the Surface Water Strategy will be launched on the three-year anniversary of the surface water floods in London on 25 July 2024, with the final strategy to be published later in the year. This strategy sets out how to enhance collaboration among all Risk Management Authorities and proposes solutions for strategic surface water flooding 'wet spots' with appropriate funding and oversight.

NARRATIVE REPORT TO THE STATEMENT OF ACCOUNTS (Continued)**Wellbeing and the London borough role in Prevention: establishing and developing Integrated Care Systems across London**

Under the Shared Ambition Wellbeing and the London borough role in Prevention, the following key activities and progress has been achieved:

London Councils commissioned domestic abuse charity Against Violence and Abuse (AVA) in partnership with Chayn and Dot Project, to produce a report clarifying the funding landscape of support services for victims and survivors of violence against women and girls (VAWG), by mapping current available funding and its impact on people's lives. The report and recommendations to improve services and outcomes was launched at a Parliamentary event in May 2023.

There has been continued engagement with MOPAC and NHSE to map sexual violence commissioning redesign in London.

In July 2023, London Councils launched the collaborative online platform [London Social Work for Children](#) meaning that – for the first time – all 33 London local authorities will post their job adverts for children's social workers on a single site, bringing together the extensive and diverse range of opportunities on offer across the capital.

London Councils conducted a major survey of children's social workers in London and the south east of England – *the Big Listen* - to lift the lid on sector sentiment and challenges, to inform workforce strategy. The project, which covered 52 authorities across London and the South East, had more than 1,000 detailed survey responses.

[Do It London](#), a multimedia campaign led by the London HIV Prevention Programme (LHPP), promotes the work being done by London boroughs to prevent HIV in our communities and raise awareness of the four sure ways to prevent HIV. The campaign worked with actors Nathaniel Hall from Channel 4's *It's A Sin* and Joseph Mendez from BBC's *I Kissed A Boy* to promote regular HIV testing, use of condoms and PrEP, and being Undetectable = Untransmissible (U=U).

Working with Single Homeless Project, Solace Women's Aid and St Mungo's, London Councils oversaw the second year of the pan-London Women's Rough Sleeping Census. The 2023 count found 154 women rough sleeping in London in a week – a higher number of women than previously believed.

Designed by the London Innovation and Improvement Alliance (LIIA) on behalf of the Association of London Directors of Children's Services (ALDCS) in partnership with the Mayor of London's Violence Reduction Unit, a new pan-London violence reduction programme (Your Choice) moved into full-scale efficacy trial phase in August 2023.

Working groups across Integrated Care Systems (ICSs) have been developed with common priority outcomes to share intelligence and ideas.

London Councils has regularly engaged with the Met Commissioner as well as London Boroughs, Leaders, and partners to develop the London Councils response to the Casey Review.

London Councils facilitated successful collaborative engagement with the Met and wider health partners to ensure the implementation of Right Care Right Person (RCRP).

London Councils has supported the continued delivery of Right Care Right Person (RCRP) in collaboration with partners through established structures. London Councils officers are working with Chief Executives, Directors of Adults and Children's Social Services, to ensure boroughs are engaged with the changes and ongoing implementation.

NARRATIVE REPORT TO THE STATEMENT OF ACCOUNTS (Continued)

In supporting the delivery of the New Met Plan, London Councils has engaged with the Met Commissioner, Deputy Mayor and MOPAC to ensure boroughs' asks and offers are embedded into the delivery of the plan.

Leaders met with the senior leadership from the Met in September to share and strengthen good practice on tackling violence against women and girls (VAWG) in public spaces, in partnership.

Through working with Integrated Care Boards (ICBs), NHS London and the boroughs, London Councils has sought to champion the case for prevention at place in the London health and care systems, including making the case for investment and tackling health inequalities. Research has been commissioned into an equalities and health impact project specification. This was agreed and launched in May 2023.

Working with NHS London region and ICBs, the Mayor of London and TfL, London Councils helped launch the Pan London Care Leavers' Compact to increase the consistency and quality of support offered to London's care leavers.

London's Voice: developing a shared London narrative to maximise the city's opportunities for all Londoners

Under the Shared Ambition London's Voice, the following key activities and progress has been achieved:

London Councils' submission to the Treasury ahead of the Autumn Settlement articulated the case for fairer and more sustainable funding for local government highlighting the acute pressures on key services in the capital.

As in previous years, London Councils organised a series of events at the three main party conferences.

The conclusion of the fiscal devolution task and finish group and lobbying campaign for the agreed fiscal devolution asks was carried out. As a result of successful lobbying, the announcement of road maintenance funding from national government for London boroughs was welcomed by boroughs.

For a seventh year, London Chamber of Commerce and Industry (LCCI) and London Councils' annual survey of more than 1,200 London businesses provided insights into employers' recruitment plans and their skills needs as they continue to deal with the cost of living crisis. The report also provides insights into businesses' approach to delivering a more environmentally sustainable economy, crime in the capital, and the apprenticeships levy.

London Councils worked with the LGA and Core Cities UK to develop a collective voice for London and local government, forming the narrative for the LGA White Paper for local government. Leaders engaged with this process in January through a joint workshop with Core Cities Co-Chairs and the team working on the White Paper from the LGA, ensuring that the London story was reflected in the Paper.

In February 2024, the Local Government Finance Team completed their submission to HM Treasury for the March Budget, with associated lobbying ongoing, briefings sent to London MPs and London borough finance and public affairs officers.

London Councils has effectively engaged with the Mayor and the GLA in the period following the Mayoral Elections after the year end, ensuring that collaboration and joint work continues to deliver outcomes for Londoners.

Ahead of the General Election, our Communications and Public Affairs Team continued to meet with key ministers and shadow ministers to ensure effective working relationships whatever the result of the election.

NARRATIVE REPORT TO THE STATEMENT OF ACCOUNTS (Continued)

Ahead of the potential for a Comprehensive Spending Review in autumn 2024, the Local Government Finance team plans to lead a joint effort across London Councils' directorates to develop key policies, priorities and messaging to successfully lobby and influence the review.

In line with our plans to update our corporate website, our web team conducted extensive user testing as part of plans to launch a completely new website focussed on the needs and user journeys of service users and stakeholders. Our new website was on track to launch in Beta form in May 2024.

Value Proposition for Boroughs: ensuring our services and everything we do adds value to the work of boroughs

Under the Shared Ambition Value Proposition for Boroughs, the following key activities and progress has been achieved:

Based on user testing and tracking of key user journeys, a new digital service and online portal for TaxiCard was launched in June 2023.

Through awarding a contract for an eProcurement solution for London Councils' Freedom Pass and TaxiCard services, London Councils is exploring incorporating automation into the service, improving customer experience for Londoners.

ANPR cameras were procured to improve enforcement of the London Lorry Control Scheme. The London Lorry Control Scheme (LLCS) controls the movement of heavy goods vehicles (HGV) over 18 tonnes maximum gross weight. The scheme has been in place since 1985 under the Greater London (Restriction of Goods Vehicles) Traffic Order 1985 and is enforced utilising the London Local Authorities and Transport for London Act 2003. London Councils manages the Traffic Order on behalf of 31 London boroughs, the City of London and on the Transport for London Road Network.

Through negotiating the Freedom Pass agreement, London Councils has engaged the market and a review of the price elasticity methodology in use for the settlement is planned, negotiations have commenced for the previous year.

London Councils successfully delivered the launch of cohorts 7 and 8 of the London Leadership Programme and launch of the first cohort of the Aspiring Chief Executives Programme pilot.

London Councils worked with the Chief Executives London Committee (CELC) and the Society of London Treasurers (SLT) to support boroughs addressing issues around financial resilience. The annual Medium Term Financial Planning (MTFP) survey, which collects the most robust forward-looking financial information from boroughs, has been circulated and analysis is ongoing. This information will be used to support lobbying positions on financial resilience and upcoming fiscal events.

London Councils supported the effective delivery of the Mayoral election (and to prepare for the General Election), including the new requirement for the use of voter ID. The most notable activity in this area was the development of a campaign assets toolkit, which was sent to boroughs to use, prompting citizens to register to vote by the deadline and bring voter ID to the polling station. London Councils offered boroughs the option to jointly buy digital radio advertising to promote election messages targeted to their borough residents.

NARRATIVE REPORT TO THE STATEMENT OF ACCOUNTS (Continued)**Organisational Development: enabling the organisation and its people to do their best work on behalf of London and Londoners**

Under the Shared Ambition Organisational Development, the following key activities and progress has been achieved:

London Councils undertook a comprehensive review of its HR offer, strengthening the offer through procuring a new cost effective recruitment system and strengthening HR Policies, such as the Dignity at Work Policy and continuing to implement the organisation's Race Equality Strategy 2022-2025.

We successfully completed our ICT Modernisation Programme in November 2023, enhancing the organisation's cyber security, network infrastructure and 2023 Windows laptop devices, providing a modern, secure and resilient enhanced Microsoft infrastructure built on UK NCSC (National Cyber Security Council) standards fit for the future.

In line with Executive decision, a suitable new premise has been identified, which reduces the running costs of London Councils. Preparation for London Councils leaving Southwark Street and moving to new premises with a lower environmental impact is underway, and the move will take place in September 2024.

A review of London Councils operating model has been undertaken by London Councils' Corporate Management Team (CMT) to ensure ongoing financial sustainability for London Councils. Staff were offered a Mutually Agreed Resignation Scheme (MARS) in January to ensure the mitigation of compulsory redundancies, with six members of staff being accepted onto the scheme.

The key changes to the operating model have started to be implemented including a centralisation and standardisation of the business support function into a core Business Support Team, and the change in the Policy and Project Officer role profiles, which allows for a more flexible policy resource which can adapt to changing priorities and demands.

A corporate health check and review has been established, with data collection and reporting processes implemented. Corporate Management Team are now receiving quarterly updates on corporate health.

A review of the current CO₂ baseline of London Councils has taken place, with the results due to be published summer 2024.

A Learning and Development Prospectus has been developed and shared with all staff to ensure that London Councils remains committed to delivering on its values of being a learning organisation. Annual feedback conversations are currently ongoing with all staff to ensure London Councils is in line with the organisational value of being a feedback organisation.

APPG for London

London Councils continued to provide the secretariate to the All-Party Parliamentary Group (APPG) for London, on behalf of London government, including the Mayor of London and the London Assembly.

London Councils successfully organised a series of events with London MPs in 2023/24, including: A meeting with London MPs to explore what devolution to London local government could look like and deliver; A roundtable with the Housing Ombudsman to discuss social housing conditions, the new regulatory framework and the financial & workforce challenges facing providers; A joint event with the APPG on Apprenticeships to discuss the need to reform the apprenticeship levy, make these opportunities more visible to potential apprentices and emphasise the financial benefits over traditional education routes; and a meeting with the Schools Minister to discuss London's falling school rolls and how national and local government can work together to support schools to navigate this challenge.

NARRATIVE REPORT TO THE STATEMENT OF ACCOUNTS (continued)

Financial Review

This Statement of Accounts represents the consolidation of the accounts of the activities of London Councils Joint Committee including London Councils Ltd, London Councils Grants Committee and London Councils Transport and Environment Committee. Due to the unique nature of the Committee's activities, a breakdown of the main headings in the Comprehensive Income and Expenditure Statement are detailed in appendices A to C.

Financial information

The Director of Corporate Resources has pleasure in presenting the Consolidated Accounts which consist of the following:

- Statement of Responsibilities for the Statement of Accounts (page 11);
- Consolidated Comprehensive Income and Expenditure Statement (page 23);
- Consolidated Movement in Reserves Statement (page 24);
- Consolidated Balance Sheet (page 25);
- Consolidated Cash Flow Statement (page 26); and
- Notes to the Consolidated Accounts (pages 36 – 59).

Revenue expenditure

Set out below is a comparison between the actual and budget for the year.

	Revised Budget	Actual	Variation
	£000	£000	£000
Expenditure	59,791	68,633	8,842
Income	(57,727)	(65,576)	(7,849)
Interest income and expenditure	(75)	(1,003)	(928)
Deficit for the year	1,989	2,054	65
Transfer from Reserves	(1,989)	(2,702)	(713)
Net Surplus for the year (including transfers from reserves)	-	(648)	(648)

There is a surplus for the year of £648,000 after the transfer from reserves of £2.702 million.

Included within actual income and expenditure for 2023/24 are transactions relating to externally funded projects of £9.86 million as detailed in Appendix C, which do not form part of the core budget. Although these result in variances within the income and expenditure lines above, the projects are cost neutral and therefore do not impact the overall net surplus of deficit.

The deficit for the year of £2.054 million includes IAS19 pension adjustments of £541,000 in relation to Current Service Costs, Past Service Costs and the net interest on the pension asset/liability. These costs are debited / credited to the Comprehensive Income and Expenditure Statement. In accordance with the Local Authority Accounting Code of Practice, the General Reserve should only be charged with the actual amount payable by the Committee to the pension fund and not the amount calculated according to the accounting standard. Therefore, a transfer of £541,000 has been made from the Pensions Reserve in the Movement in Reserves Statement to remove the impact of these notional debits and credits to the pension

fund. This transfer is included in the Net Transfer from Reserves line in the table above. The notional debits and credits are not included in the budget.

NARRATIVE REPORT TO THE STATEMENT OF ACCOUNTS (continued)

The surplus of £648,000 is split over the three funding streams as follows:

	Grants Committee £000	Transport, and Environment Committee £000	Joint Committee £000	Total £000
Total Expenditure	6,757	43,787	18,090	68,633
Total Income	(6,670)	(42,450)	(16,457)	(65,576)
Interest income and expenditure	(99)	(295)	(610)	(1,003)
Deficit for the year	(12)	1,042	1,023	2,054
Transfer from Reserves	(150)	(1,191)	(1,360)	(2,702)
Net Surplus	(162)	(149)	(337)	(648)

Transport and Environment (TEC) and the Grants Committee (GC) are separate joint-committees that require separate accounts to be prepared (refer to Note 1, Item I on page 39 and Appendices A and B on pages 66 and 67).

Grants Committee

The surplus of £162,000 largely attributable to:

- an overspend on operating expenditure of £2,000 made up of a small underspend on employee and running costs of £7,000 offset by an increase in recharges and change management costs of £9,000;
- an underspend on the S.48 Commissioned services of £70,000 after taking account payment of funds held back from 2022/23 which was covered by a transfer from earmarked reserves. As part of the approved monitoring arrangements, officers review financial information including the audited accounts at the end of the year. This has identified some underspends on the programme, in particular where a provider was changed during the period; and
- an additional sum of £95,000 from investment income has been received on Committee reserves, which was not included in the budget. This reflects higher returns on cash balances in 2023/24;

NARRATIVE REPORT TO THE STATEMENT OF ACCOUNTS (continued)

Transport and Environment Committee

The surplus of £149,000 is mainly attributable to:

- **Freedom Pass non-TfL bus services (-£477,000)**

The level of trips made in the claims submitted by the independent bus operators has not recovered to the extent anticipated post-pandemic, which was reflected when setting the 2023/24 budget. While the level of activity continues to recover, the actual expenditure of £623,000 for 2023/24 is lower than the annual budget of £1.1 million.

- **Lorry Control PCN income (+£241,000)**

London Lorry Control Scheme enforcement income was £241,000 lower during the course of 2023/24 than budgeted. The primary reason for this were staffing issues with the on-street enforcement contractor that led to a shortfall in the expected level of vehicle observations. This was below the KPI for a number of months in 2023-24 and in turn resulted in a reduction in the number of PCNs issued compared to previous years. Officers have sought to address this with performance expected to improve in 2024-25.

- **Freedom Pass renewals (Net Nil)**

During 2023/24 £249,000 was spent on the Freedom Pass renewal process and this is matched by a contribution from the Freedom Pass Renewal specific reserve.

- **Freedom Pass reissue costs (+£154,000)**

This budget covers the issuing of freedom passes to new applicants and for the replacement of passes which are lost, stolen or faulty. Total expenditure for 2023/24 was £1.673 million, an overspend of £154,000. This budget has been impacted in part due to inflationary pressure on expenditure and higher than expected levels of activity.

- **Taxicard (Net Nil)**

Total payments to the contractor, City Fleet, was £7.395 million based on actual trips taken during the year. This was £2.193 million below the revised total budgetary provision of £9.588 million.

Due to the reduction in expenditure, no boroughs were required to contribute to the scheme cost, therefore, boroughs will be refunded for any actual contributions made. The net underspend to the boroughs is £1.588 million. TfL fund the scheme cost in arrears, based on actual trip data from the preceding quarter. Payments received from TfL have therefore reduced in line with actual claims to £7.395 million during the year.

- **Interest earned on investment of cash-balances (-£252,000)**

The increase in income reflects higher returns available from the money markets in 2023/24. Cash-flow management undertaken at the City of London, who invest London Councils' cash balances on behalf of boroughs, has yielded interest receipts of £237,000 against a zero budgetary provision. A reduction of £15,000 on the Lorry Control bad debt provision has also contributed to this variance.

- **Change Management (+£126,000)**

There are additional costs of £170,000 in relation to exit and change management costs. This in part has occurred due to the review of London Councils' operating model, with £44,000 funded by a draw down from the Change Management Earmarked Reserve. The review will result in ongoing savings to TEC.

NARRATIVE REPORT TO THE STATEMENT OF ACCOUNTS (continued)**Joint Committee**

The surplus of £337,000 is mainly attributable to:

- **Investment Income (-£369,000)**

The increase in income reflects higher returns available from the money markets in 2023/24, largely as a result of the Bank of England's (BoE) tightening monetary policy to control inflation. Since March 2023, when the BoE Bank Base Rate was 4.25% (and CPI inflation was 10.1%) the rate continued to successively increase to 5.25% by August 2023 where it has remained. The interest income yield for 2023/24 equates to 4.29% (2022/23: 1.83%) on average cash balances per annum. This is a one off surplus against budget, which is difficult to predict due to unpredictability of inflation and interest rates in the last two years.

- **Running Costs (-£121,000)**

Running costs have underspent by £121,000 during 2023/24, largely due to a £205,000 reduction in Southwark Street Leasehold costs. The majority of which was due to a reduction in the dilapidation provision to take into account an overlap of the future potential costs.

- **Commissioning & Improvement Fund (-£110,000)**

Expenditure on commissioning and other priority work amounted to £271,000 for the year, leading to an underspend of £28,000. This along with an underspend on the improvement fund of £82,000 resulted in a net surplus of £110,000. These budgets are subject to developing proposals and is often impacted upon by the timing of commissioning work.

- **Employee Costs (+£72,000)**

Employee costs overspent by a net amount of £72,000, primarily due to the under achievement of the vacancy factor during the year due to lower staff turnover, along with reappportionment of senior staff costs as part of the operating model review. Other factors which impact this budget are the use of agency staff.

- **Net Change Management Costs (+£211,000)**

There are additional costs of £318,000 in relation to salary exit and change management costs. This in part has occurred due to the review of London Councils' operating model, with £58,000 funded by a draw down from the Change Management Earmarked Reserve. The review will result in ongoing savings to the Joint Committee. Within this expenditure are also exit costs relating to the closure of the London Care Placements service, due to lack of take up in the scheme by boroughs. This is partially mitigated by the remaining subscriptions of £49,000.

Budget for 2024/25

On 13 December 2023, the Leaders' Committee approved a total expenditure budget for 2024/25 of £62.362 million, exclusive of the borough payments of £281.849 million to Transport for London (TfL) in respect of Concessionary Fares. The direct payments to TfL are excluded from the accounts as the expenditure is not incurred by the Committee, therefore full inclusion of the costs artificially inflates London Councils income and expenditure. Total income sources, including the use of existing balances of £1.746 million were also estimated to be £62.362 million, leaving a projected balanced budget for the year.

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS**The Committee's Responsibilities**

The Committee is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. In this Committee, that officer is the Director of Corporate Resources;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

The Director of Corporate Resources' Responsibilities

The Director of Corporate Resources is responsible for the preparation of the Statement of Accounts (which includes the financial statements) in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

In preparing this Statement of Accounts, the Director of Corporate Resources has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code;
- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities;
- assessed the Committee's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- used the going concern basis of accounting on the assumption that the functions of the Committee will continue in operational existence for the foreseeable future; and
- maintained such internal control as is determined necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Committee at 31 March 2024 and of its income and expenditure for the year then ended.



David Sanni CPFA FCCA
Director of Corporate Resources

20 November 2024

APPROVAL CERTIFICATE

At a meeting of London Councils' Audit Committee held on 19 September 2024, the statement of accounts were approved on behalf of the Committee.



Cllr Barry Rawlings
Chair of London Councils' Audit Committee

20 November 2024

ANNUAL GOVERNANCE STATEMENT**Shared Ambition for London Councils**

London Councils is the collective of London local government, the 32 boroughs and the City of London Corporation. They come together through London Councils to work in collaboration to deliver their shared ambitions for London and Londoners.

Through lobbying, collaboration and partnership, we ensure the voice of the London Boroughs are united, and heard at a local, regional and national level.

London Councils' shared ambitions have been agreed by our Leaders' Committee, which comprises the Leaders and directly elected Mayors of the boroughs and the Chair of the Policy and Resources Committee at the City of London Corporation.

Our Leaders' Shared Ambitions themes are:

- **Housing and Planning:** every Londoner should have access to good quality housing that is affordable
- **London's Future:** a city that creates opportunities for all Londoners and communities
- **Climate Adaptation and Net Zero:** supporting the boroughs to deliver a net zero and resilient London.
- **Wellbeing and the London Borough Role in Prevention:** putting communities and prevention at the heart of health and care.
- **London's Voice:** developing a shared narrative to maximise the city's opportunities for all Londoners.
- **Value Proposition and Continuous Improvement:** enabling the organisation to add maximum value for the boroughs and Londoners.

A roadmap for delivering Shared Ambition milestones has been developed and is reviewed by officers and members on a regular basis to ensure that they remain relevant to London's local authorities and Londoners. London Councils has established a set of core values which continue to be promoted and embedded throughout the organisation.

The London Councils grants programme awards funding to voluntary organisations through grants to provide specified services. The Programme operates under the London Boroughs Grants Scheme, which was established under Section 48 of the Local Government Act 1985. Each borough and the City have a representative on the Committee. The Committee meets regularly to make decisions on grants policies, awards of grants, and oversight of the delivery of the programme to secure full value for money. The grants programme has two priorities which are combatting homelessness and tackling sexual and domestic violence.

London Councils' Transport and Environment Committee (TEC) is responsible for various transport activities such as negotiating and operating London's concessionary fares scheme, operating the London Taxicard scheme along with various parking services such as setting decriminalised traffic and parking penalties and operating the Environment and Traffic Adjudicators through the London Tribunals.

Scope of responsibility

London Councils is responsible for ensuring that its business is conducted in accordance with the law, that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Committee is also responsible for securing continuous improvement in the way its functions are exercised.

ANNUAL GOVERNANCE STATEMENT (continued)

In discharging this overall responsibility, the Committee is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

London Councils has approved and adopted a code of corporate governance in the form of a framework, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government 2016. A copy of London Councils Corporate Governance Framework can be obtained from the Chief Operating Officer at 59½ Southwark Street, London SE1 0AL. This statement explains how London Councils has applied this code.

The purpose of the governance framework

The governance framework comprises the systems, processes, culture and values by which the Committee is directed and controlled and such activities through which it accounts to, and engages with, its stakeholders. It enables the organisation to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risks of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Committee's policies, aims and objectives, to evaluate the likelihood of those risks being realised, the impact should they be realised and to manage them efficiently, effectively and economically.

The governance framework has been in place at London Councils for the year ended 31 March 2024 and up to the date of approval of the statement of accounts.

The governance framework

The key elements of the Committee's governance framework include:

- **Developing and communicating the Committee's vision** – The Committee has agreed a set of Shared Ambitions for London Councils and Londoners which inform the strategic direction of the organisation and the milestones included in the Shared Ambition Roadmap. The roadmap is reviewed on a regular basis and a report was presented to the Leaders' Committee in December 2023 detailing progress against the milestones and setting new ones for the next six months. There are a number of other ways in which the Committee communicates with relevant stakeholders which include member briefings, committee and other meetings, briefings for senior managerial and professional colleagues in boroughs.
- **Commitment to openness and acting in the public interest** – The Committee has adopted the Information Commissioner's model publication scheme and follows the provision for joint authorities and boards. Details of the scheme and the information published are available on London Councils' website. The Committee's decisions are made by its elected members and agendas, reports, background papers and minutes of meetings are published under this scheme.

ANNUAL GOVERNANCE STATEMENT (continued)

- **Measuring the performance of services** – The Committee collects data on the performance of activities and services during the year. A summary of the key achievements is included in the Narrative Report to the Statement of Accounts. Progress reports on the achievements of milestones included in the Shared Ambition Roadmap are presented to members twice a year. London Councils Corporate Management Team (CMT), the London Councils Executive and the Grants and Transport and Environment Committees receive regular financial management reports that monitor actual income and expenditure trends against approved budgets. The TEC executive receives regular reports on the performance of transport and mobility services. London Councils operates a complaints procedure which provides an opportunity to put things right if an error is made and assists in the search to improve the quality of services to member authorities and to Londoners. There are also a number of internal management mechanisms, such as 1:1 review meetings and a fully embedded feedback and learning framework which monitor on-going progress against objectives
- **Defining and documenting roles and responsibilities** – The London Councils Agreement sets out the main functions and obligations of London Councils and its member authorities. The Agreement includes the standing orders and financial regulations which provide details of the delegation arrangements in place. There is a scheme of delegations to officers in place which was last reviewed, updated and approved by the Leaders' Committee at its Annual General Meeting on 6 June 2023. There is an established protocol which provides guidance on the working relationships between elected members and officers and a series of working conventions for the operation of the organisation. This has also been approved at the Leaders Committee' Annual General Meeting in June 2023. Additional information on the roles and responsibilities of London Councils Leaders' Committee, Executive, Grants Committee and Transport and Environment Committee are documented in their individual Terms of Reference. In addition to the Executive, the Leaders' Committee appointed members to the Audit Committee. Executive portfolio holders and shadow members have agreed priorities that codify expectations of these roles.
- **Developing, communicating and embedding codes of conduct** – All London Councils Staff have been made aware of the staff handbook which is located on the intranet site. The staff handbook sign-posts staff to London Councils policies and procedures which are on the intranet. All staff are encouraged to refer to the intranet when they require guidance on London Councils policies and procedures. Reference to the staff handbook is also included in the induction training of all new staff joining London Councils with their attention specifically drawn to the financial regulations, the code of conduct, data protection and London Councils whistle blowing policy. London Councils has established a set of core values which will be promoted and embedded throughout the organisation.
- **Reviewing the effectiveness of the Committee's decision-making framework** - The standing orders and financial regulations are included within the London Councils Agreement. The standing orders and financial regulations were last reviewed by Leaders' Committee on 6 June 2023. Minutes of Committee meetings are posted on London Councils website and provide an official record of decisions made. There is a live stream of formal meetings of the main committees (Leaders, TEC and Grants). These are public meetings which the public and press can attend in person other than for exempt items of business. While formal sub- committee meetings are not live streamed, members of the public can attend them in person.
- **Identifying and managing risks** - London Councils Risk Management Strategy and Framework was last reviewed and approved by the Audit Committee in September 2023. The organisation's strategic risks were considered as part of the review to ensure that they align with the Shared Ambitions. The individual risk registers for London Councils' primary activities and functions continue to be reviewed by the Corporate Governance Group and Corporate Management Team to ensure they support London Councils' corporate priorities, which provides members with assurance on how the risks identified are being managed.

ANNUAL GOVERNANCE STATEMENT (continued)

- **Anti-fraud and anti-corruption arrangements** – London Councils is committed to having an effective Anti-Fraud and Anti-Corruption strategy designed to promote standards of honest and fair conduct, prevent fraud and corruption, detect and investigate fraud and corruption, prosecute offenders, recover losses and maintain strong systems of internal control. There are two separate policies in place: London Councils Whistle Blowing Policy and London Councils Policy to Combat Fraud, Bribery and Corruption, which were updated and approved by London Councils Audit Committee in September 2023. Both documents are available on London Councils' intranet and website.
- **Effective management of change and transformation** – London Councils has a framework for managing organisational change which is available to all staff on the intranet. The framework provides guidance on the statutory elements of managing change and issues that should be considered when implementing changes.
- **Financial management arrangements** – London Councils' financial management arrangements conform with the governance requirements of the CIPFA statement on the Role of the Chief Financial Officer in Local Government.
- **Assurance arrangements** – London Councils' internal audit function is carried out by the City of London's internal audit team under a service level agreement for financial support services. These arrangements conform with the governance requirements of the CIPFA statement on the Role of the Head of Internal Audit in public service organisations and Public Sector Internal Audit Standards.
- **Discharge of the monitoring officer function** – This is a statutory post under Section 5 of the Local Government and Housing Act 1989 and as such is not applicable to London Councils which is a joint committee. However, legal advice is provided to London Councils by the City of London Corporation including governance advice and support which in a local authority would generally be provided by the borough solicitor and monitoring officer.
- **Discharge of the head of paid service function** – London Councils' Chief Executive is the head of paid service. As with all officers, the Chief Executive is issued with a job description which confirms her duties within the organisation. The Chief Executive is subject to appraisal arrangements with Group Leaders who assess her performance against agreed objectives.
- **Audit Committee** – The Audit Committee is a sub-committee of London Councils Leaders' Committee. The Terms of Reference are agreed annually and were last agreed on 6 June 2023. The Audit Committee meets three times a year and is chaired by a leading member from a borough. The members of the Audit Committee will not normally be members of the Executive.
- **Response to audit recommendations** – The Committee responds to information requests and queries received from its external auditor on a timely basis. External and internal audit findings and recommendations are considered by officers and appropriate responses which include implementation timescales are provided to the auditors. Audit reports, which include management responses, are presented to the Audit Committee to consider and are published along with the Committee papers on the website. The implementation of audit recommendations are monitored on a regular basis.
- **Compliance with relevant laws and regulations** - London Councils has comprehensive financial regulations and a comprehensive set of human resources policies and procedures which are reviewed on a regular basis. These arrangements ensure compliance with all applicable statutes, regulations and other relevant statements of best practice in order to ensure that public funds are properly safeguarded and are used economically, efficiently and effectively and in accordance with the statutory and other authorities that govern their use.

ANNUAL GOVERNANCE STATEMENT (continued)

- **Whistle-blowing** – London Councils has a whistle-blowing policy which is available to all staff on the intranet. The policy aims to encourage staff and others to feel confident in raising serious concerns by providing clear avenues through which those concerns can be raised and reassuring staff who raise concerns that they will not be victimised if they have a reasonable belief and the disclosure was made in good faith. It is also on the website and staff are encouraged to bring this policy and the policy to combat fraud, bribery and corruption to the attention of contractors and third parties.
- **Identifying the development needs of members and officers** – London Councils has access to a programme of learning and development, which is available to all staff and can be found on the intranet. The aim of the programme is to assist in the achievement of the organisation's aims and objectives by providing opportunities for staff to gain the necessary skills and knowledge required to perform their tasks and duties effectively. London Councils also has a learning and feedback scheme which provides all staff with regular assessments of their performance and development needs in relation to their work objectives. Members have access to development opportunities in their own authorities. London Councils' website provides members with a useful source of information on specific policy areas.
- **Establishing clear channels of communication** – London Councils actively engages with relevant stakeholders when developing its work. All Committee meetings are open to the public and consultations are undertaken where relevant. London Councils issues member briefings and arranges a number of events, conferences and seminars that also provide opportunities for stakeholder engagement, as do regular meetings of officer networks. London Councils produces annual statutory financial statements which include a summary of key achievements over the last year within its Narrative Statement. Information on consultations, minutes of committee meetings and publications are posted on London Councils website www.londoncouncils.gov.uk. London Councils consults with Chief Officer groupings across boroughs in the development of its work.
- **Enhancing the accountability for service delivery and effectiveness of public service providers** - All working arrangements with public service providers are subject to signed agreements/contracts which set out the terms of the service provided. All agreements/contracts are reviewed to ensure that the roles and responsibilities of the parties involved are clearly defined and the terms are beneficial to London Councils and its member authorities. Key performance indicators are incorporated into agreements where appropriate and monitored regularly. Nominated officers are responsible for managing the outcomes of the service and establishing clear lines of communication with providers.
- **Partnership arrangements** – London Councils has a set protocol for staff to follow when working in partnership with outside bodies. A checklist is to be completed for each new partnership or project. Partnership arrangements are also subject to signed agreements which include objectives, roles and responsibilities. The performance of partnerships are monitored in the same manner as other service providers. London Councils does not currently have any material partnership arrangement.

Review of effectiveness

London Councils has responsibility for conducting at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of London Councils Corporate Management Team which has responsibility for the development and maintenance of the governance environment, the internal audit annual report and also by comments made by the external auditors in their annual audit letter and other reports. The review of the effectiveness of the governance framework includes:

ANNUAL GOVERNANCE STATEMENT (continued)

- The work of Internal Audit, undertaken by the City of London Corporation under a service level agreement, and the annual opinion of the Head of Audit and Risk Management at the City of London. Internal Audit plays a central role in providing the required assurance on internal controls through its comprehensive risk-based audit of all auditable areas within a five-year planning cycle, – with key areas being reviewed annually. This is reinforced by consultation with London Councils Corporate Management Team and London Councils' Audit Committee on perceived risk and by a rigorous follow-up audit regime. The review considers the annual opinion of the Head of Audit on the internal control environment in operation at London Councils during the financial year. The Head of Audit is satisfied that the breadth of scope and overall quantity of internal audit work undertaken is sufficient to be able to draw a reasonable conclusion as to the adequacy and effectiveness of London Councils' control, governance and risk management processes. On the basis of work undertaken, it is the Head of Audit's opinion that London Councils has adequate and effective systems of internal control in place to manage the achievement of its objectives. The Internal Audit Section of the City of London operates, in all aspects, in accordance with the CIPFA Code of Practice and Public Sector Internal Audit Standards.
- The Audit Committee's review of the governance arrangements in place during 2023/24.
- London Councils Corporate Management Team considers an annual report on Corporate Governance, which includes work completed during the current year and highlights work planned for the following year.

Areas for development during 2024/25

The review of the effectiveness of London Councils governance arrangements has revealed the following areas for development during 2024/25:

Procurement of Goods and Services

An internal audit review of the procurement of goods and services was conducted in 2023/24. Its objective was to obtain assurance that adequate controls are in place for raising and authorising purchase orders and that adequate controls are in place to ensure that London Councils' obtain value for money from its purchasing activity and complies with Public Sector Procurement Regulations.

The audit review found the expected control framework to largely be in place and that this had generally been applied correctly. The review identified some areas of improvement in relation to timeliness and consistency of raising of Purchase Orders.

Two recommendations were raised to ensure robust arrangements are in place to monitor and report on retrospective purchase orders and to ensure all documented procedures are followed.

Pension Scheme Administration

An internal audit review of the pension scheme administration was carried out during 2023/24. The review was undertaken to assess compliance with the requirements of pensions auto enrolment rules and the effectiveness of the associated internal control environment in relation to the pension scheme for Parking Adjudicators.

The review identified that pensions administration has been undertaken in accordance with the requirements of auto enrolment legislation. Adjudicators were auto enrolled into the scheme when applicable and were informed of the details of the scheme. New Adjudicators were also provided with the scheme details.

ANNUAL GOVERNANCE STATEMENT (continued)

The review included 3 recommendations to improve the overall environment, in particular around periodic checks and reconciliations to monitor the contributions rates, auto enrolment processes and removal of departing adjudicators from the scheme.

Grants (including probity checks)

An internal audit was undertaken around the processes for the issuing of Grants to organisations to support the priorities of tackling homelessness, sexual violence and domestic abuse within London.

Overall, moderate assurance was provided in respect of the areas within the scope of audit and the review identified a number of opportunities to improve the internal control framework, with the key findings being:

- that eligibility criteria, and the approach to assessment and award of grants are clearly documented to facilitate a consistent and compliant approach to programme delivery;
- that a range of due diligence checks are carried out by the Grants and Finance teams to confirm eligibility and validity of grant applications. Control would be strengthened by introducing finance service sign-off of financial assessments and overall senior management sign-off of due diligence to reflect that all required criteria have been met;
- monitoring arrangements are in place to help ensure that project delivery is in accordance with grant conditions and that only valid payments are released in relation to agreed milestones. Control improvements are required to ensure that evidenced checks are in place in relation to monitoring visits, and that financial accounts are received at the required frequency and subject to timely review; and
- there is regular senior management monitoring of programme delivery and an opportunity has been identified to enhance member oversight by incorporating budgeted and actual spend information against individual grants.

Recommendations on improvements to the internal controls have been provided and agreed by management, many of which align with the commencement of the new Grants scheme of 2026-30.

London Councils will take adequate steps over the coming year to address the above matters in order to further enhance its governance arrangements. London Councils is satisfied that these steps will address the improvement needs identified in the effectiveness review. London Councils will monitor their implementation and operation as part of our next annual review.

Significant governance issues

There are no significant governance issues.



Alison Griffin
Chief Executive

20 November 2024



Cllr Claire Holland
Chair of London Councils

20 November 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LONDON COUNCILS JOINT COMMITTEE**Opinion**

We have audited the non-statutory consolidated financial statements of London Councils Joint Committee (the 'group') for the year ended 31 March 2024, which comprise the Consolidated Comprehensive Income and Expenditure statement, the Consolidated Movement in Reserves Statement, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the group at 31 March 2024 and of its expenditure and income for the year then ended in accordance with the basis of accounting except that it does not prepare single entity financial statement for London Councils Joint Committee as described in Note 1a General Principles.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) including ISA (UK) 800. Our responsibilities under those standards are further described in the 'Auditor's responsibility for the audit of the consolidated financial statements' section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Kingdom, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Director of Corporate Resources' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group to cease to continue as a going concern.

In our evaluation of the Director of Corporate Resources' conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2023/24 that the group's consolidated financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the group. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the group and the group disclosures over the going concern period.

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

In auditing the consolidated financial statements, we have concluded that the Director of Corporate Resources' use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LONDON COUNCILS JOINT COMMITTEE (continued)

The responsibilities of the Director of Corporate Resources with respect to going concern are described in the 'Responsibilities of the Joint Committee, the Director of Corporate Resources and Those Charged with Governance for the consolidated financial statements' section of this report.

Other information

The Director of Corporate Resources is responsible for the other information. The other information comprises the information included in the consolidated statement of accounts, other than the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the consolidated financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Joint Committee, the Director of Corporate Resources and those charged with governance for the consolidated financial statements

As explained more fully in the Statement of Responsibilities, the Joint Committee is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Joint Committee, that officer is the Director of Corporate Resources. The Director of Corporate Resources is responsible for the preparation of the Statement of Accounts, which includes the consolidated financial statements, in accordance with the basis of accounting described in note 1a and for such internal control as the Director of Corporate Resources determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Director of Corporate Resources is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the group lacks funding for its continued existence or when policy decisions have been made that affect the services provided by the group.

The Audit Committee is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the Authority's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LONDON COUNCILS JOINT COMMITTEE (continued)

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

Use of our report

This report is made solely to the members of the joint committee, as a body, in accordance with our letter of engagement dated 13 July 2023. Our audit work has been undertaken so that we might state to the joint committee's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the joint committee and the joint committee's members as a body, for our audit work, for this report, or for the opinions we have formed.



PKF Littlejohn LLP, Statutory Auditor, Chartered Accountants, London

6 December 2024

CONSOLIDATED COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

	Notes	2023/24 Gross Expenditure £000	2023/24 Gross Income £000	2023/24 Net £000	2022/23 Gross Expenditure £000	2022/23 Gross Income £000	2022/23 Net £000
Cost of Services							
London Councils Grants Committee	Appx A	6,757	(6,670)	87	6,664	(6,667)	(3)
London Councils Transport and Environment Committee	Appx B	43,787	(42,450)	1,337	34,649	(32,863)	1,786
London Councils Joint Committee	Appx C	18,089	(16,456)	1,633	15,058	(11,537)	3,521
Net Cost of Services		68,633	(65,576)	3,057	56,371	(51,067)	5,304
Financing and investment income and expenditure	7	23	(1,026)	(1,003)	815	(383)	432
Deficit on Provision of Services		68,656	(66,602)	2,054	57,186	(51,450)	5,736
Actuarial loss/(gain) on pension assets/liabilities	9			(541)			(34,783)
Other Comprehensive Income and Expenditure				-			(34,783)
Total Comprehensive Income and Expenditure				1,513			(29,047)

The notes on pages 27 to 59 form part of the accounts.

CONSOLIDATED MOVEMENT IN RESERVES STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

This statement shows the movement in the year on the different reserves held by the Committee, analysed into usable reserves and unusable reserves. The surplus or deficit on the provision of services line shows the true economic cost of providing the Committee's services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

	2023/24			2022/23		
	Usable Reserves	Unusable Reserves	Total Committee Reserves	Usable Reserves	Unusable Reserves	Total Committee Reserves
	£000	£000	£000	£000	£000	£000
Balance at 1 April	10,289	(165)	10,124	12,431	(31,354)	(18,923)
Total Comprehensive Income and Expenditure	(2,054)	541	(1,513)	(5,736)	34,783	29,047
Adjustments between accounting basis and funding basis under regulations (note 6)	581	(581)	-	3,594	(3,594)	-
(Decrease)/Increase	(1,473)	(40)	(1,513)	(2,142)	31,189	29,047
Balance at 31 March	8,816	(205)	8,611	10,289	(165)	10,124

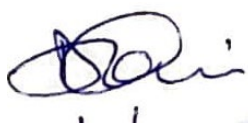
The notes on pages 27 to 59 form part of the accounts.

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2024

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Committee. The net assets or liabilities of the Committee (assets less liabilities) are matched by the reserves held by the Committee. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Committee may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the authority is not able to use to provide services. This category includes reserves that hold unrealised gains and losses such as the Pension Reserve.

	Note	31 March 2024	31 March 2023
		£000	£000
Property, Plant and Equipment	10	627	630
Intangible Assets	11	-	-
Other Long Term Assets	9	-	-
Long Term Assets		627	630
Short Term Debtors	12	7,015	7,499
Cash and Cash Equivalent	13	26,219	14,916
Current Assets		33,234	22,415
Short Term Creditors	14	(23,985)	(11,756)
Provisions	15	(114)	(247)
Current Liabilities		(24,099)	(12,003)
Long Term Creditors	16	(172)	(45)
Provisions	15	(979)	(873)
Other Long Term Liabilities	9	-	-
Long Term Liabilities		(1,151)	(918)
Net Assets/ (Liabilities)		8,611	10,124
Usable Reserves	18	8,816	10,289
Unusable Reserves	20	(205)	(165)
Total Reserves		8,611	10,124

The notes on pages 27 to 59 form part of the accounts.



David Sanni CPFA FCCA
Director of Corporate Resources

20 November 2024

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

The Cash Flow Statement shows the changes in cash and cash equivalents of the Committee during the reporting period. The statement shows how the Committee generates and uses cash and cash equivalents by classifying cash flows as operating, investing, and financing activities. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute towards the Committee's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Committee.

	2023/24 £000	2022/23 £000
Net deficit on the provision of services	(2,054)	(5,736)
Adjustments to net deficit on the provision of services for non-cash movements	13,602	4,978
Adjustments for items included in the net deficit on the provision of services that are investing and financing activities.	(1,003)	(364)
Net cash flows from Operating Activities (note 21)	10,545	(1,122)
Investing Activities (note 22)	758	277
Net (decrease)/increase in cash and cash equivalents	11,303	(845)
Cash and cash equivalents at 1 April	14,916	15,761
Cash and cash equivalents at 31 March	26,219	14,916

The notes on pages 27 to 59 form part of the accounts.

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023**1. Accounting Policies****a General Principles**

The Statement of Accounts summarises the Committee's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. The Committee prepares its accounts in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 except for the exception single entity financial statement for London Councils Joint Committee.

The Statement of Accounts have been prepared with the overriding requirement that it gives a 'true and fair' view of the financial position, performance and cash flows of the Committee.

The Statement of Accounts has been prepared with reference to:

- The objective of providing financial information about the reporting committee that is useful to existing and potential investors, lenders and other creditors in making decisions about providing resources to it;
- The objective of providing information about the Committee's financial performance, financial position and cash flows that is useful to a wide range of users for assessing the stewardship of the Committee's management and for making economic decisions;
- The objective of meeting the common needs of most users focusing on the ability of the users to make economic decisions, the needs of public accountability and the stewardship of the Committee's resources;
- The accrual basis of accounting;
- The following underlying assumption:
 - Going concern basis.
- The following qualitative characteristics:
 - Relevance;
 - Materiality; and
 - Faithful representation.
- The following enhancing qualitative characteristics:
 - Comparability;
 - Verifiability;
 - Timeliness; and
 - Understandability.

The accounting convention adopted in the Statement of Accounts is historical cost.

The accounting policies have been consistently applied across all the committees consolidated in these accounts.

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

b Accruals of Income and Expenditure

The accounts are prepared on an accruals basis which means that income and expenditure are accounted for in the year that the associated activity takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract in accordance with *IFRS15 Revenue from Contracts with Customers*;
- Expenses in relation to services received (including those services provided by employees) are recorded as expenditure when services are received, rather than when payments are made;
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract;
- Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected;
- Income and expenditure are credited and debited to the relevant category within the Comprehensive Income and Expenditure Statement, unless they represent capital receipts or capital expenditure; and
- Creditors for grants outstanding to voluntary organisations at the year-end are included where approved by Committee, the circumstances of the voluntary organisation have not changed since approval, and evidence shows that expenditure in respect of the grant has been incurred. Creditors for ESF grants are recognised where grant claims received from voluntary organisations exceed payments made to the claimant.

c Allocation of Income

Income, where possible, is allocated to the specific service area to which it relates or offsets specific expenditure. Income that is not directly attributable to a particular service is apportioned to other expenditure categories based on actual expenditure.

d Cash and Cash Equivalents

Cash is represented by cash in hand and deposits held by the City of London Corporation on behalf of London Councils, with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less 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 Committee's cash management.

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)**1. Accounting Policies (continued)****e Contingent Liabilities**

A contingent liability arises where an event has taken place that gives the authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Committee. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

f Employee Benefits**Benefits Payable During Employment**

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the Committee. An accrual is made for the cost of holiday entitlements (or any form of leave e.g. flexi leave) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Committee to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis when the Committee is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Committee to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post Employment Benefits**Defined Benefit Pension Scheme**

As part of the terms and conditions of employment, officers of the Committee are offered membership of the Local Government Pension Scheme administered by the London Pension Fund Authority (LPFA). The scheme provides defined benefits to its members (retirement lump sums and pensions), earned as officers work for the Committee.

This scheme is accounted for as a final salary defined benefit scheme:

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)**1. Accounting Policies (continued)**

- The liabilities of the pension fund attributable to the Committee are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, projected earnings of current employees etc.
- Liabilities are discounted to their value at current prices using a discount rate of 4.9% (2022/23: 4.8%).
- The assets of the pension fund attributable to the Committee are included in the Balance Sheet at their fair value:
 - Quoted securities – current bid price;
 - Unquoted securities – professional estimate;
 - Unutilised securities – current bid price; and
 - Property – market value.
- The change in the net pensions liability is analysed into six components:
 - Current service cost – the increase in liabilities as a result of years of service earned this year debited to the Staff Costs line in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
 - Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years debited to the Staff Costs line in the Comprehensive Income and Expenditure Statement;
 - Net interest on the net defined benefit liability (asset), ie net interest expense for the Committee – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments;
 - Return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
 - Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure; and
 - Contributions paid to the pension fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)**1. Accounting Policies (continued)**

In accordance with the Code of Practice, the General Reserve balance is charged with the actual amount payable by the Committee to the pension fund and not the amount calculated according to the accounting standard. In the Movement in Reserves Statement, there are transfers to and from the Pensions Reserve to remove the impact of the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pension Reserve measures the beneficial impact to the General Reserve of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

The actuarial gains and losses are charged to Other Comprehensive Income in the Comprehensive Income and Expenditure Statement with a corresponding entry in the Pensions Reserve.

Defined Contribution Pension Scheme

The Committee operates a defined contribution pension scheme for tribunal adjudicators who are classed as workers under auto enrolment legislation but are not entitled to join the Local Government Pension Scheme. A defined contribution scheme is a pension plan under which the Committee pays contributions to a separate pension provider. Once the contributions have been paid the Committee has no further payment obligations. The value of contributions are based on a percentage of the fees paid to adjudicators as set out in the relevant auto enrolment legislation. The contributions recognised as an expense when they are due. Amounts owed at the end of a financial year are recognised as accruals in the accounts. The assets of the scheme are held separately from the Committee in independently administered funds.

g Exceptional Items and Prior Period Adjustments

When items of income and expense 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 an understanding of the Committee's financial performance.

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Committee's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the period.

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)**1. Accounting Policies (continued)****h Financial Instruments****Financial Liabilities**

Financial liabilities are recognised on the Balance Sheet when the Committee becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective rate of interest is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

Currently the Committee has no borrowings.

Financial Assets

Apart from cash, the only financial assets held by the Committee are receivables that have fixed or determinable payments but are not quoted in an active market and are measured at amortised cost. Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. Impairment losses/gains are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. However, an impairment allowance for bad debts associated with an externally funded project will be included in that line within the Comprehensive Income and Expenditure Statement.

i Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government, ESF and third party grants and contributions are recognised as due to the Committee when there is reasonable assurance that:

- the Committee will comply with the conditions attached to the payments; and
- the grants will be received.

Amounts recognised as due to the Committee are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line in the Comprehensive Income and Expenditure Statement.

j Intangible Assets

Expenditure of £1,000 or more on non-monetary assets that do not have physical substance but are controlled by the Committee as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Committee. Intangible assets are measured initially at cost and amortised over the life of the asset.

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)**1. Accounting Policies (continued)****k Interest Income**

Interest income is credited to the Comprehensive Income and Expenditure Statements of the constituent committees based on average cash balances held by the City of London and invested in accordance with their Treasury Management Strategy Statement and Annual Investment Strategy, which is approved by the City of London's Financial Investment Board.

l Interest in Companies and Other Entities

London Councils Joint Committee operates one subsidiary, London Councils Limited, a company limited by guarantee. London Councils Limited activities are consolidated within the Joint Committee statement of accounts. The company exists to record all transactions relating to the holding of property leases and the employment of the political advisers. London Councils' member boroughs are the members of the company and London Councils' Elected Officers are its Directors. London Councils benefits directly from the accommodation paid for by London Councils Limited and the services provided by the political advisers to members in their roles at London Councils.

The activities of London Councils Grants Committee and London Councils Transport and Environment Committee, which are carried out by London Councils Joint Committee, are incorporated into these group accounts. The activities of these associated committees and the main Joint Committee are detailed in appendices A to C.

Intragroup transactions are excluded from the Statement of Accounts on consolidation.

m Leases**Finance leases**

Lease arrangements for assets are treated as finance leases when substantially all the risks and rewards associated with the ownership of an asset are transferred to the Committee. Rentals payable are apportioned between:

- A charge for the acquisition of the interest in the property (recognised as a liability in the balance sheet at the start of the lease, matched with an asset within Property, Plant and Equipment – the liability is written down as the rent becomes payable); and
- A finance charge.

Property, plant and equipment recognised under finance leases are accounted for using the policies applied generally to such assets, subject to depreciation being charged over the life of the lease.

Operating leases

Leases that do not meet the definition of finance leases are accounted for as operating leases. Lease rentals payable are charged to the Comprehensive Income and Expenditure Statement on a straight line basis over the terms of the lease.

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)**1. Accounting Policies (continued)****n Overheads**

Central overhead costs identified as directly attributable to a particular funding stream are allocated in full to that funding stream. Where such costs are not directly attributable, they are re-charged across the funding streams using the most relevant apportionment basis, from the list below:

- Number of desk spaces;
- Full Time Equivalent units;
- Absolute value of transactions; and
- Volume of transactions.

o Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment. Expenditure on the acquisition, creation, enhancement of Property, Plant and Equipment subject to a de minimis level of £1,000, is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Committee and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Assets are initially measured at cost, comprising:

- the purchase price; and
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets are then carried in the Balance Sheet at their depreciated historical costs.

Assets are depreciated on a straight line basis, starting after the year of acquisition, over their economic useful life as follows:

- Leasehold Improvements – the remaining period left on the lease;
- Furniture and Equipment:
 - Furniture and Fittings – 5 years;
 - Computer Hardware – 3 years.

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposal (if any) are credited to the Comprehensive Income and Expenditure Statement.

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)**1. Accounting Policies (continued)****p Provisions**

Provisions are made where an event has taken place that gives the Committee a legal or constructive obligation that probably requires settlement by a transfer of economic benefits and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Comprehensive Income and Expenditure Statement in the year that the Committee becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year, where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provisions is reversed and credited back to the Comprehensive Income and Expenditure Statement. Provisions for dilapidations costs and works in connection with property leases are built up over the life of the lease on a straight line basis.

q Reserves

The Committee uses Specific Reserves to set aside funds earmarked for a specific purpose and money received from boroughs outside the main subscription, or from other public sector bodies, which is to be used for specific purposes. Reserves are created by transferring amounts from the General Reserve to the Specific Reserves on the Movement in Reserves Statement. When expenditure to be financed from a specific reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement and a transfer of funds from the specific reserve made to the General Reserve in the Movement in Reserves Statement.

Certain reserves are kept to manage the accounting processes for retirement and employee benefits and do not represent usable resources for the Committee.

r Value Added Tax

Value Added Tax (VAT) 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.

2. Accounting Standards that have been Issued but not yet adopted

The Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) has introduced changes in accounting policies required from 1 April 2024. If these had been adopted for the financial year 2023/24 the changes to the Committee's accounts are detailed below.

IFRS16 Leases – This standard specifies how a lease is recognised, measured, presented and disclosed in the accounts. It removes the traditional distinction between finance leases and operating leases. Finance leases are accounted for as an acquisition of an asset with a corresponding liability both recognised on the balance sheet. In contrast, operating leases are accounted by recognising lease rentals payable in the Comprehensive Income and Expenditure Statement on a straight line basis over the term of the lease. The standard requires all substantial leases to be accounted for using the acquisition approach, recognising the rights acquired to use an asset and a corresponding liability. The CIPFA/LASAAC Local Authority Accounting Code Board (CIPFA/LASAAC) has agreed to defer the implementation of the standard until 2024/25 in-line with the government's Financial Reporting Advisory Board's proposals for central government departments. CIPFA LASAAC has taken this decision in response to pressures on council finance

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

2. Accounting Standards that have been Issued but not yet adopted (continued)

teams as a result of the Covid-19 pandemic. This will mean the effective date for implementation is now 1 April 2024. There will be a change to the disclosure of lease transactions in the Committee's accounts due to the introduction of this standard.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1) - Issued in January 2020. The amendments:

- specify that an entity's right to defer settlement must exist at the end of the reporting period
- clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement
- clarify how lending conditions affect classification, and
- clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

This amendment is unlikely to have a significant impact on the Committee's accounts.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) - Issued in September 2022, the amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions. These amendments are unlikely to have a significant impact on the Committee's accounts.

Non-current Liabilities with Covenants (Amendments to IAS 1) - Issued in October 2022, the amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants. This amendment is unlikely to have a significant impact on the Committee's accounts.

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) - Issued in May 2023, the amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new requirements to provide users of financial statements with information to enable them to:

- assess how supplier finance arrangements affect an entity's liabilities and cash flows, and
- understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

These amendments are unlikely to have a significant impact on the Committee's accounts.

3. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in note 1, the Committee has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The critical judgements made in the Statement of Accounts are:

Government Funding

There is a high degree of uncertainty about future levels of funding for local government. However, the Committee has determined that this uncertainty is not sufficient to provide an indication that the assets of the Committee might be impaired as a result of a need to reduce levels of service provision. The current level of uncommitted reserves provide a sufficient level of security for the projected inflationary increase on expenditure.

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)**4. Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty**

The Statement of Accounts contains estimated figures that are based on assumptions made by the Committee 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 Committee's Balance Sheet at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Pensions

Estimation of the net asset or liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Barnett Waddingham LLP, an independent firm of qualified actuaries, is engaged to provide London Councils with expert advice in calculating the net pension liability or asset.

The effect on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £1.311 million. However, the assumptions interact in complex ways. During 2022/23 and again in 2023/24, Barnett Waddingham LLP advised that the net pensions liability had moved to a net asset as a result of a change in financial assumptions, however as there is no short term access to this asset it has been derecognised on the balance sheet, which is consistent with the treatment in the 2022/23 audited financial statements.

Provisions

The Committee has made a provision of £991,000 for its contractual obligations for dilapidations and periodic decoration included within its property leases. A further provision of £103,000 has been made for future staff exit costs in 2024/25. The provision is based on the most reasonable estimate of these future costs. An increase of 10% to the total value of these costs would have the effect of adding £109,000 to the annual contribution to the provision.

5. Events After the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Director of Corporate Resources on x September 2024. Events taking place after this date are not reflected in the accounts or notes. Where events taking place before this date provided information about conditions existing at 31 March 2024, the figures in the accounts and notes have been adjusted in all material respects to reflect the impact of this information.

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

6A. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources in comparison with those resources consumed or earned by the Committee in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the various committees. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Consolidated Comprehensive Income and Expenditure Statement.

	2023/24	2023/24	2023/24	2022/23	2022/23	2022/23
	Net Expenditure Chargeable to Usable Reserves £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000	Net Expenditure Chargeable to Usable Reserves £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
Cost of Services						
London Councils Grants Committee	59	28	87	(96)	93	(3)
London Councils Transport and Environment Committee	1,186	151	1,337	1,115	671	1,786
London Councils Joint Committee	996	637	1,633	1,487	2,034	3,521
Net Cost of Services	2,241	816	3,057	2,506	2,798	5,304
Financing and investment income and expenditure	(768)	(235)	(1,003)	(364)	796	432
Deficit / (Surplus)	1,473	581	2,054	2,142	3,594	5,736
Opening Usable Reserve Balance	(10,289)			(12,431)		
Deficit	1,473			2,142		
Closing Usable Reserve Balance	(8,816)			(10,289)		

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

6B. Note to the Expenditure and Funding Analysis

This note provides a reconciliation of the main adjustments to the net expenditure chargeable to the General Reserve to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The adjustments arise due to the difference in the accounting basis and funding basis under regulations.

Adjustments between funding and accounting basis during 2023/24:

Adjustments from General Reserves to arrive at the Comprehensive Income and Expenditure	Pension Adjustments £000	Accumulated Absence Adjustments £000	Total Adjustments £000
Grants Committee	15	13	28
Transport and Environment Committee	141	10	151
London Councils Core Joint Committee	620	17	637
Net Cost of Services	776	40	816
Financing and investment income and expenditure	(235)	-	(235)
Difference between General Reserve and Comprehensive Income and Expenditure Statements Deficit on Provision of Services	541	40	581

Adjustments between funding and accounting basis during 2022/23:

Adjustments from General Reserves to arrive at the Comprehensive Income and Expenditure	Pension Adjustments £000	Accumulated Absence Adjustments £000	Total Adjustments £000
Grants Committee	94	(1)	93
Transport and Environment Committee	689	(18)	671
London Councils Core Joint Committee	2,015	19	2,034
Net Cost of Services	2,798	-	2,798
Financing and investment income and expenditure	796	-	796
Difference between General Reserve and Comprehensive Income and Expenditure Statements Deficit on Provision of Services	3,594	-	3,594

Pension adjustments – These adjustments relate to the removal of pension contributions and the addition of *IAS19 Employee Benefits* pension related expenditure and income as follows:

- **Net Cost of Services** – adjustments to remove the employer pension contributions made by the Committee as allowed by statute and the replacement with current service costs and past service costs; and
- **Financing and investment income and expenditure** – adjustment for the net interest on the defined benefit liability charged to the Comprehensive Income and Expenditure Statement.

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

6B. Note to the Expenditure and Funding Analysis (continued)

Accumulated Absence adjustments – This adjustment relates to the amount by which officer 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.

7. Financing and Investment Income and Expenditure

	2023/24	2023/24
	£000	£000
Interest Payable	23	25
Interest and Investment Income	(776)	(338)
Net interest on Pension Scheme Assets/Liabilities (see note 9)	(235)	796
Impairment loss/(gains) for bad debts	(15)	(51)
Total	(1,003)	432

8. Revenue from Contracts with Service Recipients

The Committee's main source of income is from annual subscriptions and agreed charges to member authorities. In 2023/24, London Councils Transport and Environment Committee provided administrative support and infrastructure to the Road User Charging Adjudicators (RUCA) on behalf of the Greater London Authority under the terms of a service contract. The contract is charged on a cost recovery basis with income from satisfying performance obligations recognised over time.

The amounts included in the Comprehensive Income and Expenditure Statement for the RUCA service:

	2023/24	2022/23
	£000	£000
Revenue from contract	(1,936)	(1,874)
Total	(1,936)	(1,874)

The amounts included in the Balance Sheet for the RUCA service:

	2023/24	2022/23
	£000	£000
Receivables (included in debtors)	2,146	1,597
Total	2,146	1,597

In 2023/24, London Councils generated income from tenants licences and room hire income. Income is recognised over the period of the tenancy and hire respectively.

The amounts included in the Comprehensive Income and Expenditure Statement for tenants licences and room hire income:

	2023/24	2022/23
	£000	£000
Revenue from contract	(55)	(104)
Total	(55)	(104)

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)**8. Revenue from Contracts with Service Recipients (continued)**

The amounts included in the Balance Sheet for tenants licences and room hire income:

	2023/24	2022/23
	£000	£000
Receivables (included in debtors)	-	51
Total Receivables	-	51
Liabilities (included in creditors)	-	-
Total Liabilities	-	-

9. Pensions**Defined Benefit Scheme**

As part of their terms and conditions of employment, London Councils staff are eligible to participate in the Local Government Pension Scheme (LGPS) which is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings.

The administering authority for the Fund is the London Pensions Fund Authority (LPFA). The LPFA Board oversees the management of the Fund whilst the day to day fund administration is undertaken by the Local Pensions Partnership. Where appropriate some functions are delegated to the Fund's professional advisers.

On 1 May 2000, London Councils staff transferred into the LPFA Scheme as London Councils was granted Admitted Body status. Prior to this date, the five predecessor bodies had different pension arrangements for staff. The accumulated benefits of staff from the previous pension schemes have been transferred to the LPFA scheme.

As administering authority to the Fund, the London Pensions Fund Authority, after consultation with the Fund Actuary and other relevant parties, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Investment Strategy Statement. These should be amended when appropriate based on the Fund's performance and funding.

Employers' contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The next actuarial valuation of the Fund will be carried out as at 31 March 2025 and will set contributions for the period from 1 April 2026 to 31 March 2029. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions. Based on the triennial valuation as at 31 March 2022, the employers' contribution towards the Future Service Rate was set at 7.7% of pensionable pay for the period 1 April 2023 to 31 March 2026.

On the Employer's withdrawal from the plan, a cessation valuation will be carried out in accordance with Regulation 64 of the LGPS Regulations 2013 which will determine the termination contribution due by the Employer, on a set of assumptions deemed appropriate by the Fund Actuary.

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)**9. Pensions (continued)**

In general, participating in a defined benefit pension scheme means that the Employer is exposed to a number of risks:

- Investment risk. The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges;
- Interest rate risk. The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount the future liability cashflows. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way;
- Inflation risk. All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation; and
- Longevity risk. In the event that the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks.

In addition, as many unrelated employers participate in the London Pensions Fund Authority Pension Fund, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the risks above may also benefit the Employer e.g. higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employers.

The LPFA, as administering authority, provided Barnett Waddingham LLP, an independent firm of qualified actuaries with scheme membership information as at 31 March 2022 for all employees within London Councils as part of the triennial valuation. Assets were allocated within the LPFA Pension Fund based on these calculated liabilities. The triennial valuation as at 31 March 2022 was the starting point for the 'roll forward' IAS 19 valuations. In order to assess the actuarial value of the LPFA Pension Fund's liabilities as at 31 March 2024 attributable to London Councils, scheme liabilities have been assessed by Barnett Waddingham LLP on an actuarial basis using the projected unit method, and estimate of pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc.

The individual committees' share of assets and liabilities of the pension scheme are not separable, therefore, all assets, liabilities, charges, returns and other costs have been allocated to each committee in accordance with the proportion of employer contributions paid by the committee as a percentage of the total paid by London Councils in the year. This approach results in an adjustment to the Defined Benefit Obligation and the Fair Value of Employer's Assets as a result of the difference between the percentage used to apportion the deficit at the start of the financial year and the percentage used at the end of the financial year.

The value of the of the Defined benefit Obligation takes into account the estimated impact of the Court of Appeal judgement in relation to the McCloud and Sargeant cases which relate to age discrimination within the Judicial and Fire Pension schemes respectively.

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

9. Pensions (continued)

Financial Assumptions

The financial assumptions as at 31 March 2024:

Assumptions as at:	31 March 2024 (% per annum)	31 March 2023 (% per annum)
CPI increases	2.90	2.85
Salary increases	3.90	3.85
Pension increases	2.90	2.85
Discount rate	4.90	4.80

These assumptions are set with reference to market conditions at 31 March 2024.

Our estimate of the duration of the Employer's liabilities is 18 years.

The discount rate should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. Our standard approach to derive the appropriate discount rate is known as the Single Equivalent Discount Rate (SEDR) methodology.

A sample of cashflows is used for employers at each year and derive the single discount rate which results in the same liability value as that which would be determined using a full yield curve valuation (essentially each year's cashflows has a different discount rate). In carrying out this derivation we use the annualised Merrill Lynch AA rated corporate bond yield curve and assume the curve is flat beyond the 30 year point. This is consistent with the approach used at the previous accounting date.

Similar to the SEDR approach described above a Single Equivalent Inflation Rate (SEIR) approach in deriving an appropriate RPI assumption has been adopted.

The SEIR adopted is such that the single assumed rate of inflation results in the same liability value (when discounted using the yield curve valuation described above) as that resulting from applying the BoE implied inflation curve. The BoE implied inflation curve is assumed to be flat beyond the 40 year point. This is consistent with the approach used at the previous accounting date.

Following a recent review of the market, and in particular noting the muted market reaction to the likely alignment of RPI with CPIH (Consumer Prices Index with Housing) from 2030, the gilt-implied inflation rates are currently distorted by supply and demand factors at medium and longer terms. An allowance for an Inflation Risk Premium (IRP) of 0.4% at medium and longer terms (from 9 years) has been made. This results in an overall IRP of between 0.0% p.a. and 0.25% p.a. depending on the term of the liabilities (for terms ranging from 1 year up to 30 years).

Salaries are assumed to increase at 1.0% p.a. above CPI which includes an allowance for promotions. This is consistent with the approach used at the previous accounting date.

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

9. Pensions (continued)

Demographic and Statistical Assumptions

A set of demographic assumptions that are consistent with those used for the most recent fund valuation, which was carried out as at 31 March 2022, except for the CMI projection model. The post retirement mortality tables have been constructed based on Club Vita analysis. These base tables are then projected using the CMI_2021 Model, allowing for a long-term rate of improvement of 1.25% p.a., smoothing parameter of 7.0, an initial addition parameter of 0.0% p.a. a 2021 weighting of 5% and a 2022 weight parameter of 25%.

Changing the 2020 weight parameter has a material impact on projected mortality improvements from 2021. Placing a higher weight on data for 2021 leads to materially lower future mortality improvements as you would expect. However the impact of the 2021 weight parameter on future mortality improvements “dissipates” over time, with the effect completely disappearing by 2040.

The assumed life expectations from age 65, weighted by liability are:

	31 March 2024	31 March 2023
Retiring today:		
Males	22.3	22.6
Females	24.4	24.7
Retiring in 20 years:		
Males	22.5	22.8
Females	25.4	25.6

The fair value of the pension scheme assets attributable to the London Councils Joint Committee at 31 March 2024:

	At 31 March 2024		At 31 March 2023	
	£000	%	£000	%
Equities	47,007	61%	42,509	59%
Target return portfolio	13,393	17%	13,440	18%
Infrastructure	8,919	11%	9,146	13%
Property	7,102	9%	7,098	10%
Cash	1,216	2%	92	0%
	77,637	100%	72,285	100%

Quoted securities included within the assets values above have been measured at their bid value in accordance with the Code.

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

9. Pensions (continued)

The analysis of the net value of the pension scheme assets and liabilities recognised in the Balance Sheet as at 31 March 2024 is as follows:

	At 31 March 2024	At 31 March 2023
	£000	£000
Fair value of employer assets	77,637	72,285
Present value of scheme liabilities	(77,587)	(72,232)
Net Asset / (Liability)	50	53
Present value of unfunded liabilities	(50)	(53)
Net Asset / (Liability) in Balance Sheet	-	-

The analysis of the amounts recognised in the Comprehensive Income and Expenditure Account for the year ended 31 March 2024 is as follows:

	At 31 March 2024	At 31 March 2023
	£000	£000
Service cost	1,557	3,981
Net interest on the defined liability	(235)	796
Administration expenses	22	21
Total	1,344	4,798

The reconciliation of the Defined Benefit Obligation at 31 March 2024 is as follows:

	At 31 March 2024	At 31 March 2023
	£000	£000
Opening Defined Benefit Obligation	(72,285)	(102,773)
Current service cost	(1,358)	(3,786)
Interest cost	(3,168)	(2,652)
Change in financial assumptions	(3,258)	40,578
Change in demographic assumptions	756	2,042
Experience (gain)/ loss on defined benefit obligation	(244)	(7,111)
Estimated benefits paid net of transfers	2,782	2,248
Past Service Costs including curtailments	(199)	(195)
Contributions by scheme participants	(668)	(641)
Unfunded pension payments	5	5
Closing Defined Benefit Obligation	(77,637)	(72,285)

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

9. Pensions (continued)

The reconciliation of the Fair Value of Employer's Assets at 31 March 2024 is as follows:

	At 31 March 2024	At 31 March 2023
	£000	£000
Opening Fair Value of Employer's Assets	72,285	71,584
Interest on assets	3,403	1,856
Return on assets less interest	3,287	(918)
Other actuarial gain/(losses)	-	193
Administration expenses	(22)	(21)
Contributions by employer	803	1,203
Contributions by scheme participants	668	641
Estimated benefits paid plus unfunded net of transfers in	(2,787)	(2,253)
Closing Fair Value of Employer's Assets	77,637	72,285

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Sensitivity analysis:

	£000	£000	£000
Adjustment to Discount Rate	+0.1%	0.0%	-0.1%
Present value of total obligation	66,423	77,637	68,727
Projected service cost	1,311	1,363	1,416
Adjustment to Long-term Salary Increases	+0.1%	0.0%	-0.1%
Present value of total obligation	67,630	77,637	67,490
Projected service cost	1,364	1,363	1,362
Adjustment to Pension Increases and Deferred Revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	68,678	77,637	66,470
Projected service cost	1,418	1,363	1,310
Adjustment to Mortality Age Rating Assumption	+1 Year	None	-1 Year
Present value of total obligation	69,927	77,637	65,278
Projected service cost	1,415	1,363	1,311

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

9. Pensions (continued)

The analysis of the re-measurements in Other Comprehensive Income and Expenditure for the year ended 31 March 2024 is as follows:

	At 31 March 2024	At 31 March 2023
	£000	£000
Return on plan assets in excess of interest	3,287	(918)
Other actuarial losses on assets	-	193
Change in financial assumptions	617	40,577
Change in demographic assumptions	756	2,042
Experience gain/(loss) on defined benefit obligation	(244)	(7,110)
Re-measurements	4,416	34,784

The projections for the year to 31 March 2025 is as follows:

	31 March 2025
	£000
Service cost	1,309
Net interest on the defined liability/(asset)	(436)
Administration expenses	23
Total	896
Employers contribution	633

Defined Contribution Scheme

The Committee provides a defined contribution scheme to adjudicators who are classed as workers under auto enrolment legislation but are not entitled to join the Local Government Pension Scheme. Pension contributions are based on a percentage of the monthly fee paid to adjudicators participating in the scheme. The Committee's contribution rate for the 2023/24 tax year was 3% (2022/23: 3%) while the adjudicators' minimum contribution rate was 5% (2022/23: 5%). The scheme is operated by Smart Pension and the amount recognised as an expense in the accounts is as follows:

	2023/24	2022/23
	£000	£000
Current period contributions	31	35

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

10. Property, Plant and Equipment

Movements in 2023/24:

	Furniture and Equipment £000	Leasehold Improvements £000	Total £000
Cost			
At 1 April 2023	1,368	2,058	3,426
Additions	245	-	245
Disposals	-	-	-
At 31 March 2024	1,613	2,058	3,671
At 1 April 2023	1,149	1,647	2,796
Charge for the year	77	171	248
Charge relating to Disposals	-	-	-
At 31 March 2024	1,226	1,818	3,044
Net Book Value			
At 31 March 2024	387	240	627
At 31 March 2023	219	411	630

Movements in 2022/23:

	Furniture and Equipment £000	Leasehold Improvements £000	Total £000
Cost			
At 1 April 2022	1,281	2,058	3,339
Additions	87	-	87
Disposals	-	-	-
At 31 March 2023	1,368	2,058	3,426
At 1 April 2022	1,084	1,477	2,561
Charge for the year	65	170	235
Charge relating to Disposals	-	-	-
At 31 March 2023	1,149	1,647	2,796
Net Book Value			
At 31 March 2023	219	411	630
At 31 March 2022	197	581	778

The capital expenditure on Property, Plant and Equipment will be funded from revenue budgets in line with the annual depreciation charge.

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)**10. Property, Plant and Equipment (continued)**

There are contractual commitments in relation to the acquisition of Property, Plant and Equipment, relating to the fit out of the new offices at Arthur Street of approximately £2 million.

11. Intangible Assets

The intangible assets consisted solely of purchased computer software. The Committee accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The carrying amount of computer software, accounted for as intangible assets, are amortised on a straight line basis, starting after the year of acquisition, over the lower of 3 years or the length of the software licence. The intangible asset was fully amortised during 2021/22

The capital expenditure on intangible assets was funded from revenue budgets in line with the annual amortisation charge.

There are no contractual commitments for the acquisition of Intangible Assets.

12. Short Term Debtors

	31 March 2024	31 March 2023
	£000	£000
Amounts owed by member authorities	2,672	2,810
Payments in advance	729	427
Other debtors	3,685	4,347
Impairment losses for bad debts	(71)	(85)
Total	7,015	7,499

13. Cash and Cash Equivalents

	31 March 2024	31 March 2023
	£000	£000
Cash held by the Committee	11,408	734
Cash balances held by the City of London	14,811	14,182
Total	26,219	14,916

Included within Cash held by the Committee for 2023/24 is an amount received from Transport for London in March 2024 of £11.24 million. This relates to an agreed refund to boroughs for the 2024/25 concessionary fare settlement, and has therefore been recognised as a receipt in advance on the balance sheet – See note 14

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

14. Short Term Creditors

	31 March 2024	31 March 2023
	£000	£000
Amounts owed to member authorities	(6,893)	(6,908)
Receipts in advance	(13,371)	(1,180)
Accruals	(3,500)	(3,207)
Other creditors	(221)	(461)
Total	(23,985)	(11,756)

15. Provisions

	Property Lease Provisions £000
Balance at 1 April 2023	(1,120)
Additional Provisions made in 2023/24	-
Unwinding of discount	(23)
Amounts used in 2023/24	-
Unused amounts reversed in 2023/24	152
Balance at 31 March 2024	(991)
	Non Property Provisions £000
Balance at 1 April 2023	-
Additional Provisions made in 2023/24	(103)
Balance at 31 March 2024	(103)
Analysis of Total Provisions:	
	£000
Current	(114)
Non-current	(979)
Total Provision	(1,093)

The Committee has established a provision for its contractual obligations included within its property leases. The lease for Southwark Street requires internal and external decoration works to be carried out in March 2016, March 2021 and March 2026 and dilapidation works to be carried out in March 2026. Some of the internal and external decoration work due in March 2016 and March 2021 has not yet been carried out.

The lease for Chancery Exchange requires internal decoration work to be carried out every three years commencing from March 2018 and general dilapidation work to be carried out at the end of the lease in March 2025. There has been no internal decoration work carried out to date.

16. Long Term Creditors

	31 March 2024	31 March 2023
	£000	£000
Amounts owed to member authorities	(172)	(45)
Accruals	-	-
Total	(172)	(45)

The creditor balances above have arisen due to the smoothing of property leases.

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

17. Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet:

Financial assets:

	31 March 2024	31 March 2023
	£000	£000
Amortised cost	32,729	21,943
Total financial assets	32,729	21,943
Non-financial assets	1,132	5,827
Total assets	33,861	27,770

Financial liabilities:

	31 March 2024	31 March 2023
	£000	£000
Amortised cost	(25,043)	(12,756)
Total financial liabilities	(25,043)	(12,756)
Non-financial liabilities	(206)	(165)
Total liabilities	(25,249)	(12,921)

18. Usable Reserves

	31 March 2024	31 March 2023
	£000	£000
General Reserve	4,424	8,683
Earmarked Reserves	4,392	1,106
Total	8,816	10,289

19. Specific and Earmarked Reserves

	31 March 2024	31 March 2023
	£000	£000
Lorry Control Scheme System Development	123	-
Records Management	240	-
Website Development	83	-
Tribunal Systems Development	119	-
Health Emergency Badge CMS	120	-
Pan-London LEVI DPS tool	224	-
Premises Transition	1,971	-
Change Management	357	-
Shared Ambition Impact Fund	38	-
Health Partnership Work	267	-
Digital Transformation	69	-
Freedom Pass Renewal Reserve	780	649
Special Projects Reserve	-	457
Total	4,392	1,106

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

20. Unusable Reserves

	31 March 2024 £000	31 March 2023 £000
Pensions Reserve	-	-
Accumulated Absences Reserve	(206)	(165)
Total	(206)	(165)

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Committee accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Committee makes employer's contribution to the pension fund or eventually pays any pensions for which it is directly responsible. A credit balance on the Pension Reserve would show a surplus in the benefits earned by past and current employees and the resources the Committee has set aside to meet them, however as the asset is not immediately available the pension asset has not been recognised on the balance sheet.

	2023/24		2022/23	
	£000	£000	£000	£000
Balance at 1 April		-		(31,189)
Actuarial (losses)/gains on pension assets and liabilities		541		34,783
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(1,344)		(4,798)	
Employer's pensions contribution and direct payments to pensioners payable in the year	803		1,204	
		(541)		(3,595)
Balance at 31 March		-		-

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

20. Unusable Reserves (continued)

Accumulated Absences Reserve

The Accumulated Absences Reserve absorbs the differences that would otherwise arise on the General Reserve from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Reserve is neutralised by transfers to or from the Reserve.

	2023/24		2022/23	
	£000	£000	£000	£000
Balance at 1 April		(165)		(165)
Settlement or cancellation of accrual made at the end of the preceding year	165		165	
Amounts accrued at the end of the current year	(206)		(165)	
Amount by which officer 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		(41)		-
Balance at 31 March		(206)		(165)

21. Cash Flow Statement – Operating Activities

	2023/24		2022/23	
	£000	£000	£000	£000
Deficit on Provision of Services		(2,054)		(5,736)
Adjusted for:				
Current Service Cost Adjustment	776		2,799	
Depreciation	248		235	
Amortisation of Intangible Assets	-		-	
Net loss on Pension Scheme Assets/Liabilities	(235)		796	
Provision for liabilities and charges	(27)		220	
Carrying amount on aborted refurbishment costs	-		-	
Decrease in Debtors	484		(968)	
Increase in Creditors	12,356		1,896	
Adjustments for non-cash movements		13,602		4,978
Finance and investment expenditure	23		25	
Finance and investment income	(1,026)		(389)	
Adjustments for investing and financing activities		(1,003)		(364)
Net cash flows from Operating Activities		10,545		(1,122)

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

22. Cash Flow Statement – Investing Activities

	2023/24	2022/23
	£000	£000
Finance and investment expenditure	(23)	(25)
Finance and investment income	1,026	389
Payment to Acquire Property, Plant and Equipment and Intangible Assets	(245)	(87)
Total	758	277

23. Leases

Operating Leases

The Committee uses leased properties under the terms of operating leases. The amounts recognised in the accounts under these arrangements during the year amounted to £1.23 million (2022/23: £1.4 million) and are included in Premises costs in the Comprehensive Income and Expenditure Statement.

The minimum lease payments under non-cancellable operating leases for each of the following periods:

	31 March 2024	31 March 2023
	£000	£000
Not later than one year	1,359	1,429
Later than one year and not later than five years	849	2,208
Total	2,208	3,637

24. Intragroup Transactions

The intragroup transactions excluded from the Consolidated Comprehensive Income and Expenditure Statement during the year are as follows:

	2023/24	2022/23
	£000	£000
London Councils Limited recharge of Chancery Exchange costs to the Transport and Environment Committee:		
Expenditure	528	514
Income	(528)	(514)
London Councils Limited recharge of Southwark Street costs to London Councils Joint Committee:		
Expenditure	-	347
Income	-	(347)
Transfer between London Councils Joint Committee and London Councils Transport and Environment Committee for climate change work:		
Expenditure	326	345
Income	(326)	(345)

25. Members' Allowances

The Committee paid the following amounts to members of its Committees during the year.

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

	2023/24 £000	2022/23 £000
Members' Allowances	275	232

26. Officers' Remuneration

The number of employees whose remuneration (including termination payments but excluding employer's pension contributions) was £50,000 or more in bands of £5,000 was:

Remuneration Bands	Number of Employees	
	2023/24	2022/23
£50,000 - £54,999	9	11
£55,000 - £59,999	10	6
£60,000 - £64,999	10	4
£65,000 - £69,999	6	2
£70,000 - £74,999	3	1
£75,000 - £79,999	2	2
£80,000 - £84,999	1	-
£85,000 - £89,999	4	7
£90,000 - £94,999	6	4
£95,000 - £99,999	1	-
£100,000 - £104,999	-	-
£105,000 - £109,999	-	2
£110,000 - £114,999	3	-
£120,000 - £124,999	-	4
£125,000 - £129,999	1	-
£130,000 - £134,999	5	-
£180,000 - £184,999	-	1
£190,000 - £194,999	1	-

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

26. Officers' Remuneration (continued)

The remuneration paid to the Committee's senior employees in 2023/24 is as follows:

Post Holder	Salary £	Compensation for Loss of Office £	Total Remuneration excluding Pension Contribution	Employer's Pension Contribution £	Total Remuneration including Pension Contribution £
Chief Executive (Alison Griffin)	194,479	-	194,479	13,528	208,007
Strategy Director, London's Futures & Places	131,236	-	131,236	9,107	140,344
Director, Corporate Governance ¹	10,084	-	10,084	595	10,679
Director, Corporate Resources	114,516	-	114,516	7,948	122,464
Chief Operating Officer ²	133,529	-	133,529	9,268	142,796
Strategy Director, London's Communities	131,236	-	131,236	9,107	140,344
Director, Communications	131,236	-	131,236	9,107	140,344
Strategy Director, LG Finance and Improvement	131,236	-	131,236	9,107	140,344
Total	977,552	-	977,552	67,768	1,045,320

¹ Left during 2023/24

² Title change from Director, Transport and Mobility

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

26. Officers' Remuneration (continued)

The remuneration paid to the Committee's senior employees in 2022/23 is as follows:

Post Holder	Salary £	Compensation for Loss of Office £	Total Remuneration excluding Pension Contribution	Employer's Pension Contribution £	Total Remuneration including Pension Contribution £
Chief Executive (Alison Griffin)	181,032	-	181,032	24,620	205,652
Strategy Director, London's Futures & Places ³	86,258	-	86,258	11,731	97,989
Director, Corporate Governance ⁴	89,539	-	89,539	12,177	101,716
Director, Corporate Resources	105,679	-	105,679	14,372	120,051
Director, Transport and Mobility	124,865	-	124,865	16,954	141,819
Strategy Director, London's Communities ⁵	122,473	-	122,473	16,656	139,129
Director, Communications	122,473	-	122,473	16,656	139,129
Strategy Director LG Finance and Improvement	122,473	-	122,473	16,656	139,129
Total	954,792	-	954,792	129,822	1,084,614

³ Appointed during 2022/23

⁴ Left during 2022/23

⁵ Title change from: Director, Young People Education and skills, Community Services and Grants

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

27. Termination Benefits

There were termination payments included in the Comprehensive Income and Expenditure Statement of £283,000 for 2023/24 (2022/23: £10,000).

28. External Audit Costs

The Committee incurred the following amounts in relation to the audit of the Statement of Accounts and Employers' Association Annual Return:

	2023/24	2022/23
	£000	£000
Fees payable in respect of the audit of the Statement of Accounts and Employers' Association Return	55	53
Additional fees payable in respect of the audit of the 2023/24 Statement of Accounts and Employers' Association Return	-	-
	55	53

The audit fee is apportioned to the committees on the basis of the absolute value of financial transaction in accordance with the accounting policy on overheads (see Note 1, Item n).

29. Related Parties

The Committee is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Committee or to be controlled or influenced by the Committee. Disclosure of these transactions allows readers to assess the extent to which the Committee might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain with the Committee.

Member Boroughs

Member boroughs have direct control over the Committees activities through their membership of London Councils Leaders' Committee. The total value of income from subscriptions, contributions and other charges paid to London Councils by its member boroughs during 2023/24 was £45.519 million (2022/23: £36.613 million). The total value of expenditure on rent, rates, professional fees and the distribution of grants paid to member boroughs during 2022/23 was £5.083 million (2022/23: £3.116 million). On 31 March 2024, the value of debtor balances owed by member boroughs (including payments in advance) amounted to £2.671 million (2022/23: £2.810 million) and the value of creditor balances (including receipts in advance) owed to member boroughs amounted to £7.065 million (2022/23: £7.031 million).

Transport for London

A representative of Transport for London (TfL) sits on London Councils Transport and Environment Committee and therefore has influence over the activities of the Committee. The total value of income received from TfL in respect of subscriptions, contributions and charges during 2023/24 was £9.438 million (2022/23: £7.615 million). After reducing for a receipt in advance amount received in March in relation to 2024/25 concessionary fares refunds the total value of payments to TfL during 2023/24 was nil (2022/23: £66,000). On 31 March 2024, the value of debtor balances owed by TfL amounted to £683,000 (2022/23: £1.426 million) and the value of creditor balances owed to TfL (including receipts in advance) amounted to £11.237 million, all of which related to the Concessionary Fares TfL refund to boroughs in 2024/25 (2022/23: £18,000).

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)**29. Related Parties (continued)****Central Government**

Central Government has effective control over the general operations of member boroughs as it is responsible for providing the statutory framework within which the boroughs operate, provides the majority of their funding in the form of grants and prescribes the terms of many of the transactions that the boroughs have with other parties. The total value of expenditure on the registration of debts to HM Courts and Tribunal Services and other charges during 2023/24 amounted to £7.601 million (2022/23: £7.504 million). There was no funding received from Central Government in 2023/24 (2022/23: nil). On 31 March 2024, the value of debtor balances owed by central government bodies amounted to £506,000 (2022/23: £473,000) and the value of creditor balances owed to central government bodies (including receipts in advance) amounted to £1.316 million (2022/23: £225,000).

London Pensions Fund Authority (LPFA)

London Councils' pension scheme is administered by the LPFA and members of London Councils Leaders Committee sit on the LPFA board. The total value of expenditure paid to the LPFA for pension payments and other charges during 2022/23 was £703,000 (2022/23: £1.052 million). On 31 March 2024, the value of creditor balances owed to the LPFA (including receipts in advance) was £284,000 (2022/23: nil).

30. Grant Commitments

The value of grant commitments in 2024/25 is £6.173 million.

31. Concessionary fares

These accounts do not include the amount of £207.770 million (2022/23: £197.350 million) paid directly by member boroughs to Transport for London in respect of the Concessionary Fares scheme. Whilst these direct payments are included in the Committee's annual budget they are excluded from the accounts as the expenditure is not incurred by the Committee, therefore full inclusion of the costs will artificially inflate London Councils income and expenditure.

32. Segmental Reporting

The information in the accounts is set out in the segments based on the Committee's internal management reporting. Therefore, no further disclosures are required.

Appendix A – London Councils Grants Committee Comprehensive Income and Expenditure Statement 2023/24 which is for information and not covered by the Independent Auditor’s Report

	2023/24 Gross Expenditure £000	2023/24 Gross Income £000	2023/24 Net £000	2022/23 Gross Expenditure £000	2022/23 Gross Income £000	2022/23 Net £000
Cost of Services						
Borough commissioned services	6,223	(6,175)	48	6,048	(6,173)	(125)
ESF commissioned services	-	-	-	-	1	1
Cost of Services	6,223	(6,175)	48	6,048	(6,172)	(124)
Other Operating Expenditure	534	(495)	39	617	(495)	122
Financing and investment income and expenditure	-	(99)	(99)	28	(39)	(11)
Deficit on Provision of Services	6,757	(6,769)	(12)	6,693	(6,706)	(13)
Re-measurement of the net defined liability			-			(1,172)
Other Comprehensive Income and Expenditure			-			(1,172)
Total Comprehensive Income and Expenditure			(12)			(1,185)

Appendix B – London Councils Transport and Environment Committee Comprehensive Income and Expenditure Statement 2023/24 which is for information and not covered by the Independent Auditor’s Report

	2023/24 Gross Expenditure £000	2023/24 Gross Income £000	2023/24 Net £000	2022/23 Gross Expenditure £000	2022/23 Gross Income £000	2022/23 Net £000
Cost of Services						
Freedom Pass and Taxicard services	27,494	(27,672)	(178)	18,748	(18,623)	125
Direct Services	13,855	(14,275)	(420)	13,609	(13,907)	(298)
Cost of Services	41,349	(41,947)	(598)	32,357	(32,530)	(173)
Other Operating Expenditure	2,438	(503)	1,935	2,292	(333)	1,959
Financing and investment income and expenditure	-	(295)	(295)	199	(148)	51
Deficit on Provision of Services	43,787	(42,745)	1,042	34,848	(33,011)	1,837
Re-measurement of the net defined liability			(97)			(9,272)
Other Comprehensive Income and Expenditure			(97)			(9,272)
Total Comprehensive Income and Expenditure			945			(7,435)

Appendix C – London Councils Joint Committee Comprehensive Income and Expenditure Statement 2023/24 which is for information and not covered by the Independent Auditor’s Report

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

	2023/24 Gross Expenditure £000	2023/24 Gross Income £000	2023/24 Net £000	2022/23 Gross Expenditure £000	2022/23 Gross Income £000	2022/23 Net £000
Cost of Services						
Recovery Fund	-	-	-	86	(86)	-
Externally Funded Projects	9,862	(9,865)	(3)	5,605	(5,656)	(51)
Improvement and Efficiency	122	(122)	-	100	(100)	-
Research and Commissioning	274	(274)	-	458	(458)	-
Health Partnership Funding	152	(152)	-	181	(181)	-
Shared Ambition Impact Fund	189	-	189	120	(120)	-
YPES Regional Activity	14	(180)	(166)	33	(180)	(147)
Net Cost of Services	10,613	(10,593)	20	6,583	(6,781)	(198)
Other Operating Expenditure	7,476	(5,863)	1,613	9,682	(5,963)	3,719
Financing and investment income and expenditure	23	(632)	(609)	594	(202)	392
Deficit on Provision of Services	18,113	(17,089)	1,024	16,859	(12,946)	3,913
Re-measurement of the net defined liability			(432)			(24,339)
Other Comprehensive Income and Expenditure			(433)			(24,339)
Total Comprehensive Income and Expenditure			591			(20,426)

Appendix C – London Councils Joint Committee Comprehensive Income and Expenditure Statement 2023/24 (continued)

a. Consolidation Adjustments

Included within the Deficit on the Provision of Services is expenditure of £528,000 (2022/23: £862,000) and income of £528,000 (2022/23: £861,000) in respect of the premises costs of Southwark Street and Chancery Exchange which were incurred by London Councils Limited and recharged to London Councils Transport and Environment Committee. There is also a transfer of £326,000 (2022/23: £345,000) from the Transport and Environment Committee to the core Joint Committee to fund climate change related policy work.

These amounts are removed on consolidation as follows:

	2023/24 Gross Expenditure £000	2023/24 Gross Income £000	2023/24 Net £000	2022/23 Gross Expenditure £000	2022/23 Gross Income £000	2022/23 Net £000
Net Cost of Services	10,613	(10,593)	20	6,583	(6,781)	(198)
Other Operating Expenditure	7,476	(5,863)	1,613	9,682	(5,963)	3,719
	18,089	(16,456)	1,633	16,265	(12,744)	3,521
Recharge of premises costs	(528)	528	-	(862)	862	-
Transfer between Committees	(326)	326	-	(345)	345	-
Amount included in Consolidated Income and Expenditure Statement	17,235	(15,602)	1,633	15,058	(11,537)	3,521

b. Other Operating Expenditure

Other Operating Expenditure consists of the following items:

	2023/24 £000	2022/23 £000
Staff costs	5,236	6,820
Premises costs	1,377	1,835
Other running costs	863	1,027
Total	7,476	9,682

GLOSSARY**Accounting Policies**

The specific principles, bases, conventions, rules and practices applied by the Council in preparing and presenting the accounts.

Accruals

The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

Actuarial Gains and Losses

Changes in actuarial deficits or surpluses that arise because either actual experience or events have differed from the assumptions adopted at the previous valuation (experience gains or losses) or the actuarial assumptions have been changed.

Actuary

An independent consultant who advises on the financial position of the Pension Fund.

Amortised Cost

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

Balance Sheet

A statement showing the position of the Council's assets and liabilities as at 31 March in each year.

Budget

A forecast of the Committee's planned expenditure. Budgets are reviewed during the course of the financial year to take account of pay and price changes and other factors affecting the level or cost of services.

Capital Charges

A charge to service revenue accounts to reflect the cost of fixed assets used in the provision of services. The charge includes depreciation (intended to represent the cost of using the asset) and any impairment that may have occurred in the year of account.

Capital Expenditure

Expenditure on the acquisition of a fixed asset or expenditure which adds to and not merely maintains the value of an existing fixed asset.

Carrying amount

The amount at which an asset is recognised after deducting any accumulated depreciation and impairment losses.

Change in Accounting Estimate

An adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. Changes in accounting estimates result from new information or new developments and, accordingly, are not correction of errors.

Consistency

The principle that the accounting treatment of like items within an accounting period and from one period to the next is the same.

GLOSSARY (continued)**Contingent**

A condition which exists at the balance sheet date where the outcome will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the authority's control.

Contract

An agreement between two or more parties that creates enforceable rights and obligations.

Creditors

Amounts owed by the Committee for goods received or services provided before the end of the accounting period but for which payments have not been made by the end of that accounting period.

Current Asset

An asset that will be consumed or cease to have value within one year of the reporting date. Examples are inventories and debtors.

Current Expenditure

A general term for the direct running costs of local authority services, including employee costs and running expenses.

Current Liability

An amount which will become payable or could be called in within the next accounting period, examples are creditors and cash overdrawn.

Current Service Cost

The increase in the present value of a defined benefit obligation resulting from employee service in the current period.

Curtailments

Curtailments arise as a result of the early payment of accrued pensions on retirement on the grounds of efficiency, redundancy or where the employer has allowed employees to retire on unreduced benefits before they would otherwise have been able to do so.

Debtors

Amounts due to the Committee before the end of the accounting period but for which payments have not yet been received by the end of that accounting period.

Depreciation

The loss in value of a fixed asset due to age, wear and tear, deterioration or obsolescence.

Employee benefits

All forms of consideration given by an entity in exchange for service rendered by employees.

Equity Instrument

A contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities (such as an equity share in a company) – this will only apply to investments in other entities held by the Committee.

Events after the reporting period

Those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the accounts are authorised for issue. Two types of events can be identified: a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period), and b) Those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

GLOSSARY (continued)**Fair Value**

The amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. In accounting terms, fair values are approximated by the present value of the cash flows that will take place over the remaining life of the financial instrument.

Financial Asset

A right to future economic benefits controlled by the authority that is represented by: cash; an equity instrument of another entity; a contractual right to receive cash (or another financial asset) from another entity; and a contractual right to exchange financial assets/liabilities with another entity under conditions that are potentially favourable to the authority.

Financial Instrument

A contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Liability

An obligation to transfer economic benefits controlled by the authority that is represented by: a contractual obligation to deliver cash (or another financial asset) to another entity; and a contractual obligation to exchange financial assets/liabilities with another entity under conditions that are potentially unfavourable to the authority.

Fixed Assets

Tangible assets that yield benefit to the Committee and its services for a period of more than one year.

Historical Cost

This is the cost deemed to be the carrying amount of an asset as at 1 April (i.e. b/f from 31 March) or at the date of acquisition, whichever date is the later, and adjusted for subsequent depreciation or impairment (if applicable).

Impairment

A reduction in the value of a fixed asset below its carrying amount on the balance sheet.

Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance. It must be controlled by the authority as a result of past events, and future economic or service benefits must be expected to flow from the intangible asset to the authority. The most common class of intangible asset in local government bodies is computer software.

Inventories

Assets that are: a) in the form of materials or supplies to be consumed in the production process b) in the form of materials or supplies to be consumed or distributed in the rendering of services c) held for sale or distribution in the ordinary course of operations, or d) in the process of production for sale or distribution.

Levies

A payment that a local authority is required to make to a particular body (a levying body) to meet specific services.

Material

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the accounts. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the item, or a combination of both, could be the determining factor.

GLOSSARY (continued)**Net Realisable Value**

The open market value of the asset in its existing use (or open market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

Operational Assets

Fixed assets held and occupied, used or consumed by the Committee in the direct delivery of services for which it has either a statutory or discretionary responsibility.

Past Service Cost

The increase in the present value of Pension Fund liabilities arising in the current year from previous years' service. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

Pensions Interest Cost

The expected increase during a period in the present value of Pension Fund liabilities which arises because the benefits are due one year closer to settlement.

Performance Obligation

A promise in a contract with a service recipient to transfer to the service recipient either:

- a good or service (or a bundle of goods or services) that is distinct; or
- a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the service recipient.

Post Balance Sheet Events

Those events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the Statement of Accounts is signed by the responsible financial officer.

Post-Employment Benefits

Employee benefits (other than termination benefits) which are payable after the completion of employment.

Present Value of a Defined Benefit Obligation

The present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

Provision

An amount set aside in the accounts for liabilities or losses which are certain or very likely to occur but uncertain as to the amounts involved or the dates on which they will arise.

Prudence

The concept that revenue is not anticipated but is recognised only when realised in the form either of cash or other assets and full and proper allowance is made for all known and foreseeable losses and liabilities.

Recharges

The collective term for accounting entries representing transfers of (or to cover) costs initially debited elsewhere. They therefore comprise apportionments and charges.

Recoverable Amount

The recoverable amount of an asset is the higher of fair value less costs to sell (i.e. net selling price) and its value in use.

GLOSSARY (continued)**Related Parties**

Two or more parties are related parties when at any time during the financial period:

- (i) one party has direct or indirect control of the other party; or
- (ii) the parties are subject to common control from the same source; or
- (iii) one party has influence over the financial and operational policies of the other party to an extent that the other party might be inhibited from pursuing at all times its own separate interests; or
- (iv) the parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interest.

Related Party Transaction

A related party transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Related party transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the authority or the government of which it forms part.

Remuneration

All sums paid to or receivable by an employee and sums due by way of expense allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by the employer are excluded.

Reserves

Sums set aside to finance future spending for purposes falling outside the definition of a provision.

Reserves set aside for stated purposes are known as earmarked reserves. The remainder are unallocated reserves, often described as balances.

Residual Value

The residual value of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Service Recipient

A party that has contracted with an authority to obtain goods or services that are an output of the authority's normal operating activities in exchange for consideration.

Short-Term Employee Benefits

Employee benefits (other than termination benefits) that fall due wholly within 12 months after the end of the period in which the employees render the related service.

Specific Grants

These are grants paid by various government departments outside the main formula. They include ring-fenced grants and specific formula grants.

Specific Reserves

Reserves set aside for a specific purpose or a particular service or type of expenditure.

Tangible Fixed Assets

Tangible assets that yield benefits to the Authority and the services it provides for a period of more than one year.

Useful Life

The period over which benefits will be derived from the use of a fixed asset.

GLOSSARY (continued)

VAT

An indirect tax levied on most business transactions and on many goods and some services. Input Tax is VAT charged on purchases. Output Tax is VAT charged in sales.