

Local Government &  
Social Care  
**OMBUDSMAN**

Commission for Local  
Administration in England

HC 1582

Annual Report & Accounts 2024-25  
(for the year ended 31 March 2025)



# Commission for Local Administration in England

Local Government and Social Care Ombudsman

## Annual Report & Accounts 2024-25

For the year ended 31 March 2025

Annual Report presented to Parliament pursuant to Section 23A(3A) of the Local Government Act 1974 as amended by Section 170(1)(5) of the Local Government and Public Involvement in Health Act 2007; and pursuant to Section 34S(5) of the Local Government Act 1974 as amended by Section 35 of the Health Act 2009

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Accounts presented to the House of Lords by Command of His Majesty

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HC 1582



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# Contents

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|          |   |
|----------|---|
| Foreword | 1 |
|----------|---|

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## Performance report

|                              |    |
|------------------------------|----|
| Who we are and what we do    | 3  |
| Membership of the Commission | 4  |
| Casework trends              | 5  |
| Key numbers 2024-25          | 8  |
| Performance Overview         | 9  |
| Performance analysis         | 10 |
| Strategic Objective 1:       | 10 |
| Strategic Objective 2:       | 12 |
| Strategic Objective 3:       | 14 |
| Strategic Objective 4:       | 20 |

---

## Accountability report

|   |    |
|---|----|
| Directors' report   | 25 |
| Statement of Commission's and Accounting Officer's Responsibilities | 40 |
| Governance statement  | 41 |
| Remuneration and Staff Report                                       | 45 |
| Parliamentary Accountability & Audit Report                         | 56 |

---

## Financial Statements

|  |    |
|--|----|
| Statement of Comprehensive Net Expenditure for the year ended 31 March | 63 |
| Statement of Financial Position as at 31 March                         | 64 |
| Statement of Changes in Taxpayers' Equity for the year ended 31 March  | 66 |
| Notes to the Financial Statements                                      | 67 |

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## Annex A

|  |    |
|--|----|
| Accounts direction for the Commissionfor Local Administration in England | 89 |
|--|----|

# Foreword

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I present the Annual Report and Accounts for the Commission for Local Administration in England (also known as the Local Government and Social Care Ombudsman) for the year ending 31 March 2025.

Last year our casework trends have been 'more of the same' compared to the year that preceded it, which I joined part way through.

For the second year running, we saw a 15% increase in the number of new complaints registered with us. For the first time in the organisation's recent history, we tipped over 22,000 new complaints and enquiries registered.

Again, it means our major priority is doing all we can to manage our casework as efficiently as possible. But with the increased volume of complaints fast becoming the new normal, despite remarkable efforts from our staff, our

unallocated caseload crept up rather than gradually reduced as we would have liked.

People having to wait longer before we tell them whether we will investigate their concerns, is not helpful to us or them. And the work to keep people updated while their case awaits allocation, can become a vicious circle of diverting us from deciding more cases to help reduce the queue.

The situation bears out what the independent review of our service said the previous year: we are extremely efficient but remain structurally underfunded.

However, the picture now looks more promising, in terms of our capacity to manage the increasing caseloads.

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We continued to have constructive discussions with our sponsor department about us being properly resourced to do our job, leading to us being allocated an increased budget for next year (2025-26).

This green light allowed us to start recruiting more staff to bolster our resilience in managing increasing numbers of cases, and we anticipate this to start having an impact in due course as they become fully trained up.

This will give us a more stable footing on which to plan for, and provide, a service to which we aspire. There is clearly a growing need for us to address people's concerns about the services they are receiving – it is good news for them. It is also positive for councils, care providers and other organisations we investigate, to whom we can help improve their services by providing more insight and learning on where the public have experienced failures.

Another major milestone last year was publishing our [Triennial Review 2024-27](#). This document articulates my concerns around the systemic nature of issues we see in local services – particularly in education, housing and adult social care.

It offers four key solutions, where changes to our legislation would help to reduce gaps in the system of redress when members of the public have suffered injustice. These include allowing us to investigate 'beyond the school gate' to look at the actions of state schools in fulfilling Education, Health and Care (EHC) Plan requirements, as well as the support given to those children with additional needs who don't meet the bar for an EHC Plan.


Despite increasing workloads meaning cases sometimes taking longer, it has not been at the expense of quality. We continued to make excellent decisions, as shown in our quality monitoring reviews. These cases provide the

foundation for highlighting significant systemic issues that we could share to help improve services.

Last year we published focus reports on both fostering and adoption services at councils, and another on the cases we've seen where people fell through the gaps due to bureaucracy between some local health and social care service providers.

We also published good practice guides for council officers working on: medical assessments in housing services, domestic abuse when considering homelessness/ housing decisions and household waste offences.

I thank all our staff for their continued commitment to the service we provide. And I would particularly like to thank Nigel Ellis in what is his final Annual Report and Accounts as Chief Executive and Accounting Officer before retiring.



**Amerdeep Clarke**

**Local Government and  
Social Care Ombudsman**

**8 December 2025**

# Performance report

## Who we are and what we do

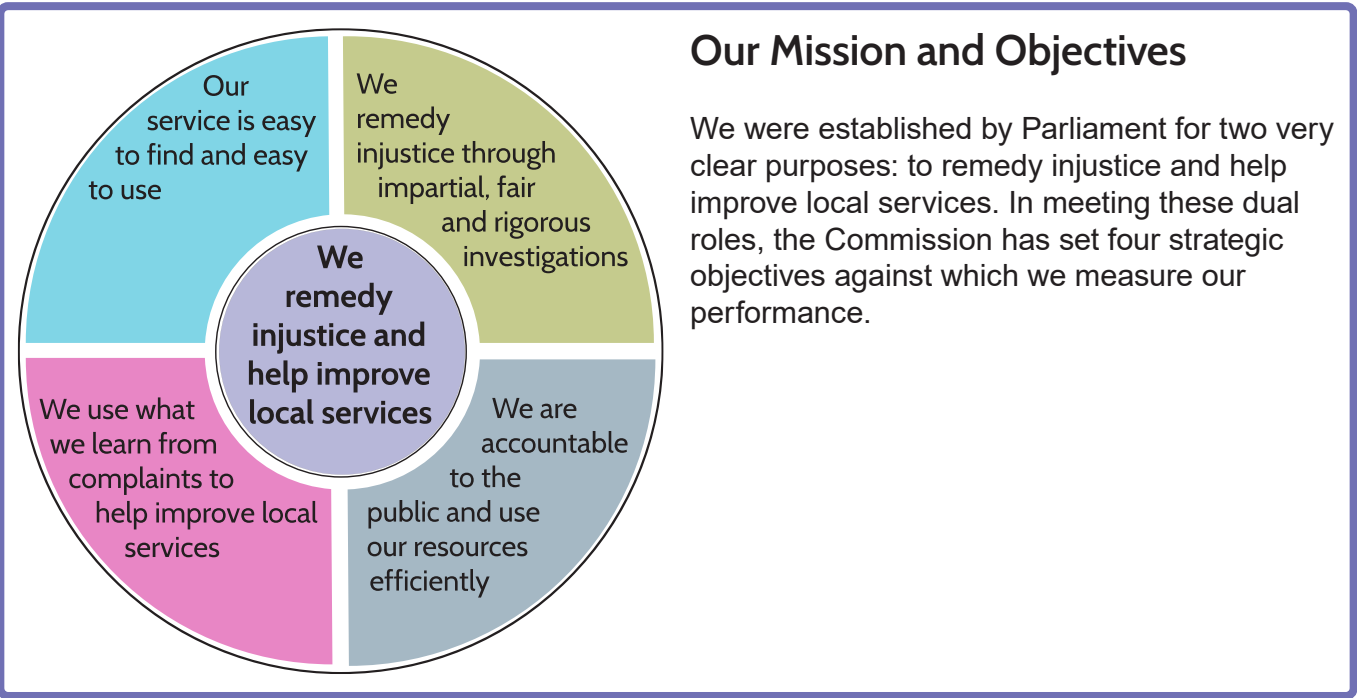
The Local Government and Social Care Ombudsman (LGSCO) investigates individual complaints from the public about councils, adult social care providers and some other organisations providing local public services.

We help to make sure these organisations are accountable to their service users, by ensuring they put things right if things have gone wrong. Sitting at the apex of the complaints process, we do not investigate complaints until the organisation concerned has been given the chance to respond.

We are independent and impartial. We are neither a consumer champion nor a representative for service providers. We are free to use.

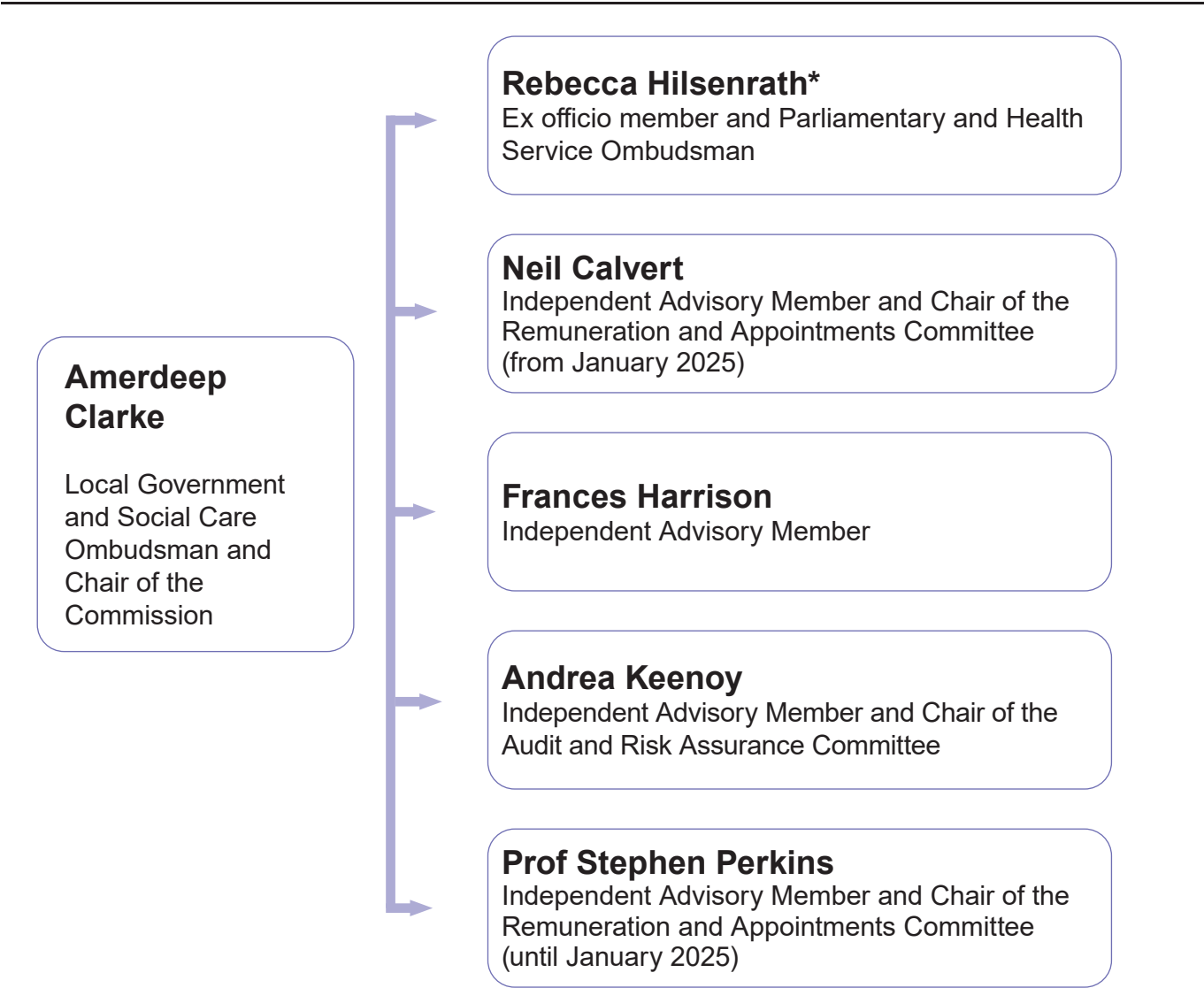
We share the learning from our investigations to help service providers improve their services for everyone. We do this in many ways, including publishing our decisions and complaints data, issuing thematic reports and guidance documents, engaging with public policy debates, and providing training on complaint handling.

Our Executive Team manages our day-to-day operations. Its work is overseen by our board: the Commission for Local Administration in England (“the Commission”), which is chaired by the Local Government and Social Care Ombudsman. The Commission sets our strategic priorities and provides scrutiny and challenge on our performance against those priorities.





# Membership of the Commission



## The Executive Team



*\* Rebecca Hilsenrath left on 31 March 2025 when her term as PHSO ended. Paula Sussex was appointed on 26 June 2025, when her term as PHSO commenced.*

*\*\*Nigel Ellis retired on 31 May 2025. Julie Odams became the new Chief Executive Officer on 1 June 2025*

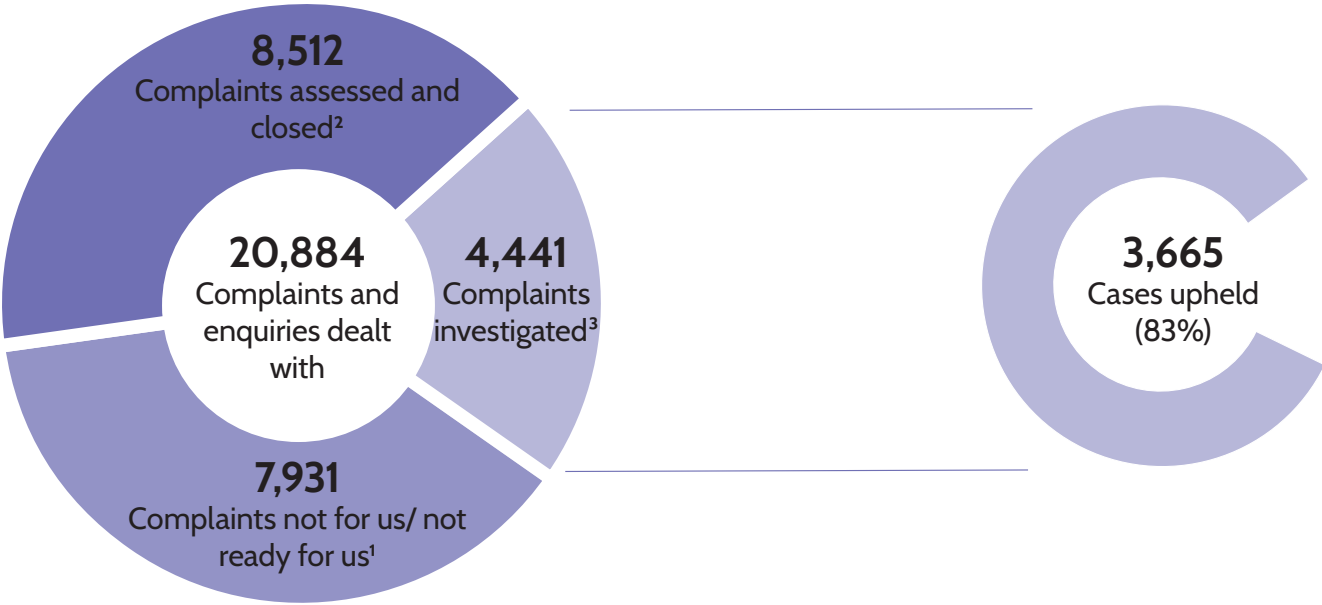
# Casework trends

Below is a summary of our casework trends in 2024-25, to provide context to the Performance Analysis report.

Most of the statistics are not performance measures because we cannot control the type

of complaints we receive. However, they heavily influence how we use our resources to have the most impact for the people that complain to us.

## Complaints and enquiries dealt with in 2024-25



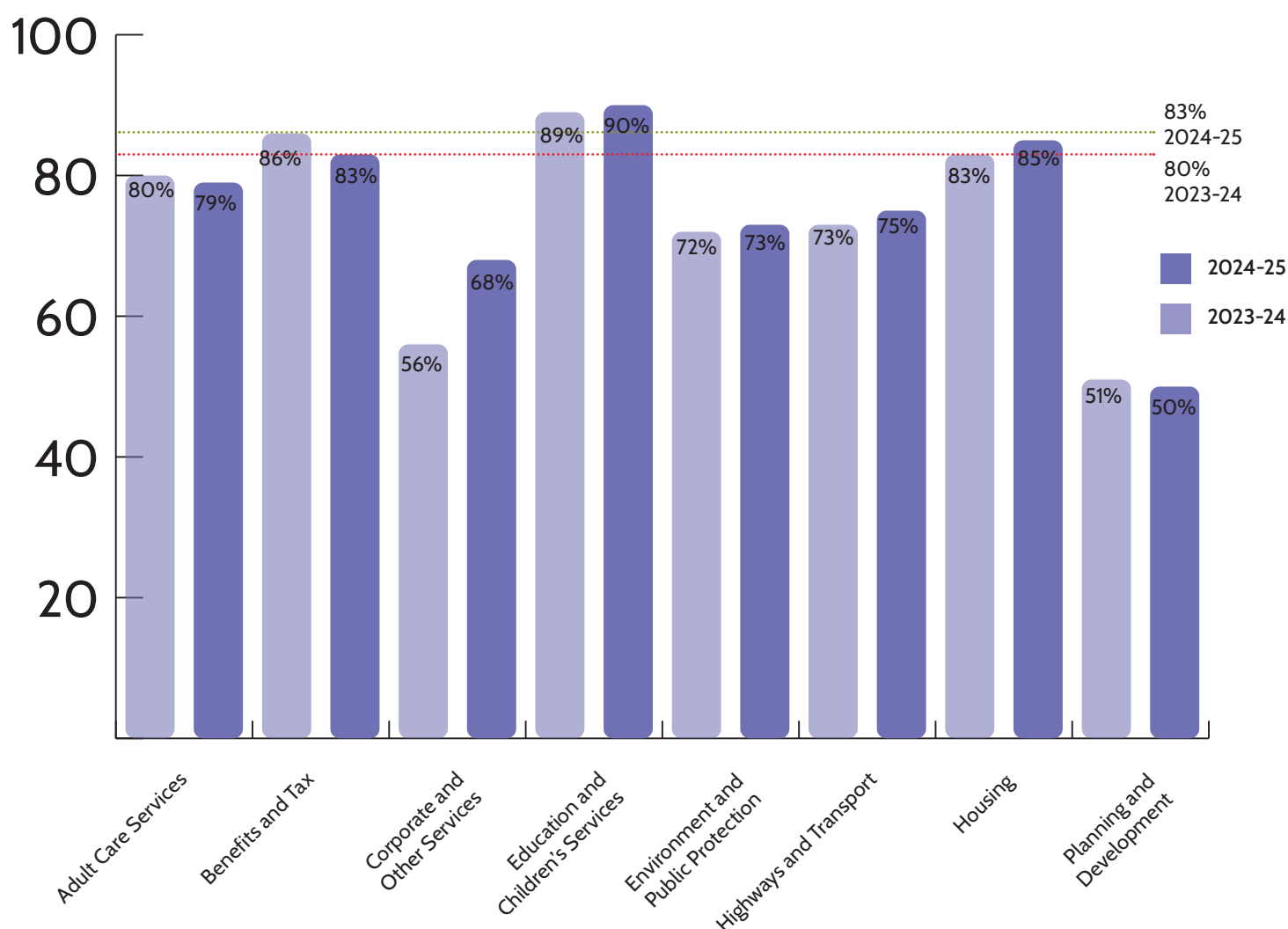
- 1. We closed the case after basic checks, like whether:
  - the person complaining has come to the right Ombudsman
  - the council or care provider has had the chance to consider the complaint
- 2. We decided not to investigate, after checking whether or not:
  - the issue is something the law allows us to look into and;
  - there is good reason for us to investigate
- 3. We decided whether or not the organisation was at fault by:
  - investigating what happened, and what should have happened, according to relevant laws and policies
  - making recommendations to put things right if appropriate

# Comparisons with the previous year

| Measure                                   | 2023-24            | 2024-25            | Change             |
|---|--------------------|--------------------|--------------------|
| <b>Complaints and enquiries received*</b> | <b>19,124</b>      | <b>22,010</b>      | <b>15%</b> ↑       |
| Total cases dealt with (decisions made)   | 18,305             | 20,884             | 14%                |
| - Complaints not for us/ not ready for us | 7,288              | 7,931              | 9%                 |
| - Complaints assessed and closed          | 6,852              | 8,512              | 24%                |
| - Complaints investigated                 | 4,165              | 4,441              | 7%                 |
| <b>Complaints upheld</b>                  | <b>3,349 (80%)</b> | <b>3,665 (83%)</b> | <b>3% points</b> ↑ |

\* The difference in number between complaints received and decided in a year is due to cases not always being decided in the same year in which they are received

## Uphold rates for complaint types



# Summary of complaints decided and reports published in 2024-25



## Education and children's services

- > 5,369 decisions
- > 26% of all decisions made
- > 11 reports



## Adult care services

- > 3,008 decisions
- > 14% of all decisions made
- > 3 reports and 5 Adverse Findings Notices



## Housing

- > 3,400 decisions
- > 16% of all decisions made
- > 9 reports



## Environment & public protection

- > 2,010 decisions
- > 10% of all decisions made
- > 2 reports



## Benefits and taxation

- > 1,314 decisions
- > 6% of all decisions made
- > 1 report



## Highways and transport

- > 2,281 decisions
- > 11% of all decisions made



## Planning and development

- > 1,650 decisions
- > 8% of all decisions made



## Corporate and other

- > 1,074 decisions
- > 5% of all decisions made

778 cases were decided under categories not shown in the diagram above (Other: 721 and Null: 57).

# Key numbers 2024-25

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**2,564**

Recommendations to  
improve services

**2,740**

Unallocated cases at the  
close of the year

**90%**

Investigations  
completed in 26 weeks

**22,010**

Complaints and  
enquiries received

**99.4%**

Recommendations  
carried out to our  
satisfaction

**14%**

Increase in decisions  
made

# Performance Overview

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We measure our performance against objectives through a Key Performance Indicators (KPI) report, which is presented to our board every quarter. In the KPI report, some measures are reported as contextual information – because performance against them is not fully within our gift – and others are pure performance indicators. In the Performance Analysis section later in this report, these are identified by ‘for context’ or ‘KPI’ following the measure.

In 2024-25, we exceeded or met most of our measures. The major points on how we performed are:

- > When we start working on cases, our decision-making turn around is good – and we exceeded all our longer time targets for the proportion of complaints we decide in 13, 26 and 52 weeks.
- > But we did not meet our target of telling people whether we will investigate their complaint in 20 working days, in 40% of cases. This was because we received 15% more complaints than the previous year, which resulted in our unallocated caseloads increasing to in excess of 2,500 by the end of the year.
- > In total, we made 14% more decisions than the previous year
- > We continue to have an excellent compliance rate on more than 99% of our recommendations. Yet there was a small, but significant, number of outlier care providers that refused to comply. In these cases, we do everything in our power to hold the organisation to account, including promoting the case and informing the care regulator.
- > We continued to make a significant number of recommendations to improve local services, such as policy reviews, staff training and extending remedies to people beyond the original complainant. We made more than 2,500 of these recommendations, which make the best use of our casework for the maximum number of people.
- > We published our Triennial Review 2024-27, which highlighted our concerns with systemic issues in education, housing and adult social care services. It earmarked four solutions to make changes to our powers that would help unlock gaps in redress for people experiencing injustice that is not being remedied.
- > We continued to uphold our commitment to share the learning from our casework to help drive system improvement. We published three focus reports on thematic subjects and another three good practice guides for local authority practitioners.
- > Our financial performance was excellent; we carefully managed our finances to spend over 99% of our budget.
- > Our Executive Team carefully managed our risks, advised by the Audit and Risk Assurance Committee. The biggest risk – that we don’t have the resources or people to carry out our role – continued to be discussed with our sponsor department, with the outcome being a more sustainable funding solution agreed for the next spending review period.

# Performance analysis

**Strategic Objective 1:** our service is easy to find and easy to use

## Complaints received and unallocated cases (for context)

Last year, we again saw a sustained increase in the number of complaints we received. For the first time in recent history, we registered more than 22,000 new complaints. This was a 15% increase on the year that came before, and the second year in succession this has happened.

This increased workload made it impossible, with the resources we had to hand, to maintain the level of unallocated complaints to a level to which we aspire. At the start of the year, we had 1,645 unallocated complaints. This rose to 2,740 by the close of the year.

The reason we focus so closely on the number of unallocated cases is twofold. Firstly, it is vital to tell people as soon as possible, whether we will investigate their complaint in more detail. This helps minimise uncertainty and frustration for complainants.

Secondly, maintaining a sustainable number of unallocated cases helps us to be at our most efficient. We can maximise the time we spend making decisions over time spent keeping complainants informed on progress of their case while it is waiting to be worked on.

## Speed of investigations (KPI)

A higher level of unallocated cases has the knock-on effect of it being much more difficult to meet our target for assessment decisions – where we tell people whether we will investigate their complaint in detail.

Last year, on average we made 18% of assessment decisions in 20 working days. This is against a target of 40%.

However, once we can start work on a case our decision making is prompt. This is proven by us exceeding our overall time targets on the percentage of cases we complete within 13, 26 and 52 weeks, as shown in the table below.

| Cases closed in | Target | Actual | Rating |
|-----------------|--------|--------|--------|
| 13 weeks        | 75%    | 81%    | Green  |
| 26 weeks        | 85%    | 90%    | Green  |
| 52 weeks        | 99%    | 100%*  | Green  |

We also have a numerical target for the number of cases older than 52 weeks at any given time. We exceeded our target, throughout the year, of having no more than 60 cases older than 52 weeks at any given time. At the close of the year, there were 17 cases open that were older than 52 weeks.

*\* rounded to nearest whole percentage point*

## Strategic Objective 1:

our service is easy to find and easy to use

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### Quality of our decision statements – internal reviews (KPI)

Three times a year we review a random selection of 21 decision statements and assess them against a range of quality standards, including whether we think they are 'reasonable and defensible'.

This is a high standard, looking at the statement in isolation to ensure we explained our decision clearly, without any uncertainties that might be challenged in court.

We do not check the case files to review the quality of the investigation. So, if we decide a statement is not reasonable and defensible, it does not automatically mean the decision is wrong or unreasonable. It might just mean we have not explained our reasoning sufficiently or were inconsistent in explaining the decision, for example.

In 2024-25 we decided 59 decision statements were 'reasonable and defensible', against a target of 60. After looking carefully at the four statements in which we decided amendments were required, none indicated significant issues with our wider practice. The one-off issues were fed back to the individuals involved and wider learning shared with all staff.

### 2024-25 Highlight

90% of cases completed in six months





## Strategic Objective 2:

we remedy injustice through impartial, fair and rigorous investigations

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### Achieving remedy (KPI)

Despite our recommendations to remedy injustice not being legally binding, we have an overwhelmingly high rate of compliance from the organisations we investigate. To assure ourselves we monitor compliance in a credible way, we demand evidence from organisations concerned on what they have, or will, do to carry out each recommendation.

Last year, 99.4% of our recommendations were carried out to our satisfaction, against a target of 99%.

We did not issue any further reports last year – which is the next formal stage we take in the rare occasion that a council refuses to implement our recommendations to our satisfaction.

Our powers for investigating independent care providers are different. We will issue an Adverse Findings Notice against any care provider refusing to comply with a recommendation.

In 2024-25 we issued five of these:

- > [MOP Healthcare Limited](#) – the provider refused to refund a man's estate after the care it placed him under, in the last nine months of his life, was too restrictive. The man had paid more than £100,000 for this care, on top of his normal fees, the family said.
- > [Priory Mews Healthcare Limited](#) – the provider refused to refund part of the fees it charged, after a man's care moved from being funded by the council to being paid for by the man. His family believed he would be charged a similar rate to before, but the provider did not confirm this and later charged him with a significantly higher bill.

- > [Coulson & Collins Care Home Ltd](#) – the provider did not properly record and refund an overpayment for care fees, leaving a man's estate at financial loss, and has refused to make the payment we recommended.
- > [The Grange Care Centre \(Cheltenham\)](#) – the provider's contract was silent on what would happen when it retrospectively receives NHS Funded Nursing Care (FNC) payments for a person's care. It meant a family were left out of pocket because the provider would not deduct the FNC payments it had received from the family's outstanding arrears.
- > [Moors Park \(Bishopsteignton\) Limited](#) – the provider refused to apologise to a client's son and refund his mother and other residents, after it had charged them fees not set out in their contracts.

In addition to publishing a public notice telling the public of these failures to comply, we hold providers to account by sharing the Adverse Findings Notices with the regulator, Care Quality Commission, to inform their inspections, as well as seeking further media coverage.

### Review requests (for context)

We give people the chance to ask us to review our decision. However, this is only if they can show it was based on inaccurate facts or new evidence that would have made a difference to the decision we made.

Often requests to review our decision happen when we have decided not to investigate someone's complaint in more detail. We explain our reasons carefully and do our best to set realistic expectations of what we can do, with the powers available to us. But it is inevitable that sometimes people will disagree with this.

# Strategic Objective 2:

we remedy injustice through impartial, fair and rigorous investigations

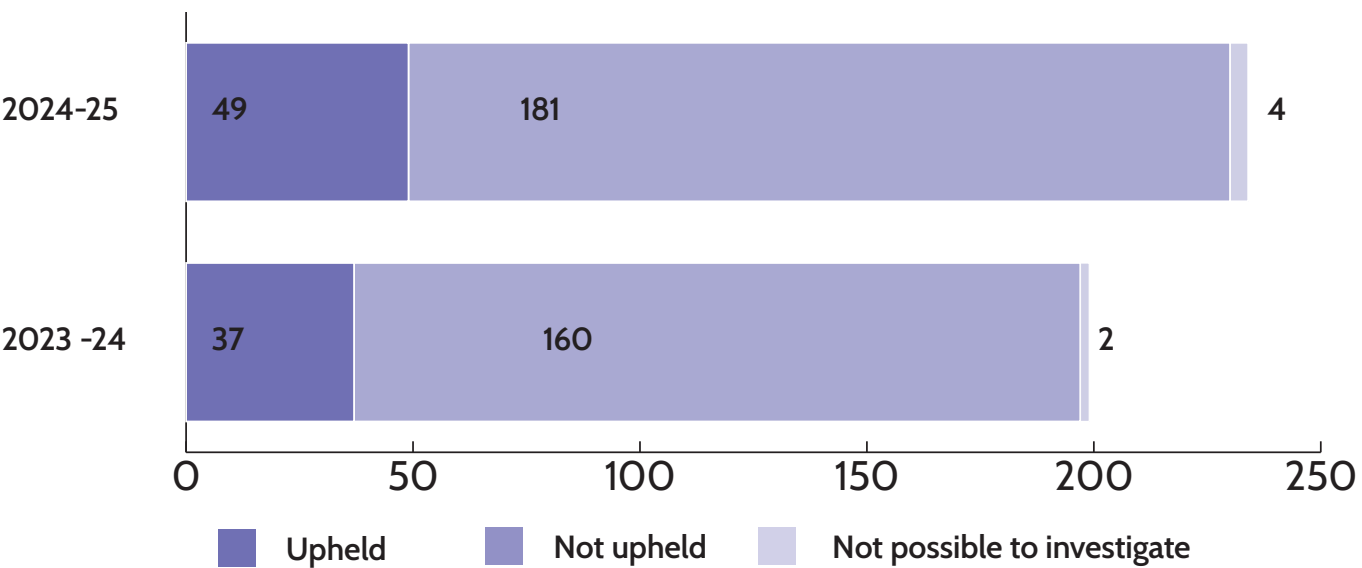
Last year we received 1,668 requests to review our decisions (2023-24: 1,343). We found our decision to be not up to the expected standard in 78 cases (2023-24: 81 cases).

If, after reviewing a decision, we decide it was not up to the standards we expect, we apologise and carry out work to bring those decisions back up to the level they should be. It is very rare that we end up coming to a significantly different decision on cases we have reviewed.

### Complaints about our service (for context)

See the chart below for details of complaints about our service. These are different to review requests because they are solely focused on the quality of the service provided, regardless of the decision we made.

Outcomes of complaints about our service



We also have an Independent External Reviewer, who looks at a selection of cases in which we’ve handled complaints about our service to give external oversight and feedback any learning to us. Read his [statement for 2024-25](#).

## Strategic Objective 3:

we use what we learn from complaints to help improve local services

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### Reports issued (contextual information)

#### Investigation reports

We issue a report when an investigation highlights one or more of the following:

- > Recurrent fault
- > Significant fault, injustice or remedy
- > High volume of complaints about one subject
- > Significant topical issues covered (eg new legislation)
- > Systemic problems and/or wider lessons to be learnt
- > Non-compliance with a recommendation

Councils are required to consider investigation reports at a high decision-making level, such as full council, and we seek media coverage to maximise the level of scrutiny they receive.

Last year we published 26 investigation reports. Just over three quarters of these were on investigations about Education and Children's Services, and Housing.

We also issued five Adverse Findings Notices on cases where we were not satisfied the care providers had complied with our recommendations. See [Achieving Remedy](#) for more information on these.

### 2024-25 Highlight

9 major thematic reports to help improve local government services

## Strategic Objective 3:

we use what we learn from complaints to help improve local services

### Focus Reports and Good Practice Guides

We share our findings on a range of subjects through Focus Reports and Good Practice Guides. These documents collate case studies from our investigations to highlight either our most serious concerns – in the case of Focus Reports – or more specialist practitioner advice in our Good Practice Guides. Last year we published the following documents:

#### Focus Reports

##### [People not structures: putting people at the heart of integrated care](#)

***“Local authorities and the NHS need to work as equal partners to put people at the heart of their services on every occasion. However, we are finding cases where disagreements about responsibility and funding are having a significant impact on people’s quality of life.”***



In this report, produced with the Parliamentary and Health Service Ombudsman, we said Integrated Care Systems (ICS) are not doing enough to put the vulnerable people they support at the heart of what they do.

ICS are made up of representatives from local authority social services and NHS partnerships that work together to support the needs of people in their areas. The cases we highlight show the impact when people’s experiences are not put front and centre.

These include a boy with medical and Special Educational Needs who lost six years of education while his parents struggled to look after him because support could not be agreed.

In another case a family caring for a loved one with progressing dementia were not provided with the proper practical support and advice in the final months of her life.

##### [Children need families: helping to improve council services for adoptive families and their children](#)

***“Adopted children often have some of the most challenging starts to life, lacking in stability and continuity of care, so it is all the more important that councils get things right for them and their families. Councils need to get their processes, and the support they offer to these families right or they risk family units breaking down.”***



We wanted to help improve the support councils provide to people throughout the adoption process. While we receive relatively few complaints from adoptive families, every single upheld case reflects a vulnerable child’s fresh start in life being affected. This can either be in the support provided post-adoption, or the support and information given to potential adoptive parents.

## Strategic Objective 3:

we use what we learn from complaints to help improve local services

### Fostering better services: helping to improve council services for foster carers and their children

***“Foster carers play a key role in helping to provide stability for these children but need to be given the right tools to do it well. Councils need to ensure they provide the right information and support for the foster carers who look after the children they have ultimate responsibility for.”***

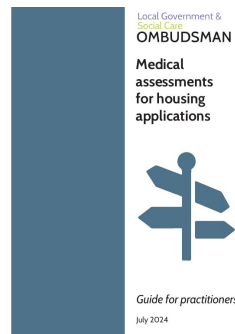


This report was a companion piece to our Adoption report, and looked at issues faced by both fostered children and the carers who support them, when councils don't get things right. The stories included a young woman, who came

forward after she'd left care with a claim she'd suffered abuse, and her local council did not look into it properly. Other common issues included accurate advice to foster carers prior to placements starting, following correct processes to remove children and maintaining contact with birth family members.

### Good Practice Guides

#### Medical assessments for housing applications



This guide shared the learning from our investigations on medical assessments in housing allocation cases, highlighting the common issues we see, based on around 20 detailed investigations we carry out a year.

The key learning points are grouped into three themes: councils making independent decisions about medical need, using good evidence of decisions, and in a timely way.

#### Domestic abuse and housing decisions



This guide drew on our experience investigating housing complaints, since the new duties for councils were introduced in the Domestic Abuse Act 2021, which amended the definition of priority need for homelessness to include people homeless because

of domestic abuse.

Some of the important learning is for councils to use the right definitions of domestic abuse and priority need, applying the right test to decide if an applicant is homeless.

## Strategic Objective 3:

we use what we learn from complaints to help improve local services

### Household waste offences



With this guide, we urged councils to take a proportionate approach to enforcing household waste offences, after upholding several cases with heavy handed fines being issued.

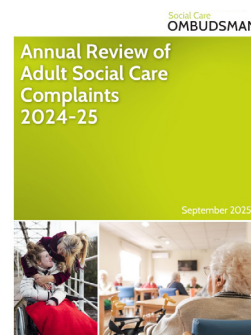
Councils have different powers at their disposal to handle apparent waste offences and must properly consider the details of the offence before deciding which of these to apply.

### Annual reviews and letters to councils



We are required to publish reports each year on both parts of our jurisdiction. Our annual review of local government complaints was published in July 2024, covering the 2023-24 year. This came out alongside our annual letters to councils, which publishes

their complaints statistics and any comments we have on how they have worked with us over the period. This is uploaded to the Your Councils Performance hub on our website.



Our annual review of adult social care complaints (published September 2024 and covering the 2023-24 period) highlighted a 15% reduction in the number of complaints to us about independent adult social care providers. It called on the sector to do more

to tell service users about their right to bring a complaint to us.

## 2024-25 Highlight

We cost the public purse only  
**£887** per investigation



## Strategic Objective 3:

we use what we learn from complaints to help improve local services

### The Triennial Review



We have a statutory responsibility to review, every three years, our effectiveness and present our recommendations to government on how changes to our legislation could help improve local services.

Last year, we published our [Triennial Review 2024-27](#), which expressed our increasing concerns about the ongoing sustainability and effectiveness of the local government and adult social care sectors. We have experienced a sustained rise in the number of new complaints for two years, and have increasingly seen faults attributed to structural problems around SEN, adult social care, and housing/ homelessness.

The Review proposes four solutions, where changes to our powers would help to push up complaint handling standards and give more people access to redress:

- > **Recommendation One:** Simplified legislation to ensure we can investigate all local government services, now and into the future, particularly as devolution promises to impart more decision making to new regional bodies
- > **Recommendation Two:** The statutory power to monitor compliance with our complaint handling code
- > **Recommendation Three:** Ensuring independent care providers must signpost to us, to drive up people's awareness of their rights
- > **Recommendation Four:** Extend our remit past the school gate, so we can look at how EHC Plans are implemented, and how children are admitted and excluded in schools

We shared the Review with our stakeholders in government and wider sectors. We have been pleased with the reception it has received, and it has formed the basis for positive conversations with civil servants and various government departments to which the recommendations relate. We have also drawn up detailed proposals for discussions with our sponsor department specifically on recommendations one and two.

### Media coverage (KPI)

We attribute a positive, neutral or negative score to each piece of coverage we receive in official media outlets. Our target is for the tone to be at least 98% positive or neutral. Last year our coverage was 100% positive or neutral (rounded to nearest 1%) from more than 2,600 press mentions.

## Strategic Objective 3:

we use what we learn from complaints to help improve local services

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### Engaging in public consultations and inquiries (for context)

We are committed to making the most of our investigations to bring about positive change for people. One way we do this is presenting the public's experiences of local services to inform local and national policy making.

Last year we contributed to various [consultations](#) ran by the Ministry of Housing, Communities and Local Government on: strengthening the standards and conduct framework for local authorities, reforms to social housing allocations, and local authority funding reform.

We added our insight to consultations on strengthening protections in unregistered alternative provision (ran by the Department for Education), on disabled children's social care law (ran by the Law Commission), and two consultations from the Enforcement Conduct Board on a) their standards, and b) their approach to complaint handling.

We also submitted evidence to several inquiries run by various select committees, including: the Education Committee inquiry into solving the SEND crisis, and its updated inquiry into children's social care, as well as the Housing Communities and Local Government inquiries into children in temporary accommodation, and the funding and sustainability of local councils.

We publish our [consultation responses](#) on our website.

### Complaint handling training (KPI)

Our training courses help councils and care providers improve their complaint handling. Last year we delivered 109 training courses (2023-24: 136).

We survey our attendees, asking them to score the extent to which they felt confident in dealing with complaints both before and after the course. Our target is for a 20% uplift in the confidence attendees express in dealing with complaints, after they have completed the course. Last year attendees said they were 24% more confident on average.

Last year we ran seminars for local authorities across the country, to help them improve complaint handling, make best use of data to scrutinise performance and understand how to best respond to our investigations. The seminars were attended by 178 delegates from 110 authorities, which accounts for 35% of all local councils in England.



## Strategic Objective 4:

we are accountable to the public and use our resources efficiently

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### Financial performance (for context)

Through careful financial planning and robust control systems, which is overseen by our Executive Team and reported to the Commission, we aim to spend as much of our budget as possible without incurring any overspend at all. This approach ensures we achieve maximum value for the public of our financial resources.

In the original Spending Review plan for 2024-25, our budget was intended to be cut in real terms, once more. However, as was the case in 2023-24, we benefitted from the windfall of Employer's pension contributions reducing from the 15.7% assumed in the Spending Review, to 5.0% for 2024-25. This reduction in cost funded the 2024-25 inflationary pay rise and meant we were able to surrender £0.2m of our initial budget during the year to our sponsor department: the Ministry of Housing, Communities and Local Government (MHCLG).

We managed our budgets effectively and were able to moderately increase staff numbers in the latter half of the year, as we faced a significant and sustained increase in public demand and as we build towards a longer-term, increased funding package from our sponsor.

Our net operational expenditure (excluding pension loss) was £12.5m against a revised budget of £12.6m. This means we still spent over 99% of our net operational revised budget, with the variance being only our necessary contingency.

We continued to work with our sponsor department as set out in our Framework Agreement. Our Chair, Chief Executive and Head of Finance continued to meet MHCLG officials on a regular basis.

### Value for money (contextual information)

We calculate a cost per complaint figure by dividing our net operating expenditure by the number of decisions made by our Assessment and Investigation teams (14,095). Last year our cost per complaint was £886 (2023-24: £975). This is very low compared with other UK public sector ombudsman schemes and the increased efficiencies compared to the previous year are largely due to an increased number of decisions being made in 2024-25, which has proportionately outstripped the corresponding increase in staff costs we subsumed.

### Continuity of IT systems (KPI)

We aim to ensure our core and home IT networks are available 100% of the time. While last year our core network and homeworking networks were available 99.7% of the time, this is still an excellent level of connectivity.

### Our response to data requests (KPI)

To remain accountable to the public, it is important we respond to formal requests for information (Data Protection Act and Freedom of Information Act) promptly.

Last year we completed 91% of requests within 20 working days, which was below our target of 95%. However, the number of requests we received was considerably higher than the previous year. See [Information Security](#) for more details.

# Sustainability report

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We are committed to reducing our impact on the environment and are continually looking for more efficient ways of working. The largest contributor to our carbon footprint is the energy used to power our office spaces. We are a minor tenant in the three buildings we occupy which we share with other government departments or departmental bodies, and hence we have very limited influence over this element of our energy use. Performance against sustainability targets is, therefore, a shared endeavour and individual targets for our impact on climate change serve little purpose. Our landlords (GPA and MHCLG) report on the performance of these buildings, included within their total reporting.

Where we can have influence, such as through our approach to purchasing, recycling and business travel, we try to do so in a way that minimises our impact on the environment.

## Mitigating climate change: working towards Net Zero by 2050

We are based in three offices in Coventry, London and York. The following commitments are in place to offset carbon emissions:

- > Purchasing recycled, non-bleached paper
- > Recycling food waste at all sites
- > Paper, card, bottles and plastics recycled at all sites
- > Using non-toxic cleaning products
- > Cycle to work scheme

## Hybrid working

Our hybrid working model allows almost all staff to work the vast majority of their time at home, if they so choose. This reduces the office space required, reduces energy consumption and the need to travel to the office. Most meetings are virtual, held on-line, also reducing the need for travel.

## Minimising waste and promoting resource efficiency

We have three leased offices and our landlords provide energy performance data based upon our share of the building.

We use an external provider for rail and air tickets, and for car hire for business travel. These provide management information on the emissions impact of each journey booked.

# Sustainability report:

reducing our impact on the environment

## Greenhouse gas emissions

| Non-financial information: Emissions (CO <sub>2</sub> e/tonnes) | 2022-23      | 2023-24      | 2024-25      |
|---|--------------|--------------|--------------|
| Scope 1: direct emissions                                       | n/a          | n/a          | n/a          |
| Scope 2: indirect emissions                                     | 44.03        | 26.11        | 26.01        |
| Scope 3: business travel emissions                              | 2.4          | 2.51         | 10.26        |
| <b>Total emissions: scopes 1,2 &amp; 3</b>                      | <b>46.43</b> | <b>28.62</b> | <b>36.27</b> |

| Non-financial information: Energy (kwh)    | 2022-23        | 2023-24        | 2024-25        |
|--|----------------|----------------|----------------|
| Scope 1: direct consumption                | n/a            | n/a            | n/a            |
| Scope 2: indirect emissions                |                |                |                |
| Electricity                                | 171,844        | 93,595         | 101,640        |
| Gas  | 41,179         | 34,089         | 24,187         |
| Scope 3: business travel consumption       | n/a            | n/a            | n/a            |
| <b>Total emissions: scopes 1,2 &amp; 3</b> | <b>213,023</b> | <b>127,684</b> | <b>125,827</b> |

| Financial information: (£000)              | 2022-23   | 2023-24   | 2024-25   |
|--|-----------|-----------|-----------|
| Scope 1: direct consumption                | n/a       | n/a       | n/a       |
| Scope 2: indirect emissions*               | n/a       | n/a       | n/a       |
| Scope 3: business travel consumption       | 35        | 50        | 46        |
| <b>Total emissions: scopes 1,2 &amp; 3</b> | <b>35</b> | <b>50</b> | <b>46</b> |

\* Energy costs at our buildings are charged as an element of an accommodation charge and so the data is not available

- Scope 1 – direct greenhouse gas emissions from sources owned or controlled by the organisation. We do not own our offices or any vehicles.
- Scope 2 – energy indirect emissions arise from electricity/gas that we consume, which is supplied by another party. We report on usage, consumption and costs where we are invoiced directly by the energy supplier.
- Scope 3 – official business travel paid for by the organisation

| Business travel and emissions breakdown | 2022-23  | 2023-24  | 2024-25  |
|---|----------|----------|----------|
| Rail (CO <sub>2</sub> e) kg             | 2,420.21 | 2,297.61 | 4,915.02 |
| Air (CO <sub>2</sub> e) kg              | 0        | 211.16   | 183.57   |
| Air (CO <sub>2</sub> e) kg with RF      | n/a      | n/a      | 300.01   |
| Hire Cars (CO <sub>2</sub> )            | 5,367    | 7,583    | 5,158    |

# Sustainability report:

reducing our impact on the environment

## Water, paper and waste

| Non-financial indicators            | 2022-23    | 2023-24    | 2024-25    |
|-------------------------------------|------------|------------|------------|
| Water consumption (m <sup>3</sup> ) | 390.0      | 277.4      | 263.7      |
| Paper (reams)*                      | 144        | 116        | 105        |
| Waste (tonnes)**                    |            |            |            |
| - General waste                     | n/a        | n/a        | 1.19       |
| - Recycled waste                    | n/a        | n/a        | 2.97       |
| - Composted waste                   | n/a        | n/a        | 0.30       |
| - Single-use plastics               | n/a        | n/a        | n/a        |
| <b>Waste total (tonnes)</b>         | <b>3.7</b> | <b>3.5</b> | <b>4.5</b> |

\*Available data for Coventry and York offices

\*\*Apportioned amount based on a pro rata share of the accommodation space occupied by LGSCO

## Commitment to remove all consumer single-use plastics (CSUP)

We endeavour to remove CSUP by:

- > No plastic cups used in the offices
- > Compostable plates and cutlery used to replace single use plastic
- > Plastic bags no longer used for posting out bulk items
- > Procurement strategy to include no use of CSUP

## Sustainable procurement

We continue to work with existing suppliers to reduce the emissions of the goods and services they provide and use technological advances to do the same.

All procurement activity must clearly show and deliver value for money and consider the impact of environmental, economic and social factors in compliance with the Public Services Social Value Act 2019. The Crown Commercial

Service (CCS) framework continues to be the standard used to procure services. The framework supports sustainability in line with the Government Buying Standards.

A procurement matrix has now been developed to allow for sustainability, where relevant, to be included in the technical marking scheme.

## Reducing environmental impact of ICT/digital

We recycle all ICT waste, wherever possible. IT equipment is not sent to landfill with laptops either reused or recycled for component recovery. Equipment that is not fit for reuse is fully decommissioned into raw materials, all recovered material is completely recycled, ready to be used to manufacture new products.

We use a supplier that recognises the urgency of the climate crisis and believes in taking a proactive approach to sustainable business practices and reducing their environmental impact through sustainable and socially responsible, circular economy business. Operating a zero-to-landfill policy and re-purposing and reusing IT assets as part of

## **Sustainability report:** reducing our impact on the environment

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a circular economy. Accreditation includes ISO 9001, 14001, 27001, 45001, and Cyber Essentials Plus.

### **Climate adoptions**

We remain committed to reducing our impact on greenhouse gas emissions. Staff awareness has increased as we adjust our behaviour.

### **Nature recovery and Biodiversity action plan**

We do not hold any natural capital or landholdings.

### **Procurement of food and catering**

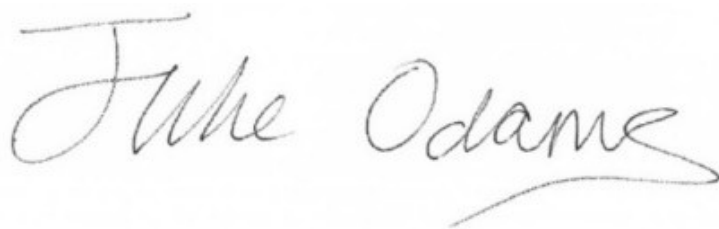
There are no on-site catering facilities provided by us at our three offices. Staff are encouraged to use food waste bins provided by our landlords.

### **Sustainable construction**

No construction or refurbishment works have been undertaken or are planned.

### **Focus for the coming year**

In the coming year, the organisation will focus on improving arrangements for the collection, analysis and reporting on sustainability data and using the improved arrangement to drive better sustainability outcomes.

A handwritten signature in dark ink, reading "Julie Odams". The signature is fluid and cursive, with a long horizontal flourish at the end.

**Julie Odams**  
Chief Executive Officer

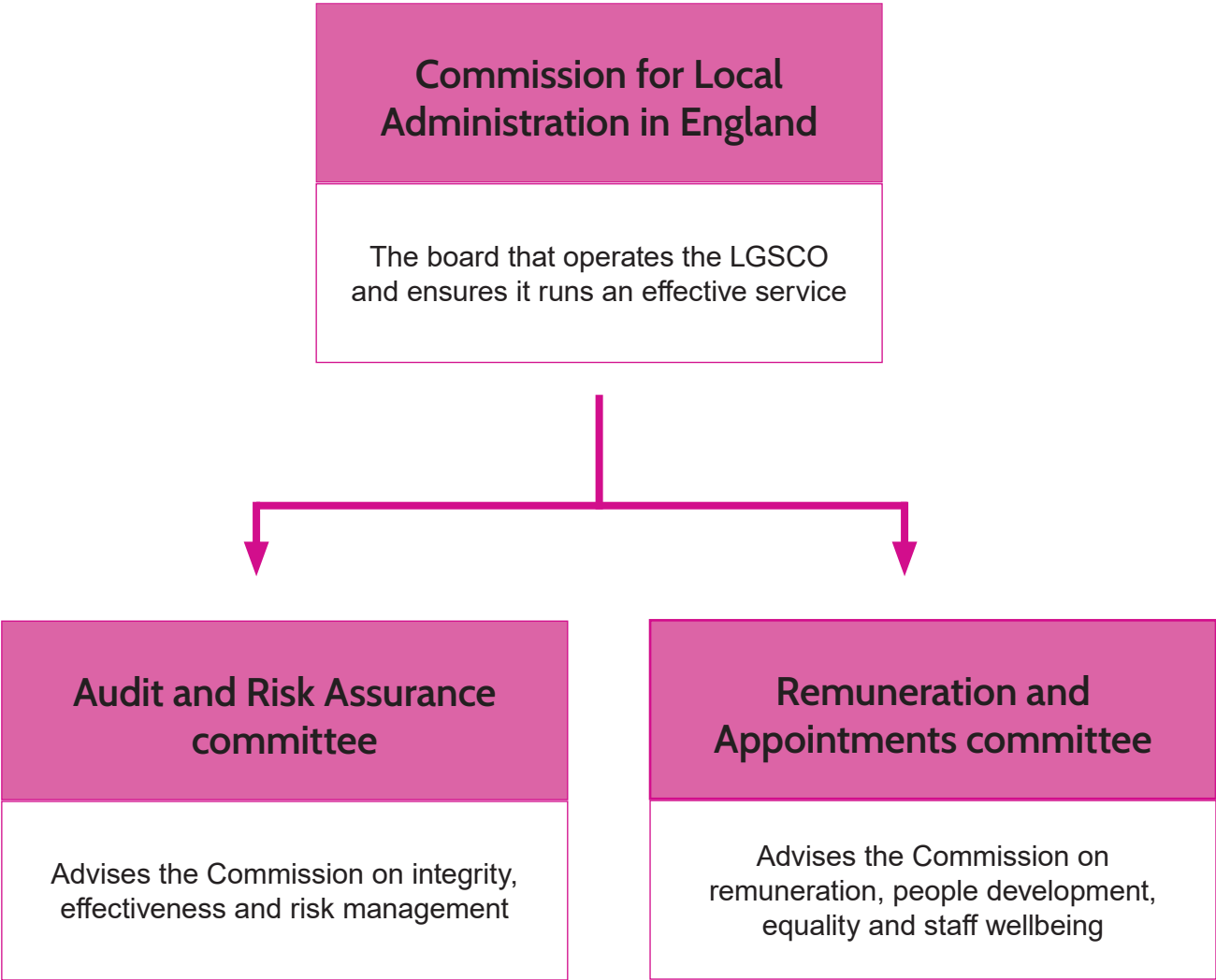
8 December 2025

# Accountability report

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## Directors' report

### LGSCO Board Structure



## Board Memberships and Meetings 2024-25

| Present   | Commission meetings<br>(5 in total) | Audit and Risk Assurance Committee meetings<br>(4 in total) | Remuneration Committee meetings<br>(3 in total) |
|---|-------------------------------------|---|---|
| Amerdeep Clarke, Local Government and Social Care Ombudsman <sup>1</sup><br>Chair of the Commission   | 5                                   | 1   | 3   |
| Rebecca Hilsenrath, Parliamentary and Health Services Ombudsman <sup>2</sup><br>Ex officio Commission member                                  | 5                                   | n/a   | n/a   |
| Prof. Stephen Perkins <sup>3</sup><br>Independent Advisory Member and Chair of the Remuneration and Appointments Committee until January 2025 | 4                                   | 3   | 2   |
| Frances Harrison<br>Independent Advisory Member   | 5                                   | 4   | 3   |
| Andrea Keenoy <sup>4</sup><br>Independent Advisory Member and Chair of the Audit and Risk Assurance Committee                                 | 4                                   | 4   | 3   |
| Neil Calvert <sup>5</sup><br>Independent Advisory Member, and Chair of the remuneration and Appointments Committee from January 2025          | 3                                   | 3   | 2   |
| Nigel Ellis, LGSCO Chief Executive and Accounting Officer<br>Secretary to the Commission  | 5                                   | 4   | 3   |

1. The Chair of the Commission attends Audit and Risk Assurance Committee at the Committee's invitation, as an observer and to assist in deliberations.
2. Does not attend Audit and Risk Assurance Committee and Remuneration Committee
3. Term ended in January 2025, so not in post for the last meeting of each of the three committees
4. Not available for one Commission meeting
5. Term commenced in October 2024, so was available to attend three Commission and Audit and Risk Assurance meetings, and two Remuneration meetings

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## Commission for Local Administration

### Governance and Responsibilities

The LGSCO's board is the Commission for Local Administration in England ("the Commission"). It is the independent statutory body formed in the Local Government Act 1974 to operate the Local Government and Social Care Ombudsman scheme.

The Commission is responsible for:

- > ensuring we have high standards of corporate governance
- > ensuring we have effective and efficient arrangements in place to provide our service to the public
- > setting and monitoring our strategic objectives, the three-year corporate plan, and our annual business plans
- > approving and monitoring annual accounts and financial estimates
- > ensuring all statutory and administrative requirements are complied with for using public funds, as advised by the Accounting Officer
- > overseeing our risk management and internal control mechanisms, advised by the Audit and Risk Assurance Committee
- > agreeing the remuneration and benefits framework within which we operate, advised by the Remuneration and Appointments Committee

The Commission receives reports which give it a complete view of the LGSCO, including regular updates on key performance indicators, business plan updates, expenditure against our budget, and more.

In addition to the membership set out in the table above, various LGSCO staff attend Commission meetings to advise on relevant work as required. We also run a scheme for staff to attend a meeting as an observer, to provide experience and help make the work of the board relatable to staff.

The Commission's governance arrangements are set out in the Framework Document agreed with our sponsor department, explained in more detail in the [Sponsorship arrangements section](#).

### Committee Business 2024-25

Before formal business meetings, the Commission holds a focused discussion workshop, looking at pertinent issues it has identified. Last year these were on:

- > our future funding arrangements
- > developing our key policy document, the Triennial Review 2024-27
- > how we manage our casework to be as effective and efficient as possible, while maintaining high quality standards
- > an overview of the work of Lawyers in Local Government and areas of mutual interest for both organisations



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## Audit and Risk Assurance Committee

### Governance and Responsibilities

The Audit and Risk Assurance Committee (ARAC) advises the Commission and Accounting Officer on:

- > probity
- > regularity (including compliance and financial reporting)
- > prudent and economical administration
- > efficiency and effectiveness, informed by internal and external audit work
- > strategic risk mitigation and our internal control systems
- > monitoring and scrutinising the work of our internal auditors

The good practice principles in HM Treasury's Audit and Risk Assurance Committee Handbook inform the work of the Committee.

In addition to the membership set out in the table above, the Commission Chair attends ARAC meetings in an advisory capacity. The Accounting Officer, Director of Intake and Assessment, Head of Finance and representatives of our internal and external auditors also attend meetings.

Standing agenda items at ARAC meetings include: an update from the Accounting Officer; internal and external auditing reports; mandatory financial reports and the strategic risk report.

ARAC meeting minutes and recommendations are reported to the Commission. And at ARAC meetings, the committee considers if any matters should be taken to the Commission.

### Committee Business 2024-25

More about how ARAC monitored strategic risks in 2024-25 is included in the [Governance Statement](#).

Last year the Committee received regular reports on financial matters (in addition to mandatory reporting), such as the percentage of suppliers paid on time, where retrospective purchase orders are raised, and any special payments made. It also received annual reporting about gifts and hospitality, and whistleblowing.

The annual fraud assurance exercise was completed in February 2025, where Leadership Team provided assurance to ARAC that there were no incidents of fraud (including non-financial fraud) or bribery in the year, or any concerns with LGSCO's internal controls on the matter. The LGSCO whistleblowing policy was also highlighted to managers and all staff as part of the exercise.

In addition to regular business, ARAC carries out a 'deep dive' session at each meeting to increase its knowledge of certain areas of work. Last year these sessions covered:

- > how our overarching Strategic Risk Register is compiled, updated and aligned with our corporate plan
- > an overview of our Operational Risk Register and how it is maintained
- > how we manage cyber security at LGSCO

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ARAC presented to Commission an annual report it had produced on its work. The Committee reported there were no significant issues arising last year.

The Committee also reviewed the draft Annual Accounts for 2024-25, including the Governance Statement, and submitted comments on these before their approval by the Commission.

The Committee was pleased the accounts were completed on time and in accordance with the agreed NAO timetable.

## Remuneration and Appointments Committee

### Governance and Responsibilities

The Remuneration and Appointments Committee advises the Commission on:

- > appointments, performance management and remuneration of senior staff
- > the reward schemes for all staff
- > people development
- > succession planning
- > Equality, Diversity and Inclusion matters
- > staff wellbeing

In addition to the membership set out in the table above, the Chair of the Commission is a member. The Accounting Officer and HR staff attend meetings in an advisory capacity where matters are not regarding their own remuneration.

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## Committee Business 2024-25

In 2024-25, the Committee carried out a range of work, including:

- > considering updates on Equality, Diversity and Inclusion at LGSCO
- > receiving regular reports on our Human Resources strategy
- > agreeing the process for recruiting a new chair of the Committee
- > discussing reports on relevant themes, such as the current employee relations climate
- > looking at performance management and staff development throughout the year, including receiving updates on the Ombudsman's and the Chief Executive Officer's personal objectives

The Committee considered our review of our two staff recognition schemes: the Exceptional Contribution Awards (ECA) and the Recognising Great Work scheme. This included feedback from staff and the Local Joint Committee (LJC), which indicated strong support for the schemes to continue. The review resulted in a number of administrative changes, particularly to align the ECA more closely with the timing of annual objectives.

The Committee provided feedback as part of the review, and will continue to consider how the ECA scheme has been applied annually.

## The Ombudsman

Under the Local Government Act 1974, the Ombudsman – Amerdeep Clarke – has personal authority to investigate complaints. On a day-to-day basis, this is carried out through a scheme of delegation, allowing casework decisions to be made on the Ombudsman's behalf by trained investigators.

This ensures LGSCO complies with statutory requirements, while performing its casework duties efficiently via staff with delegated authority. The casework duties include conducting investigations, exercising statutory discretion, determining the outcome of complaints, recommending remedies, and publishing decision statements.

All decisions made on complaints are independent of the Commission, government, and local government. They can only be challenged through judicial review.

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## Operational leadership

The LGSCO's Executive Team has overall responsibility for leading the organisation and managing its operations. It has delegated authority from the Commission to make day-to-day operational decisions on its behalf.

Executive Team's role is to ensure the organisation fulfils its statutory functions, and resources are focused on achieving its strategic aims. This involves decisions about the organisation's finances, staffing, business planning, use of technology, accommodation, and people development. Executive Team is also responsible for setting and reviewing operational policies, managing risk, information security and maximising the impact of the learning from our casework.

Executive Team meets twice weekly to keep abreast of day-to-day developments and holds business meetings monthly, to consider formal operational decisions. It also has regular in-depth development sessions to tackle specific issues.

The Chief Executive chairs Executive Team meetings, and the other four members are: the Ombudsman; the Director of Intake and Assessment; the Director of Investigation; and the Head of Policy and Communications.

## Register of interests

Commission and Executive Team members are required to complete a declaration of interests disclosure form. In 2024-25, there were no conflicts of interest that might compromise LGSCO's independence or reputation.

Commission members' interests are available at [www.lgo.org.uk/information-centre/about-us/who-we-are/our-boards/commission](http://www.lgo.org.uk/information-centre/about-us/who-we-are/our-boards/commission)

## Management Forum and Operational Groups

Everyone at LGSCO who manages staff is part of the Leadership Team. This group helps to ensure we are consistent in how we manage and consider feedback from staff, while also providing mutual support for managers. The Leadership Team has a number of sub-groups that focus on different themes to support the business.

We have a number of operational groups that have delegated decision-making responsibilities for areas of our work, who include members from all levels of seniority across the business. These include casework policy; our external communications and policy work; health, safety and staff wellbeing; equality, diversity and inclusion; information management; and IT support.

All staff at the LGSCO, in their day-to-day work, are guided by the seven principles of public life: selflessness; integrity; objectivity; accountability; openness; honesty; and leadership.

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## Sponsorship arrangements

The LGSCO has the powers under the Local Government Act 1974 to conduct investigations of complaints totally independent of central and local government. To carry out our functions, we receive our funding via the Ministry of Housing, Communities and Local Government (MHCLG), which also acts as our sponsor department.

We have an agreed Framework Document that sets out the details of our working relationship, and stipulates how areas of our work, and our complaint decisions, remain independent of Government. For example, it sets out how the Commission is governed, its members' roles and responsibilities, and emphasises the personal authority of the Ombudsman – making clear no restrictions exist to prevent them exercising their statutory functions.

The Chair and Accounting Officer, staff and members of the Commission have all continued to act in accordance with the terms of the Framework Document throughout the year and have ensured the working arrangements with MHCLG have remained clear.

The Chief Executive and Accounting Officer, the Ombudsman and a number of LGSCO staff met regularly with MHCLG, particularly sponsor team members, to update each other on progress and matters arising, including sharing of more data and the design of our independent review process.

## Independent external reviewer

LGSCO uses an external independent reviewer to audit a randomised selection of cases where the complainant has complained about the service we have provided. The external reviewer is invited to make recommendations to help improve how we respond, in line with our established quality standards.

Professor Cosmo Graham is our independent external reviewer. He is Emeritus Professor of Law at the University of Leicester. He has a long-standing interest in improving customer service in the public sector and has carried out empirical research into private sector Ombudsmen. He has also been a member of the Competition Commission where he considered a number of highly contested merger and market inquiries.

Professor Cosmo Graham's independent report is set out overleaf.

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## Statement from the External Reviewer

I was appointed as the External Reviewer for the Local Government and Social Care Ombudsman in 2020. My role is to look at a sample of service complaints, report on how well the Ombudsman responds to them, identify good practice and make recommendations if necessary. My reviews and recommendations are intended to reflect a user-led vision of the Ombudsman's service and are considered as part of the Ombudsman's quality assessment processes to promote wider service improvement and learning.

I undertook 20 case reviews (each covering service complaints during the past six months) in August 2024 and February 2025 (10 in each month). This was out of a total of around 230 service complaints the Ombudsman looked into – equating to a sample of around nine per cent. The cases that I review represent all the stages of the LGSCO's processes, from intake to investigation. Within this constraint, the cases that I review are chosen randomly. I found that in all 20 cases the complainant's concerns had been taken into account appropriately by the managers.

I made a number of recommendations over the year, all of which were accepted. There were two recommendations regarding the recording of telephone calls about service complaints. The first was a reminder that telephone calls submitting a service complaint should be recorded. The second was a recommendation that when complainants expand or clarify their service complaints by telephone that the recording is kept. I also recommended that when a complaint is taken over the telephone the complainant should be asked for their preferred title when personal details are taken.

The Ombudsman has a policy that it will not usually investigate a failure by a council to adhere to its complaints procedure if the complaint itself

is not a matter that the LGSCO can consider, that is, it does not pass the jurisdictional stage and so the LGSCO cannot look at the substantive matter. I recommended considering whether a sentence should be inserted into Factsheet G1 explaining this position in relation to complaints about complaint handling. Although the information is in the assessment criteria it is not highlighted and could be overlooked.

In one case there was a delay in dealing with a service complaint which was not identified until a decision review request was submitted. I recommended checking whether this was an individual error that could not have been identified or one that should have been identified earlier. Finally, in one case the email address given to the complainant had not been in use since 2013, so I recommended a search of the Intake manual to ensure it was not present and would not be used in the future.

I have again found it very useful to listen to the recordings of conversations between complainants and LGSCO staff as this gives me a better insight into the interaction. In all the conversations that I have listened to, staff have been clear, patient and understanding. All the complaints that I reviewed were dealt with within the published timescales. Most of them were dealt with very quickly, which is an important part of good customer service. The responses to complaints are well-written, clearly explain the reasons behind the decision, and are polite.

My thanks go to the Ombudsman's staff for their help in providing me with all the information that I have requested.

My aim for the future is to continue to try and improve standards in complaint handling and to provide the public with reassurance about the role of the Ombudsman.

**Professor Cosmo Graham**  
**External Reviewer**



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## Budget

The 2024-25 year was the third and final year of the current, three-year, Spending Review (SR) period. In the original SR plan, our 2024-25 budget was intended to be cut to 96.0% (in absolute terms) of our budget from the final year of the preceding SR (2021-22), which, in times of high inflation, is a much more significant cut in real terms.

We had previously taken action in 2022-23 to make significant savings to allow us to provide a sustainable service over the SR with the resources available to us. This included a recruitment freeze to reduce staff numbers by around 10%; some savings on the very limited amount of discretionary spending we had; and renegotiating more than a 50% reduction in the office space we lease.

However, with both the preceding years and the 2024-25 staff pay awards – which are nationally agreed and over which we have no control but which must come from our budget nevertheless – significantly exceeding our budgets, it became clear that a cut to 96% in 2024-25 was not viable.

This was despite another event out of our control, but in our favour, occurring in 2023-24. The three-yearly review of our pension scheme by the independent Actuary set our employer pension contributions at a significantly lower rate than previously, reducing to 5%, from 15.7%, from 1 April 2023. This rate continues for 2024-25 and 2025-26 before being reassessed.

This saving allowed us to meet our budget in 2023-24 but with another year of pay inflation, was not enough to manage a cut to 96% of our 2021-22 budget, in 2024-25. In addition, in the last 18 months public demand for our services has significantly increased meaning that the volume of complaints (that we have a statutory

duty to address) has also increased beyond the current capacity that a static budget affords.

Our sponsor Department, MHCLG, recognised the structural underfunding of LGSCO and as an interim measure modestly increased the 2024-25 budget beyond the 96% included in the current SR.

We continue to work constructively with MHCLG and in 2025-26 an increased budget has been delegated. This is a longer-term funding level that allows us to sustainably offer the level of service we aspire to (as well as including for the increased demand), while accounting for increased costs which are not within our control. We are finally on a more sustainable funding level after many years of under-funding.

## Pension arrangements

LGSCO staff are eligible for a defined benefit pension provided by the London Pension Fund Authority (LPFA) which is part of the Local Government Pension Scheme (LGPS). Most staff have chosen to be members of this scheme, which is operated on behalf of LGSCO by the Local Pensions Partnership Administration (LPPA). Employee contribution rates range from 5.5% to 11.4% depending on salary.

The funding position of the scheme at any point in time can be estimated but the results (as to whether the scheme is assessed to be in deficit or surplus) can be extremely volatile as the estimate can be done on different bases, and is very sensitive to changes in assumptions, for example on life expectancy, asset returns, and future levels of inflation.

The Directors estimate that, at 31 March 2025, the scheme has a surplus of approximately £20.1 million when measured on the basis used for the purposes of calculating future contribution rates (at 31 March 2024 there was an estimated surplus of approximately £18.8 million on this basis).

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In the Financial Statements, the pension surplus/deficit is calculated on a different basis using a range of assumptions chosen by management, with advice from the actuary, in accordance with International Accounting Standards (IAS 19).

These assumptions are more conservative than those used for the purposes of calculating future contribution rates, and they usually result in a significant increase in the estimated liabilities of the scheme. Under this basis, the scheme has a surplus of £29.0 million at 31 March 2025 (2024: surplus of £18.4 million) but this surplus is not recognised at 31 March 2025 – for further details see [Note 16](#) to the Accounts.

Employer payments to fund the ongoing scheme and reduce any deficit (if any exists) are determined every three years by the scheme actuary and are calculated on the basis used for the purposes of calculating future contribution rates that will target a funding level of 100% in the medium term. The scheme actuary completed a triennial valuation at 31 March 2022 and issued a schedule of payments covering the three years from 2023-24. In the valuation, the actuary determined that the contributions only needed to cover the normal ongoing liability and did not need to include any element of deficit repayment as the actuary's assessment was that the scheme is in a healthy position and estimated pension scheme assets are more than 120% of estimated pension scheme liabilities. Employer contributions are set at 5.0% of pensionable salaries in 2023-24 to 2025-26. The next triennial valuation is due at 31 March 2025 and will determine Employer contributions for the three years commencing 1 April 2026.

The scheme is a multi-employer scheme with employers from the education, charity, local government and private sectors. As many unrelated employers participate in the scheme, there is an orphan liability risk where employers leave the scheme but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

In the unlikely event the Commission withdrew from the scheme, or the scheme was wound up, 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.

The Executive Directors estimate that in the event of a withdrawal, the Commission's liabilities would exceed the assets and there would be a deficit of approximately £5.0 million (2024: £17 million surplus). The Commission remains committed to managing and funding the pension liabilities through working with MHCLG, who are the ultimate guarantor of the LGSCO scheme. The scheme continues to admit new members.



## Estimated pension surplus/(deficit) measured on three different bases

| Basis of estimate   | Explanation                        | 2025 £m | 2024 £m |
|---|------------------------------------|---------|---------|
| For calculating future contribution rates   | (for information only)             | +20.2   | +18.8   |
| International accounting standards (IAS 19) for inclusion in the Accounts, before asset ceiling | ( <a href="#">see Note 16.8e</a> ) | +29.0   | +18.4   |
| On winding up the scheme  | (for information only)             | (5.0)   | +17.3   |

## Payment of suppliers

LGSCO has continued its commitment to ensuring prompt payment to its suppliers; demonstrated by its desire to adhere to an agreed target to pay 98% of suppliers within 30 days. Performance against this standard is reported at each meeting of the Audit and Risk Assurance Committee. Last year LGSCO met its target, making 99% of supplier payments on time (98% in 2023-24). It should be noted, however, that supplier invoices that are in dispute are included as a late payment.

## Legal disputes and litigation

Complainants and organisations we investigate have ample opportunity to have their say about our decisions before we complete them. But once we make our decisions, they are final.

The only way complainants and organisations can challenge our decisions is by arguing they are procedurally wrong through judicial review. This is not an appeal against the Ombudsman's decision, as the court will not exchange its view for ours. However, if successful, it has the effect of quashing the decision and requiring us to re-take it.

Before applying for judicial review, the courts expect parties to first use the pre-action protocol procedure to attempt to settle disputes without legal proceedings.

In 2024-25, we engaged in 40 pre-action protocol procedures. Seven judicial review claims were lodged with the Administrative Court (four of which had not served the pre-action protocol procedure). Four of the judicial review applications were refused a hearing because our decision was considered sound, and the remaining three cases await the court's decision on whether to hear.

During the year, one case was heard by the High Court, in which the judge found in favour of the LGSCO. This was on a case a local authority had brought challenging our view on a report that was originally due to be published in 2022.

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In addition to challenges on the grounds of public law, LGSCO usually receives a small number of civil claims brought by people unhappy with the service we provided. Last year we dealt with two claims – one of which was struck out by the county court and the other is awaiting a decision. We always look to recover our reasonable costs where we successfully defend legal claims brought against us.

## Business Plan 2024-25

Our 2024-25 Business Plan covers 19 projects which will deliver our wider strategic ambitions set out in our Three-Year Plan for 2024-27. Some of the projects monitored our core work on handling complaints and helping to improve services. Others were developmental pieces, while some were to build project plans for work to progress if and when resources became available. With our resources needing to be primarily focused on our core work of investigations, we scope several projects to last across the three-year plan period.

Some of the highlights from the plan include:

- > We further developed our approach to Artificial Intelligence (AI) by creating a project board to explore current and upcoming AI applications that have the potential to improve our service and our investigative efficiency. With support from an AI specialist partner, we ran sessions with staff to understand where AI could help us in our work processes. We drafted an AI strategy, which sets the principles for how we will use AI to empower our staff and increase our capacity to remedy injustice. We undertook feasibility studies on how AI may be able to help with time-consuming processes like redacting and extracting information from dense documents. We identified and started to work on some projects that will use AI to streamline processes and help us do more with less.
- > We focused on dealing with casework more efficiently – a project that comprised many smaller adjustments to how we work, to try to get on top of increasing caseloads. These included things such as trialling inviting councils to propose a remedy in certain cases of one-off injustice, which can get a speedier resolution for the complainant over taking the case through a longer detailed investigation. And, working with some of the organisations about whom we receive the most complaints on how they manage complaints effectively.
- > We responded to the recommendations from the Independent Review of LGSCO, carried out in 2023-24, and used this as a foundation for discussing with our sponsoring department a long-term, sustainable funding arrangement to ensure we can provide our full service – particularly in light of an ongoing increase in the demand from the public to use our service.
- > We developed funding-dependent project plans to carry out outreach work to two groups of people that struggle to use our service. We decided that young people with experience of the care system, are one of the most under-represented groups in our casework and have significant potential need for our service. We also created a plan to raise the awareness of us to people who self-fund their adult social care, based on us receiving a slim proportion of our adult social care complaints from self-funders, when compared with the number of self-funders there are in England. In addition, we have seen a small but significant increase in the number of care providers we have had to publicly hold to account for choosing not to comply with our recommendations.
- > We continued our work on our Complaint Handling Code, following its launch the previous year, by working with a pilot group of 19 local authorities to produce guidance for all councils to help them adopt the

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code, in advance of starting to use it in our casework from 2026.

- > We started a project to develop our best practice on the 'service improvement' recommendations we make, which are when we uncover potential policy and procedural issues laying behind fault in investigations. This involved talking to councils about their experiences of putting in place these recommendations, and us looking more at our historical systemic recommendations to ensure the ones we make are as efficient and achievable as they can be.

All projects, except for one, met their milestones for the year – either completed, in the case of single year initiatives, or achieving targets on multi-year ones.

The project marked as red was for our continued emphasis on effective and efficient casework. Despite the timeliness and quality of our decision-making remaining very good, the 15% increase in complaints we received meant we could not reduce the number of unallocated cases we had, to a more sustainable level.

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## Working with other organisations

### The Housing Ombudsman

Last year we continued to engage with the Housing Ombudsman to monitor cases which may warrant a joint investigation – where the issues concerned span the jurisdictions of both Ombudsman services. To ensure consistency and to help staff with the process, together we agreed a joint working operating procedure, which sets out exactly how both organisations will work together on joint cases.

### The Parliamentary and Health Service Ombudsman

Our Joint Working Team is a team of investigators, from LGSCO and the Parliamentary and Health Service Ombudsman (PHSO), who have delegated authority from both Ombudsman services to carry out a single joint investigation, on complaints that span both health and social care issues.

Last year, alongside regular collaboration and meetings, we worked with the PHSO on agreeing our Focus Report about Integrated Care Systems called [People Not Structures](#).

### Care Quality Commission

We send CQC a copy of our decision statements when we find fault that could be a breach of fundamental standards in care. CQC are able to use these to inform their inspections. We also share any Adverse Findings Notices where a care provider refuses to implement our recommendations.

We meet regularly with CQC colleagues to discuss and share data on the cases in which we signpost to each other, when people have approached the wrong organisation in the first instance.

### Information sharing

We have agreed formal ways to share information with other relevant organisations, where joint insight can help to increase access to our respective services or improve how frontline services are provided to the public.

These arrangements can include memorandums of understanding and information sharing agreements. Organisations for which we have these, which are not already mentioned above, include:

- > Office for Standards in Education, Children's Services and Skills (Ofsted)
- > Office for Environmental Protection (OEP)
- > Equality and Human Rights Commission (EHRC)

See our [website](#) for more information on the organisations we work with.

### Public Advisory Forum

Our public advisory forum gives us direct feedback on our service from people who have complained to us. We held two meetings last year. Subjects covered included: further updates on how we will be introducing our complaint handling code, a discussion on why people complain to the Ombudsman before their local council or care provider, taking views on our plans to develop how we share our complaints data, and focusing on what additional information would have been useful to members before they complained to us.

# Statement of Commission's and Accounting Officer's Responsibilities

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LGSCO's Chief Executive is appointed as Accounting Officer of the Commission by the Principal Accounting Officer and the Ministry for Housing, Communities and Local Government. The Accounting Officer has responsibility for:

- > the day-to-day operations and management of the organisation
- > propriety and regularity in the handling of public funds
- > keeping proper records
- > safeguarding the organisation's assets
- > confirming all steps that ought to have been taken, have been taken, to make themselves aware of any relevant audit information
- > establishing the auditors have been made aware of relevant audit information
- > the Annual Report and Accounts, including confirming these are fair, balanced and understandable
- > the organisation's use of resources in carrying out its functions as set out in Managing Public Money, published by the HM Treasury

Under the Accounts Direction (the most recent version of which appears in Annex A), the (then) Secretary of State for Communities and Local Government with the consent of HM Treasury, has directed the Commission for Local Administration in England to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

The Accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Commission and of its income and expenditure, Statement of Financial Position, changes in Taxpayers' Equity and cash flows for the financial year.

In preparing the Accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and, in particular, to:

- > observe the Accounts Direction issued by the (then) Secretary of State for Communities and Local Government, including the relevant accounting and disclosure requirements
- > apply suitable accounting policies on a consistent basis
- > make judgements and estimates on a reasonable basis
- > state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements
- > prepare the financial statements on a going concern basis, and
- > confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

# Governance statement

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## Introduction

The Commission for Local Administration is the independent statutory body, established under the Local Government Act 1974, that runs the LGSCO service.

See the [Directors' Report](#) for more information about the Commission's role and responsibilities and see [Sponsorship arrangements](#) for additional detail on how the governance of the Commission is set out within a Framework Agreement, agreed with our sponsor department, the Ministry of Housing, Communities and Local Government (MHCLG).

In so far as it applies, the Commission applies the principles of the corporate governance code for central government departments (2017) to ensure it maintains good standards of corporate governance.

The Commission is satisfied with the quality of the data it has used to make its decisions. Financial and HR data is provided through regular reports produced by the Head of Finance and HR Business Partner respectively. Casework performance data is generated through our casework management system by our Data Analyst, and collated into quarterly Key Performance Indicator reports that we publish on our website, while also receiving more regular oversight from our Executive Team.

## Managing Risk

### How we manage risk

We operate a Strategic Risk Register setting out the consequences, actions, and mitigations for our identified major risks. We currently have seven risks, which are linked to commitments in our annual business plan where relevant.

The Strategic Risk Register is reviewed regularly by Executive Team. It is updated when appropriate, for example when there are significant changes internally or to the environment in which we work; or we revise our Operational Risk Register (which sits underneath and informs the strategic register) to the extent that strategic risks are reassessed.

The register is reported to Audit and Risk Assurance Committee (ARAC) meetings, where the committee reviews the impacts and mitigations we carry out. It also receives a risk assurance map, containing the information sources from which we make our assessments.

Strategic risks are also reported to the Commission and the updated Strategic Risk Register is shared regularly with MHCLG. ARAC also oversees how LGSCO applies its Risk Management Policy, to provide assurance that key risks are being managed effectively.



## Risk outcomes

In 2024-25 ARAC continued to ensure it maintained a good level of knowledge and received the assurance that risks and financial controls were being appropriately managed.

The key strategic risks and their rating at the end of the year are as follows:

| Risk   | Rating |
|--|--------|
| 1. We do not deliver a service which is easy to find and use                             | AMBER  |
| 2. Our investigations are not impartial, fair or rigorous so we fail to remedy injustice | GREEN  |
| 3. We fail to use the learning from complaints to help improve local services            | GREEN  |
| 4. We lose credibility and are no longer trusted to fulfil our purpose                   | GREEN  |
| 5. Our computer systems fail to operate effectively or are unavailable                   | GREEN  |
| 6. We don't have the resources or people needed to do our job                            | RED    |
| 7. We fail to stay relevant and do not manage change well                                | GREEN  |

The single risk marked as red – where we have significant concerns – last year was risk number six: that we don't have sufficient resources to carry out our work. This was overwhelmingly because of the continued increase in the volume of new complaints coming to us, making our ability to provide a high-quality service increasingly unsustainable. While we continued to have positive discussions with our sponsor department about putting us on a sustainable funding level in the new spending review period, at the time of last reporting the risk register to ARAC (January 2025), the outcome of those discussions was still unconfirmed. By October 2025, this was revised to amber recognising

our core budget was restored for 25/26, but it takes significant time to recruit and train new staff. Additional mitigation by the Executive Team included monitoring the resourcing picture carefully every month to ensure we retain our maximum staffing levels.

The other risk that yielded some concerns – being marked as amber – was risk number one: we don't deliver a service that is easy to find and use. Similar to the previous risk, the persistently high number of new complaints made it very difficult to make assessment decisions as quickly as we would like, which in turn creates frustration for people who have complained, and requires us to manage expectations on when a decision will be made. This remained at amber in October 2025.

## Information Security

Information security is a high priority for the organisation given the sensitive personal information we hold. The Director of Investigation is the Commission's Senior Information Risk Owner and is responsible for overseeing this business risk, reporting to the Accounting Officer.

The number of requests for access to personal data under UK GDPR and Data Protection Act 2018 and general information under the Freedom of Information Act 2000 increased again last year. In 2024-25, we received 422 requests (up from 366 in 2023-24, and 318 in 2022-23). We reported one security breach incident to the Information Commissioner's Office last year.



## Internal controls and auditing

ARAC scrutinises the work programme of the LGSCO's internal auditors (RSM UK). Last year there were 3 audits, with the topics identified by Executive Team, supported by the ARAC chair.

RSM UK provided assurance on these audits using a four-point scale of:

- > Substantial assurance
- > Reasonable assurance
- > Partial assurance
- > No assurance

The 2024-25 audit results are as follows:

| Audit  | Assurance level |
|--|-----------------|
| Key financial systems  | Substantial     |
| Key financial controls - Creditors, Procurement, Overtime and Whistleblowing | Substantial     |
| Framework for Monitoring the Three-Year Plan (advisory)                      | n/a             |

The audit of our key financial systems looked at the established procedures we have for processing and approving payments, particularly those enabling remote working such as digital signatures. Through sample testing, the auditors confirmed the controls in this area had been consistently applied. The audit considered our Financial Regulations, Scheme of Delegated Authority, the IPOS finance system and our process for BACS payments.

Our Key Financial Controls (Creditors Procurement, Overtime and Whistleblowing) audit looked at whether we had clear frameworks for setting up new suppliers,

making supplier amendments, undertaking procurement and processing overtime claims. The audit confirmed the framework is governed by the Financial Regulations and supporting Financial Instructions. The agreed processes were followed in practice in all sample testing.

The advisory audit on the framework for monitoring the Three-Year Plan considered how we evaluate achievements of our commitments and strategic objectives. It confirmed the annual Business Plans, which are regularly monitored by the Executive Team and Commission, underpin the performance of the Three-Year Plan.

RSM UK and the external auditors, National Audit Office, had access to ARAC and its Chair, the Commission and its staff, as appropriate to complete their work.

Any follow-up work, arising from recommendations in these audits, were also monitored by ARAC as part of the work programme. The Executive Team considered recommendations and management responses, which were fed back to RSM UK and monitored by ARAC.

RSM UK concluded that in 2024-25, LGSCO had received the highest level of internal audit opinion: *"The organisation has an adequate and effective framework for risk management, governance and internal control"*.

In 2024-25, ARAC also agreed the audit plan for 2025-26 with the internal auditors.

In 2024-25, ARAC is satisfied with the comprehensiveness, reliability and integrity of the assurances received from the internal auditor, RSM UK. The opinions and assurances obtained through audit work, discussions at Committee meetings and briefings with Committee members, are sufficiently comprehensive to meet the Commission's needs.

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Considering all the evidence, ARAC recommends the Accounting Officer can rely on and be satisfied the control framework, governance arrangements and risk management processes are operating properly and sufficient for the Commission's needs.

## Reviewing effectiveness

Last year, the Commission carried out an externally facilitated Board Effectiveness Review. Questionnaires and interviews informed the review, the findings of which were then considered by Commission members at a Board Development session in November 2024. The Commission considered arising actions from the Board Effectiveness Review at their February 2025 meeting.

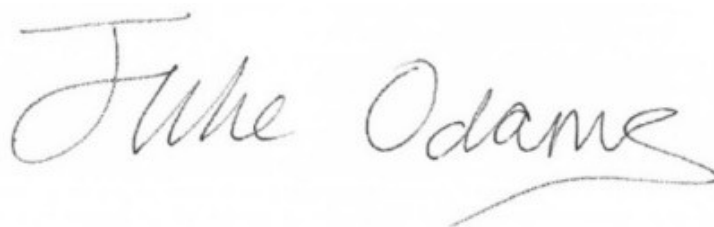
Members of the Commission, and the Chair, are responsible for managing their own personal development. They may suggest training they think is required, to widen their skills and knowledge as appropriate to their role.

## Conclusion

As Accounting Officer, I confirm my satisfaction that the necessary systems and processes of governance, risk management and internal control are operating effectively across the organisation. LGSCO has complied with all relevant external controls and requirements at all times during the year and has been operating in accordance with the published Framework Document agreed with the MHCLG.

As I did not take up my current post as Accounting Officer until June 2025, I have received a letter of assurance from the former Accounting Officer to confirm he too was satisfied that control systems operated effectively during the period for which he acted as Accounting Officer. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

LGSCO has managed its resources effectively throughout the year, and at all times these have been focused on delivering a high-quality service which meets our statutory responsibilities, our long-term strategic objectives, and the priorities set out in our business plan. The systems in place to identify risks are fit for purpose and have enabled the organisation to manage and, where appropriate, to mitigate the impact of risk wherever possible. As always, the success of the organisation is due to the ongoing commitment of our staff who continue to deliver an excellent service and I am enormously grateful for all they have done over the year.



**Julie Odams**  
Chief Executive Officer  
8 December 2025

# Remuneration and Staff Report

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## Remuneration and Appointments Committee

The Remuneration and Appointments Committee met three times during the 2024-25 financial year and the committee's activities are reported to the Commission.

For more information on its membership and role see the [Directors' Report](#).

## Remuneration Policy

For 2024-25 the pay award granted with effect from 1 April 2024 was to raise each pay scale by the maximum of either 2.5% or a fixed amount of £1,290 for staff outside London and by £1,575 for London staff. The effect of this was that lower paid staff received an increase higher than 2.5%, and a higher percentage than those staff on higher salaries. The resultant average pay increase for all staff was 3.04% (2023-24 pay award was a similar combination of fixed sums and percentage increases that averaged 4.68% for staff).

## Ombudsman

The Local Government and Social Care Ombudsman is a Crown appointment whose remuneration is determined by the Secretary of State but funded by the Commission's budget.

Amerdeep Clarke's term of office commenced on 1 February 2024 and runs for a fixed term period of seven years.

## Ex officio Commissioner

Rebecca Hilsenrath\*, who was appointed on 18 April 2024, is an ex officio Commissioner and the interim Parliamentary and Health Service Ombudsman (PHSO). The PHSO is not remunerated in respect of her statutory responsibilities as an LGSCO Commissioner.

## Advisory Members

The current members are Andrea Keenoy, Chair of the Audit and Risk Assurance Committee, Neil Calvert (appointed January 2025), Chair of the Remuneration and Appointments Committee, and Frances Harrison. Stephen Perkins, the former Chair of the Remuneration and Appointments Committee, left on 15 January 2025 when his fixed term came to an end.

The members' remuneration consists of a day rate plus out-of-pocket expenses. No pension benefits are accrued. All members are obliged to give three months' notice to terminate their contract. Remuneration paid to Advisory Members is based on the number of days worked, and determined by the Commission in agreement with MHCLG.

## Senior staff

The four senior staff in the Executive Team (excluding the Ombudsman) are full-time employees of the Commission.

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*\*Rebecca Hilsenrath left on 31 March 2025 when her term as PHSO ended. Paula Sussex was appointed on 26 June 2025, when her term as PHSO commenced.*

## Chief Executive

The Chief Executive has base pay analogous to Senior Civil Service Band 1 and in addition a London weighting based on the National Joint Council for Local Government (NJC) is paid. Movement up the pay band is by annual consolidated awards on base pay. The percentage increase is recommended by the Chair of the Commission to the Commission's independent Remuneration and Appointments Committee based on government pay policy, the Senior Salaries Review Body recommendations and individual performance. Performance-related bonus payments can also be awarded. These are non-consolidated but pensionable. These arrangements operate within the guidance provided by the MHCLG for pay for senior civil servants and the Ombudsman and Remuneration and Appointments Committee will take full account of those requirements when reaching a decision on pay and bonus.

## Directors

Like all staff below the Chief Executive officer, the two Directors are paid on the National Joint Council for Local Government (NJC) rates. Pay is negotiated by the NJC and the Commission implements the award subject to MHCLG approval.

In addition, they may be nominated for an Exceptional Contribution Award, like other staff.

## Advisory Members' Remuneration (audited by the Comptroller and Auditor General)

The Advisory Members' remuneration is as follows:

|                                       | <b>2024-25</b>                | <b>2023-24</b>                |
|---------------------------------------|-------------------------------|-------------------------------|
|                                       | <b>Total remuneration</b>     | <b>Total remuneration</b>     |
| Andrea Keenoy                         | £5,948<br>(inc £198 expenses) | £4,826<br>(inc £201 expenses) |
| Prof Stephen Perkins<br>(left Jan 24) | £4,467<br>(inc £217 expenses) | £5,225<br>(inc £225 expenses) |
| Neil Calvert<br>(appointed Oct 24)    | £3,366<br>(inc £516 expenses) | £ -                           |
| Deep Sagar<br>(left Jan 24)           | £ -                           | £4,493<br>(inc £525 expenses) |
| Frances Harrison                      | £5,524<br>(inc £349 expenses) | £4,843<br>(inc £343 expenses) |

## Senior Staff Salaries and Bonuses

Composition of remuneration: Salary includes gross salary, reserved rights to London weighting or London allowances; recruitment allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation.

Bonuses are non-consolidated, pensionable performance-related payments. They are used to recognise and reward performance against in-year objectives.

The monetary value of benefits in kind covers any benefit provided by the Commission and treated by HM Revenue & Customs (HMRC) as a taxable emolument.

## Remuneration of senior staff (audited by the Comptroller and Auditor General)

| Name   | Position                          | 2024-25        |                 |  |               | 2023-24        |                 |                             |               |
|--|-----------------------------------|----------------|-----------------|--|---------------|----------------|-----------------|-----------------------------|---------------|
|  |                                   | Salary<br>£000 | Bonuses<br>£000 | Pension<br>Benefits<br>£000 <sup>5</sup> | Total<br>£000 | Salary<br>£000 | Bonuses<br>£000 | Pension<br>Benefits<br>£000 | Total<br>£000 |
| Amerdeep Clarke <sup>2</sup><br>(appointed 1 Feb 2024) | Ombudsman and Chair               | 155-160        |                 | 47                                       | 200-205       | 20-25          | -               | 7                           | 30-35         |
| Paul Najsarek <sup>3</sup><br>(left 31 Jan 2024)       | Former Ombudsman and Chair        | -              | -               | -  | -             | 120-125        | -               | -                           | 120-125       |
| Nigel Ellis  | Chief Executive                   | 115-120        | 5-10            | 69                                       | 195-200       | 110-115        | 5-10            | 49                          | 170-175       |
| Paul Conroy <sup>4</sup>                               | Director of Intake and assessment | 90-95          | -               | 49                                       | 140-145       | 85-90          | -               | 27                          | 115-120       |
| Karen Sykes <sup>4</sup>                               | Director of Investigation         | 75-80          | -               | 44                                       | 120-125       | 75-80          | -               | 18                          | 90-95         |

### Notes:

1. There were no Benefits in Kind paid in 2024-25 (2023-24: £nil)
2. Amerdeep Clarke's 2023-24 salary represents only part of the year from 1 February 2024. Her full year equivalent Salary was in the banding £145,000-150,000.
3. Paul Najsarek's 2023-24 salary represents only part of the year until 31 January 2024. His full year equivalent Salary was in the banding £145,000-150,000.
4. The Director of Intake and Assessment and the Director of Investigation roles are on the same spinal point on the pay scale. The salary for the roles differ because the Director of Investigation is part-time and the Director of Intake and Assessment is full time and also includes a London weighting uplift.
5. Pension Benefits are calculated as:  

$$20 \times \text{the real increase in annual pension}$$

$$\text{Plus the real increase in any lump sum}$$

$$\text{Minus the individual's pension contributions in the year}$$
6. Nigel Ellis retired on 31 May 2025.

## Ombudsman and senior staff pension entitlement details (audited by the Comptroller and Auditor General)

The Ombudsman and her senior staff have the same pension arrangements as other Commission staff as detailed in [note 1.6](#).

|                 | Total accrued pension at 65 & related lump sum | Real increase/ (decrease) in pension & lump sum at pension age | CETV <sup>1</sup> | CETV <sup>1</sup> | Real increase in CETV |
|-----------------|--|--|-------------------|-------------------|-----------------------|
|                 | at 31/3/25                                     | 2024-25  | at 31/3/25        | at 31/3/24        | 2024-25               |
|                 | £000   | £000   | £000              | £000              | £000                  |
| Amerdeep Clarke | 0-5  | 2.5-5.0  | 60                | 8                 | 52                    |
|                 | Lump sum                                       | -  | -                 | -                 | -                     |
| Nigel Ellis     | 35-40  | 2.5-5.0  | 618               | 533               | 76                    |
|                 | Lump sum                                       | -  | -                 | -                 | -                     |
| Paul Conroy     | 35-40  | 2.5-5.0  | 697               | 631               | 55                    |
|                 | Lump sum 25-30                                 | 0-2.5  | -                 | -                 | -                     |
| Karen Sykes     | 40-45  | 2.5-5.0  | 825               | 759               | 53                    |
|                 | Lump sum 50-55                                 | 0-2.50   | -                 | -                 | -                     |

<sup>1</sup> Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another scheme or arrangement when the staff member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures and the other pension details include the value of any pension benefit in another scheme or arrangement that the individual has transferred to the LGPS arrangements. They also include any additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

## Staff costs (audited by the Comptroller and Auditor General)

|                                      | 2025<br>£000                               | 2025<br>£000 | 2025<br>£000  | 2024<br>£000  |
|--------------------------------------|--|--------------|---------------|---------------|
|                                      | Permanently<br>employed staff <sup>3</sup> | Others       | Total         | Total         |
| Wages & salaries                     | 9,283                                      | -            | 9,283         | 8,640         |
| Social security                      | 1,066                                      | -            | 1,066         | 986           |
| Other pension costs <sup>1</sup>     | 459  | 1            | 460           | 431           |
|                                      | <b>10,808</b>                              | <b>1</b>     | <b>10,809</b> | <b>10,057</b> |
| Temporary staff                      | -  | -            | -             | 4             |
| Redundancy costs                     | -  | -            | -             | -             |
|                                      | <b>10,808</b>                              | <b>1</b>     | <b>10,809</b> | <b>10,061</b> |
| Indirect staffing costs <sup>2</sup> | 137  | -            | 137           | 64            |
| <b>Total</b>                         | <b>10,945</b>                              | <b>1</b>     | <b>10,946</b> | <b>10,125</b> |

1. This includes £935 (2023-24: £11,210) relating to pension payments to a surviving widow of a retired Local Government Ombudsman.
2. This is related to training costs, payroll bureau fees and staff recruitment costs.
3. Staff costs include the Ombudsman



## Staff numbers

At the end of March 2025, the Commission employed 191 FTE (excluding the Ombudsman):

|                                  | Male      | Female     |
|----------------------------------|-----------|------------|
| Senior Civil Service equivalents | 1         | -          |
| Directors                        | 1         | 1          |
| Employees                        | 63        | 125        |
| <b>Total</b>                     | <b>65</b> | <b>126</b> |

## Staff numbers (audited by the Comptroller and Auditor General)

| Average number of full time equivalent staff employed: | 2025       | 2024       |
|--|------------|------------|
| Permanently employed                                   | 184        | 175        |
| Other*   | 0          | 0          |
|  | <b>184</b> | <b>175</b> |

\*Other staff includes short-term contractors and temporary or agency staff.

Staff numbers exclude the Ombudsman as she is not a member of staff, but her remuneration is shown in the [‘Remuneration of senior staff’](#) table.

## Reporting of compensation schemes - exit packages (audited by the Comptroller and Auditor General)

There were no redundancies or departure costs in 2024-25 (2023-24 number 0, cost £nil).

Redundancy and other departure costs are paid in accordance with statutory requirements and entitlements based on length of service set out in the Commission's standard contract of employment.

Exit costs are accounted for in full in the year of departure or, where earlier, the year in which a legal or constructive obligation to pay such costs arises. Costs included lump sum payments to the Local Government Pension Scheme, where applicable.

## Off payroll engagements

There were no off payroll engagements in the year. All Board members and individuals with significant financial responsibility were included in the payroll.

## Consultants

Consultants are employed when it is better value for money to do so on specific projects when specialised skills are required. During the year, the total expenditure on consultants was £61,700 (2023-24: £11,790).

## Sickness absence data

During the year 1,236 working days were lost through sickness absence (2023-24: 846). This equates to 6.7 days per full time equivalent employee (2023-24: 4.8 days) and compares to a public sector average in 2024 of 7.9 days (as reported by Brightmine, formerly XpertHR, February 2025).

## Fair Pay disclosures (audited by the Comptroller and Auditor General)

In 2024-25, no employees (2023-24: nil) received remuneration in excess of the highest-paid Commission member. Remuneration ranged from £27,098 to

£156,932 (2023-24: £25,398 to £149,459). Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. All employees are paid above the living wage rate.

## Percentage change of salaries and allowances and performance related pay and bonuses of the highest paid director and all employees (excluding highest paid director)

|                                    | Highest paid director |         | All employees (excluding highest paid director) |         |
|------------------------------------|-----------------------|---------|---|---------|
|                                    | 2024-25               | 2023-24 | 2024-25   | 2023-24 |
| Salary and allowances <sup>1</sup> | 6.8%                  | 0.0%    | 2.1%  | 4.6%    |
| Performance pay and bonuses        | 0.0%                  | 0.0%    | (10.0)%   | 42.5%   |

1 – The highest paid individual is the Local Government and Social Care Ombudsman.

## Pay multiples

|                               | 2024-25 Total pay and benefits | 2024-25 Salary component | 2023-24 Total pay and benefits | 2023-24 Salary component |
|-------------------------------|--------------------------------|--------------------------|--------------------------------|--------------------------|
| Band of highest paid employee | 155,000-160,000                | 155,000-160,000          | 145,000-150,000                | 145,000-150,000          |
| Median remuneration           | 50,019                         | 49,394                   | 48,524                         | 48,104                   |
| Ratio                         | 3.15                           | -                        | 3.04                           | -                        |
| 75th percentile               | 52,189                         | 52,089                   | 51,594                         | 50,769                   |
| Ratio                         | 3.02                           | -                        | 2.86                           | -                        |
| 25th percentile               | 42,492                         | 42,492                   | 41,598                         | 41,598                   |
| Ratio                         | 3.71                           | -                        | 3.55                           | -                        |
| Lowest paid employee          | 27,098                         | 27,098                   | 25,398                         | 25,398                   |

The change in pay ratio is in line with the usual practice of our pay and reward policies with variance from one year to the next affected by the level of pay settlements as well as the application of our other established reward mechanisms. The salary of the highest paid individual increased by 5.0% from the prior year whilst the average change in salary for employees as a whole was 2.1%.

The Directors believe that the median pay ratio is consistent with the pay, reward and progression policies for LGSCO's employees taken as a whole.

The banded remuneration of the highest paid Commission member in 2024-25 was £155,000-£160,000 (2023-24: £145,000-£150,000). This was 3.2 times (2023-24: 3.1) the median remuneration of the workforce, which was £50,019 (2023-24: £48,524).

## Staff turnover percentage

Staff turnover for 2024-25 was 3% (2023-24: 5%).

## Trade Unions

In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017, the information below is disclosed.

|  | Number | FTE |
|--|--------|-----|
| Employment of relevant union officials during the year | 6      | 5.9 |

| % of Time | Number |
|-----------|--------|
| 0%        | -      |
| 1% to 50% | 6      |
| 51%-99%   | -      |
| 100%      | -      |

|   |             |
|---|-------------|
| Total cost of facility time   | £2,390      |
| Total pay bill  | £10,777,000 |
| % total paybill spent on facility time  | 0.022%      |
| Time spent on paid trade union activities as a percentage of total paid facility time hours | 0%          |

# Gender and Ethnicity Pay disclosures

At 31 March 2025, there is a mean Gender Pay Gap of +8.4% (2024: +9.4%) and a median Gender Pay Gap of +5.2% (2024: +5.1%) between our male and female employees. The Mean Bonus Gender Pay Gap is +109% (2024: +83%) and the Median Bonus Gender Pay Gap is nil (2024: nil).

At 31 March 2025, the pay gaps are as follows:

|                      | Gender<br>(known for<br>100% of<br>organisation) | Ethnicity<br>(known for<br>95% of<br>organisation) |
|----------------------|--|--|
| Mean pay gap         | 8%   | 1%   |
| Median pay gap       | 5%   | 8%   |
| Mean bonus pay gap   | 109%   | 61%  |
| Median bonus pay gap | 0%   | 0%   |

|                                      | Male       | Female     | White      | Black,<br>Asian and<br>Other<br>Minority<br>Ethnic |
|--------------------------------------|------------|------------|------------|--|
| Proportion receiving a bonus payment | 37%        | 37%        | 37%        | 28%  |
| Proportion in each quartile band     |            |            |            |  |
| Upper                                | 42%        | 58%        | 79%        | 21%  |
| Upper middle                         | 41%        | 59%        | 81%        | 19%  |
| Lower middle                         | 31%        | 69%        | 88%        | 12%  |
| Lower                                | 18%        | 82%        | 85%        | 15%  |
| <b>Average over all bands</b>        | <b>33%</b> | <b>67%</b> | <b>85%</b> | <b>17%</b>   |

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## Employment of People with Disabilities

LGSCO gives full and fair consideration to applications for employment made by people with disabilities. Disability will not form the basis of employment decisions, although LGSCO will accommodate specific requirements which may arise as a result of a disability. Candidates for employment or promotion are assessed objectively against the essential criteria stated within the person specifications for the job.

We work to remove barriers to employees with disabilities and those with long term health conditions to enable them to perform.

LGSCO has developed reasonable adjustment guidance so that managers are aware of their responsibilities for employees with disabilities. We aim to ensure our decisions are informed by occupational health advice and medical advice.

Employees with disabilities are offered the same training and development opportunities as any other staff and adjustments are made to attend training as necessary.

## Equality, Diversity and Inclusion

Our Equality, Diversity and Inclusion group ensures the LGSCO promotes equality across all protected characteristics and considers all forms of discrimination.

As in previous years, we focused on four main areas to promote the LGSCO's equality duties:

As an employer, by ensuring recruitment, training, promotion, and career opportunities are fair and equally open to all

As a service provider, by ensuring that all communities have equal access to our service and to justice

As an investigative body, by ensuring that we address complaints thoroughly about injustice arising from racism and discrimination

As an organisation that cares about our staff wellbeing, by ensuring that we do not tolerate racism, discrimination, and abuse that is targeted at our staff

In 2024-25 the group:

- > Invited all staff, and briefed managers, to have a conversation at appraisal time on any training needs around protected characteristics, and collated these via HR to implement
- > Reviewed our processes to make our service as accessible as possible to people in the Deaf community, particularly those whose only language is BSL
- > Arranged for the chairs of our four staff support networks to attend a Leadership Team meeting and to allow managers to hear about the value of the networks

- 
- > Contributed to the developing work to create a business case to engage in outreach to communities that struggle to use our service
  - > Collated staff feedback from staff neurodiversity training, held last year, to look at how we progress work on communicating with complainants who have neurodiversity needs and also around staff wellbeing

The Group also started conversations on how its role would develop in the future, moving away from an annual action plan approach to focusing on specific themes. Next year, these should include the latest staff survey results, once they are published, and looking at how we are doing in terms of ensuring job opportunities are accessible to everyone, as we look ahead to a significant recruitment drive.

## Employee Experience

We strive to be a great place to work and to be recognised as an attractive employer. Last year we improved how we promote ourselves as a career choice to potential new employees by launching a new careers hub on our website. This explains, in a more approachable way, the stimulating and challenging work we offer and our collaborative approach. It includes testimonials of our staff and their experiences working here and a new online application form for applicants.

We believe in giving our staff opportunities to grow and advance their careers. Last year we successfully recruited to all vacancies that needed filling. We were pleased these included some promotions for internal staff who moved from non-investigative to investigative roles – an important step in reducing perceived barriers to career progression. We also gave all staff access to work opportunities outside their usual role through our notice board advertising project opportunities.

Last year we started a programme of all-staff gatherings (for each of our three offices) that happen every six months. These are for discussing business matters with staff, in person, and have proved popular in fostering more social and inter-team engagement, following our shift to a more home-based, hybrid working pattern.

We reviewed some key HR policies last year, including our Attendance and Capability policies, providing more clarity for staff and managers. We also introduced a new scheme for staff to request to buy or sell annual leave, which was a request from staff following previous feedback.

We regularly consult with staff through the Local Joint Committee – our forum where staff-appointed representatives discuss matters affecting all staff with senior management. It continued to meet quarterly. Informal Unison meetings also took place each quarter to proactively manage any issues and seek informal resolution.

We are committed to supporting the health, safety, and wellbeing of our staff and take a collaborative approach through a dedicated committee meeting every six months. Last year all staff completed display screen equipment (DSE) training which we do every two years – ensuring they are working safely and comfortably, whether in the office or at home. At all our offices, we adopted new fire evacuation procedures, including training for relevant staff.

We also have a network of Wellbeing Champions who promote positive practices and act as local points of support across the organisation. These continue to include a Commission Board member, Frances Harrison, which ensures health, safety and wellbeing issues are visible at the highest level of our governance.

# Parliamentary Accountability & Audit Report

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## Losses and special payments (audited by the Comptroller and Auditor General)

During the year no losses or special payments were made (2023-24 £nil).

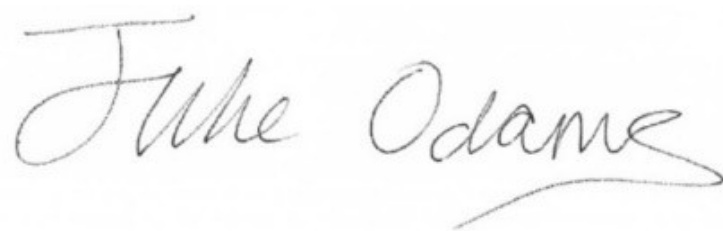
## Gifts and hospitality (audited by the Comptroller and Auditor General)

LGSCO's policy is to not accept any gifts, hospitality or benefits from third parties which might be seen to compromise the personal judgement or integrity of our members or staff. All gifts or hospitality received, not trivial in nature, are recorded in a register. In 2024-25, no gifts or hospitality were received or offered that contravened the Commission's policy or were of an exceptional value.

Throughout 2024-25, staff provided details to the Committee and Governance Clerk who updated the register as and when required. The register is published on the LGSCO website at: [www.lgo.org.uk/information-centre/about-us/who-we-are/our-structure](http://www.lgo.org.uk/information-centre/about-us/who-we-are/our-structure)

## Remote contingent liabilities (audited by the Comptroller and Auditor General)

The Commission does not have any remote contingent liabilities. (2024: none)



**Julie Odams**

**Accounting Officer and Chief  
Executive**

**8 December 2025**



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# THE INDEPENDENT AUDITOR'S REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE COMMISSION FOR LOCAL ADMINISTRATION AND THE HOUSES OF PARLIAMENT

## Opinion on financial statements

I have audited the financial statements of the Commission for Local Administration (operating as the Local Government and Social Care Ombudsman) for the year ended 31 March 2025, which comprise the:

- > Statement of Financial Position as at 31 March 2025;
- > Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- > the related notes including the significant accounting policies.
- > The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- > give a true and fair view of the state of the Local Government and Social Care Ombudsman's affairs as at 31 March 2025 and its net expenditure for the year then ended; and
- > have been properly prepared in accordance with UK adopted international accounting standards and HM Treasury's Government Financial Reporting Manual.

## Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2024. I am independent of the Local Government and Social Care Ombudsman in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Local Government and Social Care Ombudsman's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

My responsibilities and the responsibilities of the Commission and the Accounting Officer with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for the Local Government and Social Care Ombudsman is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

## Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements nor my auditor's report. The Accounting Officer of the commission is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

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## Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with the HM Treasury's Government Financial Reporting Manual.

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

- > the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury's Government Financial Reporting Manual;
- > the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## Matters on which I report by exception

In the light of the knowledge and understanding of the Local Government and Social Care Ombudsman and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- > adequate accounting records have not been kept by the Local Government and Social Care Ombudsman or returns adequate for my audit have not been received from branches not visited by my staff; or
- > I have not received all of the information and explanations I require for my audit; or
- > the financial statements and the parts of the Accountability Report subject to audit are not

in agreement with the accounting records and returns; or

- > certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- > the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Responsibilities of the Accounting Officer of the Commission for the financial statements

As explained more fully in the Statement of Commission's and Accounting Officer's Responsibilities, the Accounting Officer of the commission is responsible for:

- > maintaining proper accounting records;
- > providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- > providing the C&AG with additional information and explanations needed for his audit;
- > providing the C&AG with unrestricted access to persons within the Local Government and Social Care Ombudsman's from whom the auditor determines it necessary to obtain audit evidence;
- > ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- > preparing financial statements which give a true and fair view in accordance the Government Financial Reporting Manual;

- 
- > ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with the Government Financial Reporting Manual and
  - > assessing the Local Government and Social Care Ombudsman'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 Commission and the Accounting Officer of the commission anticipates that the services provided by the Local Government and Social Care Ombudsman will not continue to be provided in the future.

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

My responsibility is to audit, certify and report on the financial statements in accordance with the International Standards on Auditing (ISAs) (UK).

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

### *Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud*

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

### *Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud*

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- > considered the nature of the sector, control environment and operational performance including the design of the Local Government and Social Care Ombudsman's accounting policies;
- > inquired of management, the Local Government and Social Care Ombudsman's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Local Government and Social Care Ombudsman's policies and procedures on:
  - > identifying, evaluating and complying with laws and regulations;
  - > detecting and responding to the risks of fraud; and
  - > the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Local Government and Social Care Ombudsman's controls relating to the Local Government and

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Social Care Ombudsman's compliance with the Government Financial Reporting Manual and Managing Public Money;

- > inquired of management, Local Government and Social Care Ombudsman's head of internal audit and those charged with governance whether:
  - > they were aware of any instances of non-compliance with laws and regulations;
  - > they had knowledge of any actual, suspected, or alleged fraud;
- > discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Local Government and Social Care Ombudsman for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Local Government and Social Care Ombudsman's framework of authority and other legal and regulatory frameworks in which the Local Government and Social Care Ombudsman operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the the Local Government and Social Care Ombudsman. The key laws and regulations I considered in this context included Managing Public Money, Local Government Act 1974, The Local Government and Public Involvement in Health Act 2007, Employment Law, Localism Act 2011 and pension legislation.

### ***Audit response to identified risk***

To respond to the identified risks resulting from the above procedures:

I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;

I enquired of management, the Audit and Risk Committee concerning actual and potential litigation and claims;

I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;

in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my report.

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### ***Other auditor's responsibilities***

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

### **Report**

I have no observations to make on these financial statements.

***Gareth Davies***

***10 December 2025***

***Comptroller and Auditor General***

***National Audit Office***

157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP



# Statement of Comprehensive Net Expenditure for the year ended 31 March 2025

|  | Note  | 2025<br>£000  | 2024<br>£000  |
|--|-------|---------------|---------------|
| <b>Operating income</b>  | 3     | (161)         | (171)         |
| <b>Operating expenditure</b>   |       |               |               |
| Staff costs  | 4.1   | 10,946        | 10,125        |
| Pension loss   | 4.2   | 1,118         | 1,151         |
| Accommodation costs  | 5.1   | (22)          | 91            |
| Office expenses  | 5.2   | 617           | 603           |
| Professional costs   | 5.3   | 567           | 581           |
| Depreciation & amortisation  | 7,8&9 | 467           | 508           |
| Meeting & travel costs   |       | 46            | 50            |
| <b>Total operating expenditure</b>   |       | <b>13,739</b> | <b>13,109</b> |
| <b>Net operating expenditure</b>   |       | <b>13,578</b> | <b>12,938</b> |
| Net interest (income) /costs   | 6     | (886)         | (584)         |
| <b>Net expenditure for the year</b>  |       | <b>12,692</b> | <b>12,354</b> |
| <b>Other comprehensive expenditure<br/>Items which will not be reclassified<br/>to net operating costs</b> |       |               |               |
| Pension fund actuarial loss/(gain)   | 16.8g | 18,233        | (6,888)       |
| <b>Total comprehensive expenditure/<br/>(income)</b>   |       | <b>30,925</b> | <b>5,466</b>  |

The [Notes to the Financial Statements](#) forms part of these accounts.

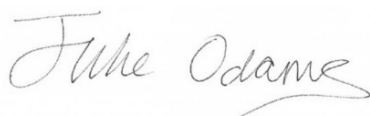
All activities are continuing.



# Statement of Financial Position as at 31 March 2025

|  | Note  | 2025<br>£000   | 2024<br>£000   |
|--|-------|----------------|----------------|
| <b>Assets</b>                                      |       |                |                |
| <b>Non-current assets</b>                          |       |                |                |
| Plant & equipment                                  | 7     | 46             | 60             |
| Intangible assets                                  | 8     | 61             | 84             |
| Right of Use assets                                | 9     | 882            | 1,293          |
| Pension scheme net asset                           | 16.8e | -              | 18,437         |
| <b>Total non-current assets</b>                    |       | <b>989</b>     | <b>19,874</b>  |
| <b>Current assets</b>                              |       |                |                |
| Trade & other receivables                          | 10    | 505            | 404            |
| Cash & cash equivalents                            | 11    | 3,062          | 3,423          |
| <b>Total current assets</b>                        |       | <b>3,567</b>   | <b>3,827</b>   |
| <b>Total assets</b>                                |       | <b>4,556</b>   | <b>23,701</b>  |
| <b>Liabilities</b>                                 |       |                |                |
| <b>Current liabilities</b>                         |       |                |                |
| Trade & other payables                             | 12    | (1,551)        | (1,877)        |
| Lease liability                                    | 13    | (217)          | (426)          |
| Provisions   | 14    | (12)           | (9)            |
| <b>Total current liabilities</b>                   |       | <b>(1,780)</b> | <b>(2,312)</b> |
| <b>Total assets less total current liabilities</b> |       | <b>2,776</b>   | <b>21,389</b>  |
| <b>Non-current liabilities</b>                     |       |                |                |
| Other non-current lease liabilities                | 15    | (696)          | (887)          |
| Other non-current provisions                       | 14    | (30)           | (27)           |
| <b>Total non-current liabilities</b>               |       | <b>(726)</b>   | <b>(914)</b>   |
| <b>Assets less liabilities</b>                     |       | <b>2,050</b>   | <b>20,475</b>  |
| <b>Taxpayers' equity</b>                           |       |                |                |
| General Fund                                       |       | 2,050          | 2,038          |
| Pension Reserve                                    | 16.8e | -              | 18,437         |
| <b>Total Taxpayers' Equity</b>                     |       | <b>2,050</b>   | <b>20,475</b>  |

The [Notes to the Financial Statements](#) forms part of these accounts.



**Julie Odams**  
Accounting Officer  
8 December 2025

# Statement of Cash Flows for the year ended 31 March 2025

|  | Note  | 2025<br>£000    | 2024<br>£000    |
|--|-------|-----------------|-----------------|
| <b>Cash flows from operating activities</b>                      |       |                 |                 |
| <b>Net expenditure for the year</b>                              |       | (13,578)        | (12,938)        |
| Adjustments for:   |       |                 |                 |
| Depreciation & amortisation                                      | 7,8&9 | 467             | 508             |
| Loss on sale of non-current assets                               | 5.2   | -               | -               |
| Finance income   | 3     | (97)            | (90)            |
| (Increase)/decrease in trade & other receivables                 | 10    | (101)           | (165)           |
| Increase/(decrease) in trade & other payables                    | 12    | (253)           | 335             |
| Increase/(decrease) of provisions                                | 14    | 6               | (9)             |
| Non-cash pension charge included in net expenditure for the year |       | 1,090           | 1,144           |
| <b>Net cash outflow from operating activities</b>                |       | <b>(12,466)</b> | <b>(11,215)</b> |
| <b>Cash flows from investing activities</b>                      |       |                 |                 |
| Purchase of plant & equipment                                    | 7     | -               | (56)            |
| Purchase of intangible non-current assets                        | 8     | (19)            | (44)            |
| Interest received  | 3     | 97              | 90              |
| <b>Net cash inflow/(outflow) from investing activities</b>       |       | <b>78</b>       | <b>(10)</b>     |
| <b>Cash flows from financing activities</b>                      |       |                 |                 |
| Receipts of Grant-in-Aid financing                               | 2     | 12,500          | 11,590          |
| Capital element in respect of lease payments                     | 13    | (473)           | (605)           |
| <b>Net cash inflow from financing activities</b>                 |       | <b>12,027</b>   | <b>10,985</b>   |
| <b>Net (decrease)/increase in cash &amp; cash equivalents</b>    |       | <b>(361)</b>    | <b>(240)</b>    |
| <b>Cash &amp; cash equivalents at beginning of period</b>        |       | <b>3,423</b>    | <b>3,663</b>    |
| <b>Cash &amp; cash equivalents at end of period</b>              | 11    | <b>3,062</b>    | <b>3,423</b>    |

The [Notes to the Financial Statements](#) forms part of these accounts.

The note references in the statement above refer to the respective Statement of Consolidated Net expenditure / Statement of Financial Position notes which are not presented on the same cash basis as they are presented above.

# Statement of Changes in Taxpayers' Equity for the year ended 31 March 2025

|   | Note | General Fund<br>£000 | Pension Reserve<br>£000 | Total Taxpayers' Equity<br>£000 |
|---|------|----------------------|-------------------------|---------------------------------|
| <b>Balance at 1 April 2023</b>                              |      | <b>2,242</b>         | <b>12,109</b>           | <b>14,351</b>                   |
| Grant-in-aid financing                                      | 2    | 11,590               | -                       | 11,590                          |
| Total comprehensive expenditure for the year                |      | (12,354)             | 6,888                   | (5,466)                         |
| Transfers between reserves in respect of pension fund costs |      | 560                  | (560)                   | -                               |
| <b>Balance at 31 March 2024</b>                             |      | <b>2,038</b>         | <b>18,437</b>           | <b>20,475</b>                   |
| Grant-in-aid financing                                      | 2    | 12,500               | -                       | 12,500                          |
| Total comprehensive expenditure for the year                |      | (12,692)             | (18,233)                | (30,925)                        |
| Transfers between reserves in respect of pension fund costs |      | 204                  | (204)                   | -                               |
| <b>Balance at 31 March 2025</b>                             |      | <b>2,050</b>         | <b>-*</b>               | <b>2,050</b>                    |

\* Under IFRIC 14, the Commission has assessed whether a pension surplus should be recognised and determined that an asset ceiling applies. Hence, a pension surplus has not been recognised at 31 March 2025 (2024: a surplus of £18.437m was recognised). More details are included in Note 16.

The [Notes to the Financial Statements](#) forms part of these accounts.

## Nature and Purpose of Reserves

### General Fund

This Fund represents the cumulative surplus of income over expenditure at the date of the Statement of Financial Position. The majority of this surplus was accumulated under a previous grant funding arrangement and is therefore largely a historical legacy. It is represented on the Statement of Financial Position as a cash balance for the ongoing operations of the Commission, excluding the deficit arising from the Commission's participation in the Local Government Pension Scheme. However, the Commission is only able to incur expenditure within its delegated expenditure limits (DEL) which are agreed with the sponsor department each year. Approval from the MHCLG would

therefore be needed to draw down on cash reserves, in excess of DEL.

### Pension Reserve

This Reserve represents the liability/asset arising from the Commission's participation in the Local Government Pension Scheme, as determined by the scheme actuary. Details of the pension liability are available in [Note 16.8e](#) and also in the [Directors' Report](#).

# Notes to the Financial Statements

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## Accounting Policies

### 1.1 Accounting convention

The Financial Statements are prepared under the historical cost convention, modified only in the case of tangible and intangible non-current assets which are held at valuation, if materially different from historical cost less accumulated depreciation.

### 1.2 Basis of preparation

The Financial Statements have been prepared in accordance with the 2023-24 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Commission for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Commission are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

### 1.3 Going Concern

A Budget for 2025-26 has been delegated by MHCLG which includes a significant funding increase compared to 2024-25. This will enable LGSCO to recruit additional operational staff to meet the sustained increase in public demand that has been experienced. Discussions with MHCLG are underway for the next Spending Review which will determine funding for the following three years (2026-27 to 2028-29). Whilst it is anticipated that this could be an absolute cut compared to the 2025-26 Budget, the overall increase compared to 2024-25 is expected to remain significant.

Hence, we expect to meet all liabilities for the next 12 months as they fall due. There are no known material uncertainties or conditions that may cast any significant doubt on the going concern status of LGSCO. It has accordingly been considered appropriate to adopt a going concern basis for these Financial Statements.

### 1.4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Commission's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

#### 1.4.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the Commission's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements:

> **Pension Asset ceiling**

The Commission has applied IFRIC 14 to determine whether a pension surplus should be recognised. More details are included in Note 1.7 below.

### > **Classification of leases**

From 1 April 2022, the Commission has adopted IFRS 16 Leases and all of its leases of land and buildings have been given consideration to be classified as Right of Use assets. At 1 April 2022, two of the three offices were determined to be Right of Use assets whilst the third was classified as a short-term lease because there were only 7 months of the lease term remaining. For the third office, a new lease was signed during the year and this was included as a Right of Use asset addition in 2022-23.

### > **Asset valuations**

The Commission has concluded that there is not a material difference between the fair value of its tangible and intangible non-current assets and the depreciated historical cost of these assets. As a result of this conclusion, detailed asset valuations have not been carried out.

## **1.4.2 Key sources of estimation uncertainty**

The following are the key assumptions concerning estimation uncertainty at the end of the reporting period, that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### ***Valuation of pension scheme assets and liabilities***

The valuation of the Commission's defined benefit pension scheme assets and liabilities is based on a range of assumptions covering variables such as investment returns, inflation, discount rate and pensioner lifespans. The selection of appropriate assumptions represents a significant accounting estimate. Where actual outturns are significantly different to the selected assumptions, the value of scheme assets and liabilities may be materially different.

The assumptions are made by management based on advice from a professional actuary and are reviewed annually. In addition, the scheme is subject to a full actuarial review on a triennial basis.

## **1.5 Grant-in-Aid**

The Commission receives Grant-in-Aid from the Ministry of Housing, Communities and Local Government (MHCLG). This type of funding is classified as financing and is recognised directly in the Statement of Changes in Taxpayers' Equity.

Grant-in-Aid is paid monthly according to the requirements of the Commission. Grant income under Grant-in-Aid financing is accounted for on a cash basis.

## **1.6 Value Added Tax**

The Commission is registered for VAT and is able to recover input VAT on its purchases. Expenditure is shown net of recoverable VAT. Outstanding recoverable VAT is included within trade and other receivables.

## **1.7 Pension scheme**

The Commission is an admitted body of the London Pension Fund Authority (LPFA), which is part of the Local Government Pensions Scheme (LGPS), administered by the Local Pensions Partnership Administration (LPPA). This is a multi-employer defined benefit scheme, accounted for in accordance with IAS 19 Employee Benefits.

The Commission's share of the scheme's assets and liabilities can be identified.

The valuation of the Commission's defined benefit pension scheme assets and liabilities is based on a range of assumptions covering variables such as investment returns, inflation,

discount rate and pensioner lifespans. Where actual outturns are significantly different to the selected assumptions, the value of scheme assets and liabilities may be materially different.

The assumptions are made by management based on advice from a professional actuary and are reviewed annually.

As detailed further in Note 16, the effect of this accounting policy is to recognise a non-current pension asset/liability in the Statement of Financial Position (at 31 March 2025 the pension asset/liability is £nil). Current services costs, past service costs, interest and all actuarial gains or losses are charged to the Statement of Comprehensive Net Expenditure.

The IAS19 actuarial valuation resulted in a net pension asset of £29.029m at 31 March 2025 (2024: £18.437m). The Commission has applied IFRIC 14 which limits the recognition of the defined benefit asset to the 'present value of any economic benefit available to the Employer in the form of refunds from the scheme or reductions in future contributions to the scheme.' In considering any impact of IFRIC 14, there are three judgements to be applied:

- > The economic benefit available as a refund;
- > The economic benefit available as a reduction in future contributions; and
- > Any additional minimum liability from agreed past service contributions.

The Commission has considered these judgements and has not recognised a pension asset at 31 March 2025 (2024: Asset of £18.437m recognised).

## 1.8 Short term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees.

The cost of leave earned but not taken by employees at the end of the period is recognised in the Financial Statements to the extent that employees are permitted to carry forward leave into the following period.

## 1.9 Tangible non-current assets - plant and equipment

Individual items of plant and equipment with a cost of less than £5,000 are expensed in the Statement of Comprehensive Net Expenditure in the year of acquisition, except where they form part of a significant capital project, the total cost of which exceeds £5,000.

Items of plant and equipment and significant capital projects with a cost of greater than £5,000 are initially recognised at cost and depreciated over their useful economic life on a straight line basis.

The ranges of useful economic lives of assets currently in use are as follows:

- > Furniture and fittings 2-7 years
- > Information technology 3-4 years

All items of plant and equipment are held at depreciated historical cost, as this is considered to be an appropriate proxy for fair value. All assets held by the Commission have a short useful life or a low individual value (or both).

Where there is an indication that individual assets may be impaired, an impairment review is conducted and assets are written down to the lower of their carrying amount and recoverable amount, in accordance with IAS 36 and the HM Treasury Financial Reporting Manual.



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## 1.10 Intangible non-current assets

Individual intangible assets with a cost of less than £5,000 are expensed in the Statement of Comprehensive Net Expenditure in the year of acquisition, except where they form part of a significant capital project, the total cost of which exceeds £5,000.

Intangible assets with a cost of greater than £5,000 are initially recognised at cost and amortised over their useful economic life on a straight line basis.

The range of useful economic lives of assets currently in use is as follows:

- > Software licences 4-5 years
- > Right of Use assets 2-7 years

The life of the right of use assets reflects the length of the lease. All intangible assets are held at amortised historical cost, as this is considered to be an appropriate proxy for fair value. The Commission does not believe there to be a material difference between the fair value (as determined by amortised replacement cost) and the amortised historical cost of intangible assets.

Where there is an indication that individual assets may be impaired, an impairment review is conducted and assets are written down to the lower of their carrying amount and recoverable amount, in accordance with IAS 36 and the HM Treasury Financial Reporting Manual.

## 1.11 Leases (Commission as lessee)

LGSCO adopted IFRS 16 with effect from 01 April 2022. In accordance with the FreM, intra-Government agreements are treated as contracts where they convey the right to use an asset and hence are within the scope of IFRS 16.

Leases which have a remaining life of less than 12 months or are of low value are accounted for in the Statement of Comprehensive expenditure.

LGSCO recognises a Right of Use asset and the corresponding lease liability at the lease commencement date.

LGSCO determines the term of a lease as the non-cancellable period of a lease combined with periods covered by an option to either:

1. Extend the lease where LGSCO is reasonably certain to exercise that option,
2. Terminate the lease where LGSCO is reasonably certain not to exercise that option.

In assessing whether an option is reasonably certain to be exercised, or not exercised, judgement is applied in consultation with future property strategy.

The lease liability is measured at amortised cost with future lease payments discounted to present value. LGSCO has elected to include both rent and non-rent costs within 'lease payments' as permitted under IFRS 16.15.

Where the interest rate implicit in a lease cannot be readily determined, LGSCO calculates the lease liability using the HM Treasury discount rates widely published as the incremental borrowing rate. For the one LGSCO lease that commenced in the 2024 calendar year, this rate was 4.72%.

As permitted by the FreM, right of use assets are subsequently measured using the cost model as a proxy for the measurement of the current value in existing use.



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## 1.12 Financial Instruments

### *Financial assets*

Financial assets are recognised when the Commission becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value.

Financial assets are classified into the following categories: financial assets at fair value through other comprehensive income and financial assets at amortised cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Commission currently only holds cash deposits with its bankers, Lloyds Bank PLC.

### *Financial Assets at Amortised Cost*

These are non derivative financial assets with fixed or determinable payments which are quoted in an active market. They are measured at amortised cost less any impairment.

### *Financial liabilities*

Financial liabilities are recognised in the Statement of Financial Position when the Commission becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are derecognised when the liability has been discharged, that is, the liability has been paid or has expired.

Financial liabilities are classified as either financial liabilities at fair value through profit and loss or financial liabilities at amortised cost.

Financial liabilities are initially recognised at fair value.

## 1.13 Changes in Accounting Policy

The Commission has considered, in accordance with IAS 8, whether there have been any changes to accounting policies arising from IFRS and the FReM which have an impact on the current or prior period, or may have an effect on future periods. The Commission has also reviewed any new or amended standards issued by the International Accounting Standards Board (IASB) but not yet effective, to determine if it needs to make any disclosures in respect of those new IFRSs that are or will be applicable.

There were no changes in accounting policy during 2024-25. The Commission does not believe there are any changes to accounting policies that may have an impact on future periods.

## 1.14 Impacts of Standards in issue but not yet effective

IAS 8 requires disclosures in respect of new IFRS, amendments and interpretations that are, or will be applicable after the reporting period.

**IFRS17 – Insurance contracts:** This standard replaces IFRS 4 and will be adopted and interpreted in the FReM on 1 April 2025. The standard applies to issued insurance contracts and the reporting of these in the financial statements to provide comparability and increase transparency. It is expected there will be no impact on the 2025-26 accounts as the Commission does not hold any such arrangements.

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No new accounting standards or revisions to existing standards have been adopted early by LGSCO in 2024-25.

### ***Financial Reporting Manual (FreM)***

Every year HM Treasury issues a new FreM, which interprets IFRS for the public sector. There have been no changes in the FReM that would impact on the Commission's accounting policies.

In December 2023, HM Treasury released an exposure draft on potential changes to make to valuing and accounting for non-investment assets (for example, property, plant and equipment (PPE), intangible assets).

The following changes to the valuation and accounting of non-investment assets is to be included in the 2025-26 FReM for mandatory implementation: references to assets being held for their 'service potential' and the terms 'specialised/non-specialised' assets are being removed from the FReM. Non-investment assets are instead described as assets held for their 'operational capacity'. This change has no impact on the valuation basis of non-investment assets, which remains Existing Use Value.

## **1.15 Provisions**

The Commission provides for obligations arising from past events where there is a present obligation at the date of the Statement of Financial Position, if it is probable that we will be required to settle the obligation and a reliable estimate can be made, in line with the requirements of IAS 37.

## 2. Grant in Aid

The Commission received funding of £12,500,000 from MHCLG in 2024-25 (2023-24: £11,590,000). Grant-in-Aid is accounted for in the Statement of Changes in Taxpayers' Equity, as discussed in note 1.4.

|       | 2025<br>£000  | 2024<br>£000  |
|-------|---------------|---------------|
| MHCLG | 12,500        | 11,590        |
|       | <b>12,500</b> | <b>11,590</b> |

| Represented by: | 2025<br>£000  | 2024<br>£000  |
|-----------------|---------------|---------------|
| Revenue         | 12,470        | 11,515        |
| Capital         | 30            | 75            |
|                 | <b>12,500</b> | <b>11,590</b> |

## 3. Operating income

|                             | 2025<br>£000 | 2024<br>£000 |
|-----------------------------|--------------|--------------|
| Complaint handling training | 64           | 81           |
| Bank deposit interest       | 97           | 90           |
| <b>Total</b>                | <b>161</b>   | <b>171</b>   |

## 4.1 Staff costs

|                           | 2025<br>£000  | 2024<br>£000  |
|---------------------------|---------------|---------------|
| Wages & salaries          | 9,283         | 8,640         |
| Social security           | 1,066         | 986           |
| Other pension costs*      | 460           | 431           |
|                           | <b>10,809</b> | <b>10,057</b> |
| Temporary staff           | -             | 4             |
|                           | 10,809        | 10,061        |
| Indirect staffing costs** | 137           | 64            |
| <b>Total</b>              | <b>10,946</b> | <b>10,125</b> |

Analysis of Commissioners'/ Senior managements' salaries can be found in the [Remuneration and Staff report](#).

\* This is the cost of the contributions by the employer and includes £935 (2023-24: £11,210) relating to pension payments to a surviving widow of a retired Local Government Ombudsman. In 2024-25, Employer Pension Contributions were comprised of a variable element equal to 5.0% of pensionable salary (2023-24: 5.0%). 2024-25 was the second year of a three-year schedule of contributions defined by the scheme's actuary.

\*\* This is related to training costs, payroll bureau fees and staff recruitment costs.

## 4.2 Pension loss

|   | 2025<br>£000 | 2024<br>£000 |
|---|--------------|--------------|
| Current service costs                         | 1,542        | 1,538        |
| Past service costs,<br>including curtailments | -            | -            |
| Administration expenses                       | 33           | 31           |
| Contributions by the<br>employer*             | (457)        | (418)        |
| <b>Total</b>                                  | <b>1,118</b> | <b>1,151</b> |

\* The cost of the contributions by the employer are included in other pension costs in note 4.1.

## 4.3 Reporting of compensation schemes - exit packages

The reporting of [compensation schemes - exit packages](#) can be found in the [Remuneration and Staff Report](#). There were none in 2024-25 (2023-24: nil).

## 4.4 Staff numbers

Information about staff numbers can be found in the [Remuneration and Staff Report](#).

## 5. Operating expenditure

### 5.1 Accommodation costs

|                   | 2025<br>£000 | 2024<br>£000 |
|-------------------|--------------|--------------|
| Rent              | (29)         | (1)          |
| Office relocation | (9)          | 81           |
| Health & safety   | 16           | 11           |
|                   | <b>(22)</b>  | <b>91</b>    |

Rent is shown as income in 2025 because of the reversal of an accrual made in previous years which is no longer required.

### 5.2 Office expenses

|                                       | 2025<br>£000 | 2024<br>£000 |
|---------------------------------------|--------------|--------------|
| Computers & telephone                 | 600          | 556          |
| Insurance & other office<br>expenses  | 19           | 20           |
| Loss on sale of non-current<br>assets | -            | -            |
| Furniture & equipment rental          | 25           | 19           |
| Postage & stationery                  | (27)         | 8            |
|                                       | <b>617</b>   | <b>603</b>   |

Postage & stationery is shown as income in 2025 because of the reversal of an accrual made in previous years which is no longer required.

### 5.3 Professional costs

|                                   | 2025<br>£000 | 2024<br>£000 |
|-----------------------------------|--------------|--------------|
| Legal & litigation                | 301          | 309          |
| External audit                    | 68           | 65           |
| Internal audit                    | 26           | 41           |
| Commission fees                   | 18           | 18           |
| Professional fees & subscriptions | 64           | 71           |
| Publicity & research              | 90           | 77           |
|                                   | <b>567</b>   | <b>581</b>   |

No remuneration was paid to the external auditors for non-audit work in 2024-25 (2023-24: nil).

Amounts paid under operating leases and included within accommodation costs and office expenses above, are:

### 5.4 Short-term lease expenditure

|           | 2025<br>£000 | 2024<br>£000 |
|-----------|--------------|--------------|
| Buildings | -            | -            |
| Other     | 1            | 1            |
|           | <b>1</b>     | <b>1</b>     |

## 6. Net interest costs

|  | Note  | 2025<br>£000 | 2024<br>£000 |
|--|-------|--------------|--------------|
| Interest on pension fund assets        | 16.8i | (5,355)      | (4,916)      |
| Interest on pension fund liabilities   | 16.8h | 4,441        | 4,325        |
| Notional interest on lease liabilities |       | 28           | 7            |
|  |       | <b>(886)</b> | <b>(584)</b> |

## 7. Plant and Equipment

|                         | Furniture<br>& fittings<br>£000 | Information<br>technology<br>£000 | Total<br>£000 |
|-------------------------|---------------------------------|-----------------------------------|---------------|
| <b>Cost</b>             |                                 |                                   |               |
| At 01 April 2024        | 23                              | 79                                | 102           |
| Additions               | -                               | -                                 | -             |
| Disposals               | -                               | (31)                              | (31)          |
| <b>At 31 March 2025</b> | <b>23</b>                       | <b>48</b>                         | <b>71</b>     |
| <b>Depreciation</b>     |                                 |                                   |               |
| At 01 April 2024        | 5                               | 37                                | 42            |
| Charge for the year     | 3                               | 11                                | 14            |
| Disposals               | -                               | (31)                              | (31)          |
| <b>At 31 March 2025</b> | <b>8</b>                        | <b>17</b>                         | <b>25</b>     |
| <b>Cost</b>             |                                 |                                   |               |
| At 01 April 2023        | 93                              | 129                               | 222           |
| Additions               | 18                              | -                                 | 18            |
| Disposals               | (88)                            | (50)                              | (138)         |
| <b>At 31 March 2024</b> | <b>23</b>                       | <b>79</b>                         | <b>102</b>    |
| <b>Depreciation</b>     |                                 |                                   |               |
| At 01 April 2023        | 93                              | 64                                | 157           |
| Charge for the year     | -                               | 23                                | 23            |
| Disposals               | (88)                            | (50)                              | (138)         |
| <b>At 31 March 2024</b> | <b>5</b>                        | <b>37</b>                         | <b>42</b>     |
| <b>Net Book Value</b>   |                                 |                                   |               |
| <b>At 31 March 2024</b> | <b>18</b>                       | <b>42</b>                         | <b>60</b>     |
| <b>At 31 March 2025</b> | <b>15</b>                       | <b>31</b>                         | <b>46</b>     |

No amounts are included above in respect of right of use assets under IFRS16 (see Note 9) and all amounts relate to externally generated assets. All assets are owned by the Commission.

## 8. Intangible assets

|                         | Software<br>£000 | Total<br>£000 |
|-------------------------|------------------|---------------|
| <b>Cost</b>             |                  |               |
| At 01 April 2024        | 633              | 633           |
| Additions               | 19               | 19            |
| Disposals               | -                | -             |
| <b>At 31 March 2025</b> | <b>652</b>       | <b>652</b>    |

|                         |            |            |
|-------------------------|------------|------------|
| <b>Amortisation</b>     |            |            |
| At 01 April 2024        | 549        | 549        |
| Charge for the year     | 42         | 42         |
| Disposals               | -          | -          |
| <b>At 31 March 2025</b> | <b>591</b> | <b>591</b> |

|                              |            |            |
|------------------------------|------------|------------|
| <b>Cost</b>                  |            |            |
| At 01 April 2023             | 625        | 625        |
| Additions                    | 44         | 44         |
| Disposals                    | (36)       | (36)       |
| <b>Cost at 31 March 2024</b> | <b>633</b> | <b>633</b> |

|                         |            |            |
|-------------------------|------------|------------|
| <b>Amortisation</b>     |            |            |
| At 01 April 2023        | 528        | 528        |
| Charge for the year     | 57         | 57         |
| Disposals               | (36)       | (36)       |
| <b>At 31 March 2024</b> | <b>549</b> | <b>549</b> |

|                         |           |           |
|-------------------------|-----------|-----------|
| <b>Net Book Value</b>   |           |           |
| <b>At 31 March 2024</b> | <b>84</b> | <b>84</b> |
| <b>At 31 March 2025</b> | <b>61</b> | <b>61</b> |

All intangible assets held by the Commission are externally developed software or software licenses. No amounts are included in respect of right of use assets under IFRS16 (see Note 9) and all amounts relate to externally generated intangible assets or software licenses.

## 9. Right of Use assets

Right of use assets represent the right to direct the use of an underlying asset arising as a result of a lease. LGSCO does not own the underlying assets (which are all part of the Government property estate) but recognises the value of the right of use in accordance with IFRS16.

|                         | Land and Buildings<br>£000 | Total<br>£000 |
|-------------------------|----------------------------|---------------|
| <b>Cost</b>             |                            |               |
| At 01 April 2024        | 1,894                      | 1,894         |
| Additions               | -                          | -             |
| Disposals               | -                          | -             |
| <b>At 31 March 2025</b> | <b>1,894</b>               | <b>1,894</b>  |

|                         |              |              |
|-------------------------|--------------|--------------|
| <b>Depreciation</b>     |              |              |
| At 01 April 2024        | 601          | 601          |
| Charge for the year     | 411          | 411          |
| Disposals               | -            | -            |
| <b>At 31 March 2025</b> | <b>1,012</b> | <b>1,012</b> |

|                         |              |              |
|-------------------------|--------------|--------------|
| <b>Cost</b>             |              |              |
| At 1 April 2023         | 1,542        | 1,542        |
| Additions               | 689          | 689          |
| Disposals               | (337)        | (337)        |
| <b>At 31 March 2024</b> | <b>1,894</b> | <b>1,894</b> |

|                         |            |            |
|-------------------------|------------|------------|
| <b>Depreciation</b>     |            |            |
| At 1 April 2023         | 510        | 510        |
| Charge for the year     | 428        | 428        |
| Disposals               | (337)      | (337)      |
| <b>At 31 March 2024</b> | <b>601</b> | <b>601</b> |

|                         |              |              |
|-------------------------|--------------|--------------|
| <b>Net Book Value</b>   |              |              |
| <b>At 31 March 2024</b> | <b>1,293</b> | <b>1,293</b> |
| <b>At 31 March 2025</b> | <b>882</b>   | <b>882</b>   |

## 10. Trade and other receivables

|                      | 2025<br>£000 | 2024<br>£000 |
|----------------------|--------------|--------------|
| Trade receivables    | 3            | 2            |
| Recoverable fees     | 65           | -            |
| Deposits & advances* | 8            | 6            |
| VAT receivable       | 89           | 114          |
| Prepayments          | 340          | 282          |
|                      | <b>505</b>   | <b>404</b>   |

\* Deposits and advances includes staff travel advances - £3,950 (2024: £4,400).

## 11. Cash and cash equivalents

|                          | 2025<br>£000 | 2024<br>£000 |
|--------------------------|--------------|--------------|
| Bank deposit accounts    | 3,000        | 2,921        |
| Cash at bank and in hand | 62           | 502          |
|                          | <b>3,062</b> | <b>3,423</b> |

Cash and cash equivalents are represented by balances held at commercial banks.

Part of the cash balance represents the cumulative surplus of income over expenditure under a previous grant funding arrangement, held in the [General Fund](#).

The Commission requires approval from MHCLG to utilise this fund.



## 12. Trade and other payables

### Current Trade and other payables

|                            | 2025<br>£000 | 2024<br>£000 |
|----------------------------|--------------|--------------|
| Trade payables             | 227          | 338          |
| Other payables             | 246          | 343          |
| Accruals & deferred income | 1,078        | 1,196        |
|                            | <b>1,551</b> | <b>1,877</b> |

## 13. Lease Liability

The lease liability amounts recognised in the statement of financial position are as follows:

|  | 2025<br>£000 | 2024<br>£000 |
|--|--------------|--------------|
| <b>At 01 April</b>                             | 1,313        | 1,052        |
| Additions                                      | -            | 689          |
| Less payments during the year                  | (428)        | (435)        |
| Interest charge for the year                   | 28           | 7            |
| <b>At 31 March</b>                             | <b>913</b>   | <b>1,313</b> |
| <b>Lease Liability</b>                         |              |              |
| Not later than one year                        | 217          | 427          |
| Later than one year and not later than 5 years | 688          | 783          |
| Later than 5 years                             | 85           | 207          |
|  | <b>990</b>   | <b>1,417</b> |
| Less interest element                          | (77)         | (104)        |
| <b>Present value of obligations</b>            | <b>913</b>   | <b>1,313</b> |

## 14. Provisions

|                            | 2025<br>£000 | 2024<br>£000 |
|----------------------------|--------------|--------------|
| Balance at 01 April        | 36           | 45           |
| Utilised                   | (11)         | (9)          |
| Provided in year           | 17           | -            |
| Written back               | -            | -            |
| <b>Balance at 31 March</b> | <b>42</b>    | <b>36</b>    |
|                            | 2025<br>£000 | 2024<br>£000 |
| <b>Balance at 31 March</b> | <b>£000</b>  | <b>£000</b>  |
| Current                    | 12           | 9            |
| Non-current                | 30           | 27           |
|                            | <b>42</b>    | <b>36</b>    |

The Commission has no potential dilapidation liabilities associated with its estates portfolio at 31 March 2025. The Commission occupies three properties which are part of the Government estate under Memorandums of Terms of Occupation (MOTOs) where there is no liability for dilapidations.

Flood damage occurred at the York office in 2016 and a provision had been created for the Commission's estimated share of the landlord's repair cost. The provision balance at 31 March 2025 is £27,000 and this will be released over the remaining three years of the lease.

In addition, a provision was created during 2024-25 for a rent-free period for the lease of the Coventry office and this will be released over the life of the lease in the next five years.

## 15. Other Non-current lease liabilities

|                        | 2025 | 2024 |
|------------------------|------|------|
| Balance at 31 March    | £000 | £000 |
| Right of use liability | 696  | 887  |

This is the discounted liability falling due after more than one year to the end of the lease terms (in relation to accommodation costs at our three offices) in respect of Right of Use assets. There is also a short term liability (see Note 13) for these assets.

The following table sets out the maturity analysis of non-current lease liabilities, showing the discounted lease payments to be paid after the reporting date:

|   | 2025       | 2024       |
|---|------------|------------|
| Balance at 31 March                               | £000       | £000       |
| Later than one year and not later than five years | 614        | 726        |
| Later than five years                             | 82         | 161        |
| <b>Present value of obligations</b>               | <b>696</b> | <b>887</b> |

## 16. Pension scheme

16.1 The Ombudsman and LGSCO staff belong to the Local Government Pension Scheme (LGPS) which is a defined benefit (final salary and career average) scheme, administered by the Local Pensions Partnership Administration (LPPA). No enhanced terms apply to either Local Commissioners or senior staff. The scheme is a multi-employer scheme and the fund within the LGPS that the Ombudsman and staff belong to is the London Pension Fund Authority (LPFA). The Commission's share of LPFA assets and liabilities can be identified.

16.2 The Commission paid employer's superannuation contributions to this scheme on behalf of both Local Commissioners and staff at the rate of 5.0% of pensionable remuneration (2023-24: 5.0%). The total paid during 2024-25 was £458,710 (2023-24: £419,454).

There were no payments in respect of curtailments and settlements arising from redundancies made in the year (2023-24: nil). The employer's and employee's contribution rate are fixed following actuarial assessments every three years. The triennial valuation at 31 March 2022 has determined that the Employer's rate is reduced to 5.0% for the three years commencing 2023-24.

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.

16.3 The pension arrangements for the Local Commissioners and Commission staff are subject to the agreement of the Minister for Housing, Communities and Local Government. She has agreed that the arrangements should be part of the LGPS. Accordingly, this scheme forms the basis of the current terms and conditions of

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Local Commissioners and Commission staff. Any changes to the scheme to alleviate any potential future deficit (refer to subsequent tables for details) such as by increasing the pension age or increasing employee contributions, would be a matter for national negotiations and Government action. As a relatively small employer, the Commission is not in a position to exert significant influence on this matter.

The Commission's Fund is currently managed by the LPPA; the relevant Commission officers take up opportunities provided by LPPA for consultation and scrutiny; the Accounting Officer has considered the possibility of transferring the Commission's funds to a different authority but, at present, she considers LPPA's asset management to be competitive and in any case this is not permissible under the LGPS rules.

16.4 On 28 June 1993 by virtue of Statutory Instrument 1993 No 1367, Local Ombudsmen became eligible to join the Local Government Scheme and their previous individual superannuation arrangements were closed by transfer of service to the Scheme operated by the LPPA. These transfer arrangements did not provide for Local Ombudsmen who had already retired. The pension of a surviving widow of one such Local Ombudsman remains the responsibility of the Commission and is met through the Statement of Net Comprehensive Expenditure, the payment during 2024-25 amounting to £935 (2023-24: £11,210).

16.5 In December 2018, the Court of Appeal ruled against the Government in two cases: *Sargeant and others v London Fire and Emergency Planning Authority* [2018] UKEAT/0116/17/LA and *McCloud and others v Ministry of Justice* [2018] UKEAT/0071/17/LA. The cases related to the Firefighters' Pension Scheme (Sargeant) and to the Judicial Pensions Scheme (McCloud). For the purposes of the LGPS, these cases are known together as 'McCloud'. The court held that transitional protections, afforded to older members when

the reformed schemes were introduced in 2015, constituted unlawful age discrimination.

In June 2019, the Supreme Court denied the Government's request for an appeal and the Government released a statement in July 2019 to confirm that it expects to have to amend all public service schemes, including LGPS. In July 2020 the Government published a consultation on the proposed remedy to be applied to LGPS benefits in response to the McCloud case. The consultation closed in October 2020 and regulations in respect of the McCloud and Sargeant judgements came into force on 1 October 2023. The ruling results in a liability for LGSCO to LGPS and an allowance for the McCloud remedy has been included in the pension liabilities.

16.6 The Scheme continues to consider the potential impact of the High Court & Court of Appeal judgments in the Virgin Media (VM) litigation. The VM litigation relates to amendments made to private sector and not public service schemes and as a result it does not expressly deal with whether s37 confirmations are required for relevant amendments made to public service schemes.

Public service scheme amendments during the relevant period would have been made by legislation (i.e by primary legislation or regulations). The general position in public law is that legislation remains valid law until it is revoked or repealed by subsequent legislation or in the case of regulations specifically declared void by a court. The Scheme therefore continues to administer benefits and recognise liabilities in accordance with the relevant scheme regulations currently in force.

16.7 Further commentary is available in the [Directors' Report](#) including a table showing estimates of the pension surplus / deficit on three different bases.

16.8 Disclosures as required by IAS 19 are below.

The tables and notes below were provided by the scheme actuary and the Commission is content that they fairly present the most appropriate assumptions to be applied and the estimated assets and liabilities and the actuarial gain for 2024-25 for the scheme.

### a. Financial assumptions

| Year ended:                      | 31 March<br>2025<br>%pa | 31 March<br>2024<br>%pa |
|----------------------------------|-------------------------|-------------------------|
| Inflation/pension increase (CPI) | 2.90                    | 2.90                    |
| Salary increase rate             | 3.90                    | 3.90                    |
| Pension increases                | 2.90                    | 2.90                    |
| Discount rate                    | 5.80                    | 4.90                    |

### b. Demographic assumptions

| Life expectancy in years from age 65 | 2025 | 2024 |
|--------------------------------------|------|------|
| Retiring today - males               | 22.1 | 22.1 |
| Retiring today - females             | 24.2 | 24.2 |
| Retiring in 20 years - males         | 22.4 | 22.4 |
| Retiring in 20 years - females       | 25.6 | 25.6 |

The actuary has adopted demographic assumptions which are consistent with those used for the funding valuation as at 31 March 2022. The post retirement mortality is based on Club Vita mortality analysis which has been projected using the CMI\_2023 model and allowing for a long-term rate of improvement of 1.25%, smoothing parameter of 7.0, an initial addition to improvements of 0.0% p.a and a 2022 weighting of 15% and a 2023 weighting of 15%.

The actuary also made the following assumptions:

- > that members will exchange pension to get half of the maximum available cash at retirement;
- > that active members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age; and
- > that the proportion of the membership that had taken up the option under the new LGPS to pay 50% of contributions for 50% of benefits at the previous valuation date will remain the same.

The actuary is not required to disclose an expected return assumption for the year to 31 March 2026.

### c. Estimated asset allocation

| Year ended          | 31 March 2025<br>% | 31 March 2024<br>% |
|---------------------|--------------------|--------------------|
| Equities            | 59                 | 61                 |
| Target return funds | 18                 | 17                 |
| Infrastructure      | 11                 | 11                 |
| Property            | 9                  | 9                  |
| Cash                | 2                  | 2                  |
| <b>Total</b>        | <b>100</b>         | <b>100</b>         |

Note that individual percentages shown are to the nearest percentage point for each asset class and so may not add up to 100%.

### d. Fair value of employer assets - Commission share

|                     | 31 March 2025<br>£000 | 31 March 2024<br>£000 |
|---------------------|-----------------------|-----------------------|
| Equities            | 65,893                | 66,970                |
| Target return funds | 20,290                | 19,082                |
| Infrastructure      | 12,743                | 12,707                |
| Property            | 10,183                | 10,119                |
| Cash                | 2,613                 | 1,733                 |
| <b>Total</b>        | <b>111,722</b>        | <b>110,611</b>        |

The Commission's share of the assets of the total fund is approximately 1.38%.

The return on the Fund (on a bid value to bid value basis) for the year to 31 March 2025 is 3.11% (2023-24: 9.34%) as advised by the Fund.

### e. Amounts recognised in the Statement of Financial Position

| Year ended                                  | Note          | 31 March 2025<br>£000 | 31 March 2024<br>£000 |
|---|---------------|-----------------------|-----------------------|
| Fair value of employer assets               | 16.8d & 16.8i | 111,722               | 110,611               |
| Present value of funded obligation          | 16.8h         | (82,693)              | (92,174)              |
| Net asset/ (liability) before asset ceiling |               | 29,029                | 18,437                |
| Impact of asset ceiling                     |               | (29,029)              | -                     |
| <b>Net asset/ (liability)</b>               |               | <b>-</b>              | <b>18,437</b>         |

The surplus/(deficit) is calculated using a range of assumptions chosen by management, with advice from the actuary, in accordance with International Accounting Standards (IAS 19). These assumptions are more conservative than those used to calculate the deficit on the basis used for the purposes of calculating future contribution rates. Based upon advice from the actuaries, the Executive Directors estimate that at 31 March 2025 on this basis the fund has a surplus of approximately £ 20.2m (2024: £18.8m).

The Commission assesses on an annual basis whether a pension surplus should be recognised under IFRIC 14. This assessment is based on calculations performed by the scheme Actuary. For 2024-25 this assessment has determined that an asset ceiling applies, so the surplus has not been recognised, resulting in an actuarial loss of £29.0m in the year.

## f. Amounts charged in the Statement of Comprehensive Net Expenditure

| Year ended                                    | 31 March<br>2025<br>£000 | 31 March<br>2024<br>£000 |
|---|--------------------------|--------------------------|
| Service cost*                                 | 1,542                    | 1,538                    |
| Net interest on the defined liability (asset) | (914)                    | (591)                    |
| Administration expenses                       | 33                       | 31                       |
| <b>Total</b>                                  | <b>661</b>               | <b>978</b>               |

\* Service cost is the estimated additional Employer's pension liability arising in year as a result of scheme members accruing additional pension benefits through membership for the period.

The Commission is committed to managing and funding the pension scheme, working with the sponsor Department, who are the ultimate guarantor of the LGSCO scheme.

## g. Remeasurements and other comprehensive income

| Year ended   | Note  | 31 March<br>2025<br>£000 | 31 March<br>2024<br>£000 |
|--|-------|--------------------------|--------------------------|
| Return on Fund assets in excess of interest          | 16.8i | (1,538)                  | 4,648                    |
| Other actuarial gains/(losses) on assets             | 16.8i | -                        | -                        |
| Changes in financial assumptions                     | 16.8h | 11,909                   | 1,423                    |
| Changes in demographic assumptions                   | 16.8h | 216                      | 1,091                    |
| Experience gain/(loss) on defined benefit obligation | 16.8h | 209                      | (274)                    |
| Changes in impact of asset ceiling                   |       | (29,029)                 | -                        |
| <b>Pension fund actuarial (loss)/gain</b>            |       | <b>(18,233)</b>          | <b>6,888</b>             |

Changes to the financial assumptions have decreased the present value of scheme liabilities by £11.9m at 31 March 2025 (31 March 2024: decrease of £1.4m).

The Commission has assessed whether a pension surplus should be recognised under IFRIC 14 and determined that an asset ceiling applies, so the surplus has not been recognised and shows as an actuarial loss of £29.0m in the year.

## h. Reconciliation of defined benefit obligation - Commission share

| Year ended   | 31 March<br>2025<br>£000 | 31 March<br>2024<br>£000 |
|--|--------------------------|--------------------------|
| <b>Opening defined benefit obligation</b>            | <b>92,174</b>            | <b>91,616</b>            |
| Current service cost                                 | 1,542                    | 1,538                    |
| Interest cost  | 4,441                    | 4,325                    |
| Change in financial assumptions                      | (11,909)                 | (1,423)                  |
| Change in demographic assumptions                    | (216)                    | (1,091)                  |
| Experience loss/(gain) on defined benefit obligation | (209)                    | 274                      |
| Estimated benefits paid                              | (3,768)                  | (3,698)                  |
| Past service costs, including curtailments           | -                        | -                        |
| Contributions by members                             | 638                      | 633                      |
| <b>Closing defined benefit obligation</b>            | <b>82,693</b>            | <b>92,174</b>            |

## i. Reconciliation of fair value of employer assets - CLAE share

| Year ended                                   | 31 March<br>2025<br>£000 | 31 March<br>2024<br>£000 |
|--|--------------------------|--------------------------|
| <b>Opening fair value of employer assets</b> | <b>110,611</b>           | <b>103,725</b>           |
| Interest on assets                           | 5,355                    | 4,916                    |
| Return on assets less interest               | (1,538)                  | 4,648                    |
| Other actuarial gains/(losses)               | -                        | -                        |
| Administration expenses                      | (33)                     | (31)                     |
| Contributions by the employer                | 457                      | 418                      |
| Contributions by members                     | 638                      | 633                      |
| Estimated benefits paid                      | (3,768)                  | (3,698)                  |
| <b>Closing fair value of employer assets</b> | <b>111,722</b>           | <b>110,611</b>           |

## j. Reconciliation of funded status to Statement of Financial Position

|   | 31 March<br>2025<br>(£000) | 31 March<br>2024<br>(£000) | 31 March<br>2023<br>(£000) | 31 March<br>2022<br>(£000) | 31 March<br>2021<br>(£000) |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Fair value of assets                        | 111,722                    | 110,611                    | 103,725                    | 103,886                    | 90,683                     |
| Present value of defined benefit obligation | (82,693)                   | (92,174)                   | (91,616)                   | (130,489)                  | (131,159)                  |
| Asset ceiling                               | (29,029)                   | -                          | -                          | -                          | -                          |
| <b>Net Asset/(liability)</b>                | <b>-</b>                   | <b>18,437</b>              | <b>12,109</b>              | <b>(26,603)</b>            | <b>(40,476)</b>            |

The Commission has assessed whether a pension surplus should be recognised under IFRIC 14 and determined that an asset ceiling applies at 31 March 2025, so the surplus has not been recognised.



## k. Sensitivity analysis

|   | £000   | £000   | £000   |
|---|--------|--------|--------|
| Adjustment to discount rate                 | +0.1%  | 0.0%   | -0.1%  |
| Present value of defined benefit obligation | 81,573 | 82,693 | 83,838 |
| Projected service cost                      | 1,077  | 1,117  | 1,158  |

|   |        |        |        |
|---|--------|--------|--------|
| Adjustment to long term salary increase | +0.1%  | 0.0%   | -0.1%  |
| Present value of total obligation       | 82,799 | 82,693 | 82,587 |
| Projected service cost                  | 1,117  | 1,117  | 1,117  |

|  |        |        |        |
|--|--------|--------|--------|
| Adjustment to pension increases and deferred revaluation | +0.1%  | 0.0%   | -0.1%  |
| Present value of total obligation                        | 83,763 | 82,693 | 81,646 |
| Projected service cost                                   | 1,160  | 1,117  | 1,076  |

|   |         |        |         |
|---|---------|--------|---------|
| Adjustment to life expectancy assumption    | +1 year | None   | -1 year |
| Present value of defined benefit obligation | 85,516  | 82,693 | 79,972  |
| Projected service cost                      | 1,158   | 1,117  | 1,077   |

The valuation of pension fund liabilities is based on a range of actuarial assumptions and may be highly sensitive to changes in these assumptions, in particular to changes in the discount rate, long term salary increases, pension increases and mortality assumptions. The table above illustrates the potential impact of small changes in these assumptions.

## l. Projected pension expense for the year to 31 March 2026

| Projections for the year to 31 March 2026      | £000         |
|--|--------------|
| Service cost                                   | 1,117        |
| Net interest on the defined liability/ (asset) | (12)         |
| Administration expenses                        | 33           |
| <b>Total</b>                                   | <b>1,138</b> |
| <b>Employer contributions</b>                  | <b>435</b>   |

The LPFA prepares its own scheme statements which are available to download from:

<https://www.lpfa.org.uk/library/our-performance/annual-reports>

Estimated employer's contributions for 2025-26 are £435,000 (2024-25: £413,000).

## 17. Financial Instruments and related risks

In accordance with Treasury guidance and IFRS7 the Commission's accounts must contain disclosures of financial instruments (financial assets and liabilities).

The Commission's principal financial instrument is cash to provide working capital for the organisation's operations.

Other financial instruments are receivables and payables arising from operations.

The main risks arising from the organisation's financial instruments are as follows:

### Credit Risk

The Commission is exposed to credit risk arising from its Trade and Other Receivables, whereby there is a risk that counterparties will not settle outstanding amounts as they fall due. Of the total financial assets included within trade and other receivables, £88,697 is due from HMRC (2024: £114,665). A further amount of £7,740 is due from current employees of the Commission and is to be collected through regular payroll deductions (2024: £5,771). The credit risk arising from these balances is not considered to be significant.

### Market Risk

The Commission's deposits are held at variable interest rates which give rise to the risk that returns may vary in line with market interest rates. The potential effect of a 1% change in interest rates is shown below. The nature of the Commission's deposit accounts does not expose it to fluctuations in capital values, with the exception of credit risk as described above.

|  | 2025  | 2024  |
|--|-------|-------|
|  | £000  | £000  |
| Value of interest yielding deposits at 31 March  | 3,062 | 3,423 |
| Income effect of a 1% increase in interest rates | 30    | 34    |
| Income effect of a 1% decrease in interest rates | (30)  | (34)  |

### Liquidity Risk

The Commission considers liquidity risk to be minimal due to it being Grant-in-Aid funded. It maintains its surplus funds in bank deposit accounts which provide for instant access or short notice withdrawals.

These deposits totalled £3,062,069 (2024: £3,422,514). As a result of these policies, the Commission does not feel that it is exposed to significant liquidity risk arising from its financial instruments.

### Fair Value

Due to the nature of financial assets and liabilities held by the Commission, there is not considered to be any significant difference between the carrying amount and the fair value of any of the financial instruments held.

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## 18. Significant lease arrangements

During 2024-25, the Commission occupied three premises within the Government estate, each under a Memorandum of Terms of Occupation (MOTO).

In accordance with IFRS16, at 31 March 2025 all three offices were treated as right of use assets (note 9) with a corresponding lease liability (note 13).

The office in Coventry has a lease expiry in 2030, whilst the York office has a lease expiry in 2028. The lease for the London office expired on 1 April 2025 but has been extended to 2027.

## 19. Other financial and capital commitments

The Commission has no non-cancellable contracts (which are not leases or PFI contracts) at 31 March 2025 (2024: £nil).

The Commission has no contractual commitments to expenditure on non-current assets at 31 March 2025 (2024: £nil).

## 20. Related Party Transactions

The Commission for Local Administration in England is an independent body established under Part III of the Local Government Act 1974. The Commission is principally funded by way of Grant-in-Aid from MHCLG and MHCLG is regarded as a related party. During the year, the Commission received Grant-in-Aid from MHCLG. Note 2 discloses the amounts.

The Commission occupies three Government-owned properties and pays a material rent charge for each. There are premises in Coventry and London where GPA (Government Property

Agency) acts as the landlord and in addition the Commission's York office is located in premises where MHCLG acts as landlord. MHCLG and GPA are regarded as related parties..

The Commission has continued to work with the Parliamentary and Health Service Ombudsman (PHSO) during the year handling joint complaints.

The Commission has had a significant number of material transactions with His Majesty's Revenue and Customs (HMRC), all of which are in relation to VAT and payroll taxes in the normal course of business. HMRC is regarded as a related party.

The Ombudsman, Amerdeep Clarke is also a Board member at PHSO and Paula Sussex (appointed as PHSO on 26 June 2025) is an ex-officio member of the Commission. Rebecca Hilsenrath, the interim PHSO who preceded Paula Sussex, was also an ex officio member of the Commission, PHSO is regarded as a related party. There have been no financial transactions with PHSO in 2024-25. Senior officials' pay is disclosed in the [Remuneration and Staff Report](#).

No Minister, Commission Member, key manager or other related parties has undertaken any material transactions with the Commission during the year.

Under IAS 24, the Local Government Pension Scheme is defined as a related party to the Commission. For details of transactions with this body, refer to [note 16](#).

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## **21. Contingent assets and liabilities**

There are no contingent assets nor liabilities at 31 March 2025 (2024: nil).

## **22. Events after the reporting period date**

There were no significant events after the reporting period date requiring disclosure.

# Accounts direction for the Commission for Local Administration in England

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## ACCOUNTS DIRECTION GIVEN BY THE SECRETARY OF STATE FOR COMMUNITIES AND LOCAL GOVERNMENT WITH THE CONSENT OF THE TREASURY

1. The annual accounts and financial statements of the Commission for Local Administration in England (hereafter in this accounts direction referred to as "The Commission") shall give a true and fair view of the income and expenditure and cash flows for the financial year and the state of affairs at the year-end. Subject to this requirement, the financial statements and accounts for 2014/15 and for subsequent years shall be prepared in accordance with:

- (a) the accounting and disclosure requirements given in the Government Financial Reporting Manual issued by the Treasury ("the FReM") as amended or augmented from time to time, and subject to Schedule 1 of this direction;
- (b) any other relevant guidance that the Treasury may issue from time to time;
- (c) any other specific disclosure requirements of the Secretary of State;

insofar as these requirements are appropriate to the Commission and are in force for the period for which the accounts are prepared, and except where agreed otherwise with the Secretary of State and the Treasury, in which case the exception shall be described in the notes to the accounts.

2. Schedule 1 to this direction gives clarification of the application of the accounting and disclosure requirements of the Companies Act and accounting standards and also gives any exceptions to standard HM Treasury requirements.

3. This direction shall be reproduced as an appendix to the accounts.

4. This direction replaces all previously issued directions.

Signed by authority of the Secretary of State

David Kuenssberg

Signed by an officer in the Department for Communities and Local Government

Date 3rd July 2014

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## SCHEDULE 1

The accounts for the period ended 31/03/2015 shall be signed and dated by the Accounting Officer.

### ADDITIONAL DISCLOSURE REQUIREMENTS

The following information shall be disclosed in the Annual Accounts and Financial Statements, as a minimum, and in addition to the information required to be disclosed by paragraph 1 of this direction.

(a) an analysis of grants from:

- (i) government departments
- (ii) European Community funds
- (iii) other sources identified as to each source;

(b) an analysis the total amount of grant from the Department for Communities and Local Government, showing how the grant was used;

(c) an analysis of grants included as expenditure in the income and expenditure account and a statement of the total value of grant commitments not yet included in the income and expenditure account;

(d) details of employees, other than board members, showing:

- (i) the average number of persons employed during the year, including part-time employees, agency or temporary staff and those on secondment or loan to the Commission, but excluding those on secondment or loan to other organisations, analysed between appropriate categories (one of which is those whose costs of employment have been capitalised)
- (ii) the total value of loans to employees
- (iii) employee costs during the year showing separately:
  - (1) wages and salaries
  - (2) early retirement costs
  - (3) social security costs
  - (4) contributions to pension schemes
  - (5) payments for unfunded pensions

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(6) other pension costs

(7) amounts recoverable for employees on secondment or loan to other organisations

The above analysis shall be given separately for the following categories of employees:

(i) employed directly by the Commission;

(ii) on secondment or loan to the Commission;

(iii) agency or temporary staff;

(iv) employee costs that have been capitalised.

(e) a statement of debts written off and movements in provisions for bad and doubtful debts;

(f) a statement of losses and special payments during the period, being transactions of a type which Parliament cannot be supposed to have contemplated. Disclosure shall be made of the total of losses and special payments if this exceeds £250,000, with separate disclosure and particulars of any individual amounts in excess of £300,000.

Disclosure shall also be made of any loss or special payment of £300,000 and below if it is considered material in the context of the Commission's operations.

\*(g) particulars, as required by the accounting standard on related party disclosures, of material transactions during the period and outstanding balances at the year-end (other than those arising from a contract of service or of employment with the Commission, between the Commission and a party that, at any time during the year, was a related party). For this purpose, notwithstanding anything in the accounting standards, the following assumptions shall be made:

(i) transactions and balances of £5,000 and below are not material

(ii) parties related to board members and key managers are as notified to the Commission by each individual board members or key manager

(iii) the following are related parties:

(1) subsidiary and associate companies of the Commission;

(2) pensions funds for the benefit of employees of the Commission or its subsidiary companies (although there is no requirement to disclose details of contributions to such funds);

(3) board members and key managers of the Commission;

(4) members of the close family of board members and key managers;



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- (5) companies in which a board member or key manager is a director;
  - (6) partnerships and joint ventures in which a board member or key manager is a partner or venture;
  - (7) trusts, friendly societies and industrial and provident societies in which a board member or key manager is a trustee or committee member;
  - (8) companies, and subsidiaries of companies, in which a board member or key manager has a controlling interest;
  - (9) settlements in which a board member or key manager is a settler or beneficiary;
  - (10) companies, and subsidiaries of companies, in which a member of the close family of a board member or key manager has a controlling interest;
  - (11) partnerships and joint ventures in which a member of the close family of a board member or key manager is a partner or venture;
  - (12) settlements in which a member of the close family of a board member or key manager is a settler or beneficiary;
  - (13) the Department for Communities and Local Government, as the sponsor Department for the Commission.

For the purposes of this sub-paragraph:

- (i) A key manager means a member of the Commission's Executive Team including the ex-officio and advisory members.
- (ii) The close family of an individual is the individual's spouse, the individual's relatives and their spouses, and relatives of the individual's spouse. For the purposes of this definition, "spouse" includes personal partners, and "relatives" means brothers, sisters, ancestors, lineal descendants and adopted children.
- (iii) A controlling shareholder of a company is an individual (or an individual acting jointly with other persons by agreement) who is entitled to exercise (or control the exercise of) 30% or more of the rights to vote at general meetings of the company, or who is able to control the appointment of directors who are then able to exercise a majority of votes at Commission meetings of the company.

\* Note to paragraph (g) of Schedule 1: under the Data Protection Act 1998 individuals need to give their consent for some of the information in these sub-paragraphs to be disclosed. If consent is withheld, this should be stated next to the name of the individual.



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