

# Form AR27

## Trade Union and Labour Relations (Consolidation) Act 1992

### Annual Return for an Employers' Association

Name of Employers' Association:	LONDON COUNCILS		
Year ended:	31 March 2025		
List No:	252E		
Head or Main Office:	12 ARTHUR STREET		
	LONDON		
Postcode	EC4R 9AB		
Website address (if available)	https://www.londoncouncils.gov.uk/		
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	('X' in appropriate box)
General Secretary:	CHERYL GRAHAM		
Contact name for queries regarding the completion of this return:	RICHARD MERRINGTON		
Telephone Number:	02079349722		
E-mail:	richard.merrington@londoncouncils.gov.uk		

**Please follow the guidance notes in the completion of this return**

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

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

[returns@certoffice.org](mailto:returns@certoffice.org)

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## Return of Members

(see note 9)

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

## Change of Officers

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

Position held	Name of Officer ceasing to hold office	Name of Officer appointed	Date of Change
Member	Cllr Georgia Gould	Cllr Richard Olszewski	2024/25
Member	Cllr Darren Rodwell	Cllr. Dominic Twomey	2024/25
Member	Cllr Ruth Dombey OBE	Cllr. Barry Lewis	2024/25
Member	Cllr Nesil Caliskan	Cllr Ergin Erbil	2024/25
Member	Mayor Damien Egan	Mayor Brenda Dacres	2024/25
Member	Mayor Philip Glanville	Mayor Caroline Woodley	2024/25
Member	Cllr Kaya Comer-Schwartz	Cllr. Una O'Halloran	2024/25
Member	Cllr Jas Athwal	Cllr Kam Rai	2024/25

# Officers in post

(see note 10)

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

Name of Officer	Position held
Cllr. Claire Holland	Chair
Cllr. Grace Williams	Deputy Chair
Cllr. Gareth Roberts	Vice Chair
Cllr Christopher Hayward	Vice Chair
Cllr. Elizabeth Campbell	Vice Chair
Mayor Jason Perry	Member
Cllr Ross Garrod	Member
Cllr Kam Rai	Member
Cllr Peter Mason	Member
Mayor Lutfur Rahman	Member
Cllr Muhammed Butt	Member
Cllr Ergin Erbil	Member
Cllr Stephan Cowan	Member
Cllr Shantanu Rajawat	Member
Cllr Ian Edwards	Member
Mayor Brenda Dacres	Member
Cllr Peray Ahmet	Member
Mayor Rokshana Fiaz OBE	Member
Mayor Caroline Woodley	Member
Cllr Simon Hogg	Member
Cllr Paul Osborn	Member
Cllr Richard Olszewski	Member
Cllr Andreas Kirsch	Member
Cllr Adam Hug	Member
Cllr Colin Smith	Member
Cllr Barry Rawlings	Member
Cllr Anthony Okereke	Member
Cllr. Una O'Halloran	Member
Cllr Ray Morgon	Member
Cllr. Teresa O'Neill	Member
Cllr. Kieron Williams	Member
Cllr. Barry Lewis & Cllr. Dominic Twomey	Members

## Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	<b>Income</b>			
42,907,884	From Members	Subscriptions, levies, etc	51,993,443	51,993,443
760,016	Investment income	Interest and dividends (gross)		
		Bank interest (gross)	603,529	603,529
		Other (specify)		
		Net return on pension scheme assets	536,000	536,000
		<b>Total Investment Income</b>	<b>1,139,529</b>	<b>1,139,529</b>
14,703	Other Income	Rents received	45,810	45,810
		Insurance commission		
		Consultancy fees		
		Publications/Seminars		
		Miscellaneous receipts (specify)		
22,919,730		Other operating income	32,723,207	32,723,207
541,000		Acturial gain on pension asset	173,000	173,000
		<b>Total of other income</b>		<b>32,942,017</b>
67,143,333		<b>Total income</b>		<b>86,074,989</b>
		<b>Interfund Transfers IN</b>		
	<b>Expenditure</b>			
13,503,856	Administrative expenses	Remuneration and expenses of staff	14,610,488	14,610,488
3,028,149		Occupancy costs	3,983,865	3,983,865
51,742		Printing, Stationery, Post	40,217	40,217
38,140		Telephones	45,412	45,412
3,442,293		Legal and Professional fees	3,364,230	3,364,230
		Miscellaneous (specify)		
		<b>Total of Admin expenses</b>		<b>22,044,212</b>
61,364	Other Charges	Bank charges	89,015	89,015
248,192		Depreciation	780,144	780,144
		Sums written off		
		Affiliation fees		
		Donations		
174,978		Conference and meeting fees	155,182	155,182
		Expenses		
		Miscellaneous (specify)		
25,949,900		Payment to Transport operators	29,855,898	29,855,898
10,297,327		Grants to Voluntary organisations	9,353,275	9,353,275
11,860,787		Other operating expenditure	25,772,226	25,772,226
		<b>Total of other charges</b>		<b>66,005,740</b>
		Taxation		
68,656,728		<b>Total expenditure</b>		<b>88,049,952</b>
		<b>Interfund Transfers OUT</b>		
-1,513,395		Surplus/Deficit for year		-1,974,963
10,124,123		Amount of fund at beginning of year		8,610,728
8,610,728		Amount of fund at end of year		6,635,765









## Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
<b>Cost or Valuation</b>				
At start of period		240,000	387,000	627,000
Additions during period	4,051,000	1,303,000	366,000	5,720,000
Less: Disposals		-1,433,000	-1,124,000	-2,557,000
Less: Depreciation	-312,000	1,184,000	905,000	1,777,000
Total to end of period	3,739,000	1,294,000	534,000	5,567,000
<b>Book Amount</b> at end of period	3,739,000	1,294,000	534,000	5,567,000
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
<b>Total of Fixed Assets</b>	3,739,000	1,294,000	534,000	5,567,000

# Analysis of Investments

(see note 22)

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

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



## Summary Sheet

(see notes 24 to 33)

	All Funds	Total Funds
		£
<b>Income</b>		
From Members	51,993,443	51,993,443
From Investments	1,139,529	1,139,529
Other Income (including increases by revaluation of assets)	32,942,017	32,942,017
<b>Total Income</b>	86,074,989	86,074,989
<b>Expenditure</b> (including decreases by revaluation of assets)		
<b>Total Expenditure</b>	88,049,952	88,049,952
<b>Funds at beginning of year</b> (including reserves)	8,610,728	8,610,728
<b>Funds at end of year</b> (including reserves)	6,635,765	6,635,765
<b>ASSETS</b>		
Fixed Assets		5,567,000
Investment Assets		
Other Assets		18,890,000
<b>Total Assets</b>		24,457,000
<b>Liabilities</b>		
<b>Total Liabilities</b>		17,821,235
<b>Net Assets (Total Assets less Total Liabilities)</b>		6,635,765

# Summary Sheet

(see notes 24 to 33)

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

## Notes to the accounts

(see note 34)

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

The Consolidated Statement of Accounts for London Councils Joint Committee for the year ended 31 March 2025 are attached to this return. The notes to the accounts can be found on pages 32 to 66 of the Consolidated accounts.

# Accounting policies

(see notes 35 & 36)



## Signatures to the annual return

(see notes 37 and 38)

**Including the accounts and balance sheet contained in the return.**

**Please copy and paste your electronic signature here**

Secretary's Signature:	Chairman's Signature:
Name: Cheryl Graham	Name: Cllr Claire Holland <small>(or other official whose position should be stated)</small>
Date: 17 February 2026	Date: 17 February 2026

## Checklist

(see note 39)

(please enter 'X' as appropriate)

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

## Checklist for auditor's report

(see notes 41 to 44)

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

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

Please explain in your report overleaf or attached.

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

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

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

Please explain in your report overleaf or attached.

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

**In our opinion the financial statements:**

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

## Auditor's report (continued)

Please see attached

Signature(s) of auditor or auditors:



Name(s):

Alastair Duke

For and on behalf of PKF  
Littlejohn LLP

Profession(s) or Calling(s):

FCA

Address(es)

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

Date:

18 February 2026

Contact name for enquiries and telephone number:

Alastair Duke  
020 7516 2200

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



**LONDON COUNCILS JOINT COMMITTEE**  
**CONSOLIDATED STATEMENT OF ACCOUNTS**  
**YEAR ENDED 31 MARCH 2025**

## **LONDON COUNCILS – JOINT COMMITTEE**

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## NARRATIVE REPORT TO THE STATEMENT OF ACCOUNTS

### Annual Review

#### Background to our Shared Ambitions

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

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

These Shared Ambitions formed the core of London Councils work in 2024/25 and progress against each of them is summarised below.

#### Delivery on our Shared Ambitions

**The ambition for Housing and Planning:** *Every Londoner should have access to good quality housing that is affordable.*

- Work in partnership across London and with Government to deliver housing supply, including through support to the London Housing Mission.
- Prevent and reduce homelessness in London through reforming housing and homelessness services.
- Support boroughs and the wider sector to improve housing standards in London.

Under the Shared Ambition for Housing and Planning, the following progress and outcomes have been achieved in 2024/25:

- The pan-London first-principles for 'accelerating efforts to end homelessness in London' have been developed, this has allowed new thinking to emerge on how to tackle homelessness with a public service reform lens. An accompanying funding document has been submitted to MHCLG with asks and offers to tackle homelessness in London. Significant sector-wide engagement has taken place throughout this work, including with Cabinet Leads, Housing Directors, Leaders and Chief Executives, as well as wider housing sector – with plans for a workshop at Centre for London's London Housing Summit in May.
- A Task and Finish Group of Borough Leaders was established to develop planning policy positions for the Planning and Infrastructure Bill. The group has developed a set of recommendations for Leaders. Through continued engagement, a policy statement has now been agreed and is being used to inform the Planning and Infrastructure Bill as it progresses to the Lords, as well as being used in the London Councils response to the London Plan consultation.
- Borough engagement on the New Homes Accelerator has been ensured through London Councils work - helping to ensure engagement with relevant councils happens, by prompting discussions and making contacts for MHCLG. A handful of schemes in London are now being provided support. Future work will focus on the need to demonstrate outcomes in terms of practical progress on follow up, and continuing to make the case for financial support to improve scheme viability.

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

- A report was published by London Councils, London Housing Directors Group and Society of London Treasurers in May 2024 on Housing Revenue Account (HRA) financial pressures, which received widespread media coverage.
- London Councils held multiple meetings with MHCLG officials in November and December 2024 to present findings from the first HRA financial survey, engaging with Government and enhancing collaboration on key issues on social housing. The survey results also helped to shape the final submission to the Social Rent Consultation in January 2025. Continued engagement took place with the HRA work lead at Southwark Council, including participation in the second session of their "Future of Council Housing Workshop."
- London Councils has supported boroughs to respond to the findings of the Grenfell Tower Inquiry report, including; developing a toolkit to support response, holding the Annual Director Level Resilience Conference focusing on lessons learnt from Grenfell, and developing the Phase 2 Report for Housing Directors.
- The London Remediation Acceleration Plan Partnership Board has been established to contribute to, agree and oversee delivery of, London's Local Remediation Acceleration Plan, ensuring commitment from all representative organisations. This Board is chaired by the Building Safety Minister, with London Councils' Executive Member for Housing and London Councils officers represented on Board.
- Delivery of London's "Social Housing Fund" programme with 20 boroughs has started following the consortium being awarded £77m funding. Work is now in train to mobilise governance, a project management office and Year 1 programme.
- The first meeting of the London Housing Mission Board is in diaries for 18 July, this board will include wider partners from the development sector, housing associations, and representatives of local, regional and national government. This work will continue to develop a set of core workstreams to deliver housing in London, as the mission aims to "Rapidly accelerate London's housing supply to meet London's housing need". The mission will form a delivery group based around agreed workstreams, with membership bringing together appropriate skills, expertise and perspectives.

**The ambition for London's Future: *A city that creates opportunities for all Londoners and communities.***

- Stabilise local government finances in London to enable boroughs to drive economic growth and reform public services.
- Promote inclusive growth by working with partners to deliver the London Growth Plan.
- Develop and evolve governance and devolution arrangements for London.

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

Under the Shared Ambition for London's Future, the following progress and outcomes have been achieved in 2024/25:

- Through extensive stakeholder engagement and a London Councils Task and Finish Group, the London Growth Plan was published and launched on 27 February 2025, jointly by London Councils and the GLA. The cross-sectoral London Growth Mission Board is now overseeing the implementation of the plan, the first board meeting will take place in June, co-chaired by the Chair of London Councils. Work is ongoing to deliver elements of the Growth Plan including developing an Inclusive Talent Strategy which is being co-designed by London Councils and the GLA. A Growth Mission Delivery Group is being established with operational responsibilities for the mission and to provide input on immediate priorities for the Board's review.
- London Councils has been working with the Sub-Regional Partnerships (SRPs) to finalise delivery plans with the Department for Work and Pensions for the Connect to Work programme. London Councils has been working with GLA, SRPs and boroughs to deliver Get Britain Working Trailblazers proposals for London, due to begin in May 2025.
- Leading up to the Spending Review in June 2025, London Councils lobbied government based on a set of updated priorities and worked with stakeholders to emphasise them in various forums, including a Westminster Hall debate, House of Commons Committee briefings, and parliamentary written questions. In early March 2025, London Councils set up an internal Spending Review Project Team to update its priorities and develop lobbying materials for its own use and to provide to stakeholders. Until the Provisional Local Government Finance Settlement is announced in November, London Councils will continue to lobby for more funding and ensure London boroughs receive a fair share through the Funding Reform consultation.
- London Councils developed its lobbying priorities for the 2025 Autumn Budget in partnership with Borough Leaders, executives, and treasurers. Several lobbying wins were announced in the 2024 Autumn Budget which included, among other things: distributing a portion of grants based on need; committing to a fair funding-style review; three-year financial settlements; ending right-to-buy restrictions; additional affordable homes funding; extending UKSPF into 2025/26; and capital for children's homes. Additionally, some lobbying priorities were partially met, including: a real-terms increase to Core Spending Power and increase to the Homelessness Prevention Grant.
- The English Devolution Bill will provide London Councils with an opportunity to develop policy positions on governance structures that enable formal joint-decision making between London boroughs and the GLA – this position was set out in a joint-statement from all 32 London Borough Leaders in March. This statement was positively received by government officials.
- While it is anticipated that the Bill will say very little about London, London Councils have developed a devolution strategy to reflect a longer term approach. Focusing on the design of London's devolution and governance arrangements to ensure they are fit for the future. London Councils has commissioned work with Future Governance Forum and Metro Dynamics on what an ideal strategic authority in England would look like, following the announcement in the English Devolution White Paper that strategic authorities would be established across England. The second phase of this work will look at the design of an ideal strategic authority in London, given the unique nature of London's devolution arrangements.
- Work is taking place on the application of an integrated settlement for London from April 2026 and London Councils is starting work with the GLA to ensure that boroughs' role in delivery is recognised and designed into the application of the integrated settlement in London.

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

- The Infrastructure Framework 2.0 is being developed with the GLA, a joint specification has been developed and the project is currently moving into procurement. Publication of the Framework is expected in early 2026.
- The London Asylum Oversight Group is now working on a refreshed place-based approach and taking a more holistic approach to asylum and resettlement, London governance is being reviewed to consider a more joined up approach to issues.
- Through working with boroughs, the Home Office and Department for Education (DfE), London Councils is continuing to review the implementation of system-wide changes on the protection of unaccompanied children. Cross-party engagement with DfE has taken place through the Executive Member for Children and Young People and the Executive Member for Communities writing to Government on London Councils' ask for review and reform of the system. London Councils and the Association of London Directors of Children's Services commissioned a joint report with London School of Economics, University of Bedfordshire and South London Refugee Association, on the needs of unaccompanied asylum-seeking children. The report has been published and a drop-in session in Parliament will take place with MPs and Peers to socialise the findings and recommendations in the report.
- London Councils is continuing to provide support to 3ci and wider partners to shape propositions to Government for public and private green financing that meets the needs of boroughs, particularly around critical delivery models for solar, heat networks and Net Zero Neighbourhoods. This will provide green growth opportunities, enabling London government to aggregate projects to achieve investment at scale and pace, expanding the green supply chain and achieving vital emissions reductions that support London's climate targets.

**The ambition for Climate Adaptation and Net Zero:** *Supporting the boroughs to deliver a net zero and resilient London.*

- Work with Government to secure investment in and support boroughs to collaborate, including through the cross-borough climate programme.
- Make more homes energy efficient and help to reduce household fuel bills through Warmer Homes London.

Under the Shared Ambition for Climate Adaptation and Net Zero, the following progress and outcomes have been achieved in 2024/25:

- In February 2025, Warmer Homes London (WHL) was officially launched with a mission to make Londoners' homes greener, healthier and more affordable to heat. WHL's set-up period has now commenced, overseen by a Board co-chaired by London Councils and the GLA. Formal operational 'go-live' will be reached on 11 July when WHL will publish its inaugural annual Delivery Plan. The initial focus for WHL will be to support the delivery of £130m Warm Homes grant funding awarded by Department for Energy Security and Net Zero (DESNZ). This coordination capability will maximise grant flexibilities and retain the investment in London. New WHL services will enhance the housing stock, cost and outcome data and procurement support available to commissioners. This momentum, building on the work of the Retrofit London Programme, is focused on enhancing London's retrofit delivery track record and enabling London government collectively to secure retrofit funding.

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

- With London Councils support, boroughs are making progress in submitting their applications and drawing down funding for Local Electrical Vehicle Infrastructure (LEVI) applications. As a result of continued engagement between London Councils and the Office for Zero Emission Vehicles (OZEV), borough partnerships are continuing to rollout their plans for operational mobilisation.
- Through proactive Ministerial and official-level engagement with Government, London Councils is seeking to develop a strategic energy partnership with GLA and Government to drive forward the improvement and expansion of heat networks, and put in place consistent governance, delivery and capability support. A joint Heat Zone Coordination Delivery Model Assessment is underway, and a jointly-funded, single programme of work on Heat Networks has been established with the GLA. Through this initial piece of work there has been an expansion of fairly-priced, decarbonised heat networks in London underpinned by appropriate regional support that enables strategic choices about heat and decarbonisation in each borough.
- The next iteration of the London Net Zero Projects is being developed, pipeline analysis is now complete and commissioning is underway to guide options for pipeline development. This work is continuing and is on track. Strengthening the pipeline will create a robust, locally-driven database of green growth opportunities, enabling London government to aggregate projects to achieve investment at scale and pace, expanding the green supply chain and achieving vital emissions reductions that support London's climate targets.
- London Councils is working to strengthen officers' skills and capacity through specialist practitioner networks. Regular practitioner meetings are being coordinated and held across the workstreams energy, climate adaptation, Net Zero Neighbourhoods and retrofit. Practitioner networks provide officers with a unique opportunity to learn from other London boroughs and external speakers, explore solutions to shared challenges, and be part of a network which supports shared delivery.
- The London Surface Water Strategy is due to be published on 14 May 2025, alongside a Roadmap for delivery and a Year One Action Plan. The Strategy has been delivered jointly by Flood Ready London, a partnership consisting of London Councils, the Environment Agency, the Mayor of London, Transport for London, Thames Water, the London Fire Brigade and supported by the Thames RFCC. An initial funding commitment of £1.5m has been made by Flood Ready London partner organisations, made up of £500k contributions from the Greater London Authority (GLA), Thames Water and Transport for London (TfL). This will be used for the setup of two priority Surface Water Catchment Partnerships (SWCPs) and delivery of projects within these.

**The ambition for Wellbeing and the London Borough Role in Prevention: *Putting communities and prevention at the heart of health and care.***

- Reform public services, designed with prevention, digital and community at the heart to improve outcomes for Londoners, working with the NHS and wider partners.
- Work with the GLA and MOPAC to build resilient communities and safer neighbourhoods, and contribute to the Safety Mission.

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

Under the Shared Ambition for Wellbeing and the London Borough Role in Prevention, the following progress and outcomes have been achieved in 2024/25:

- London Councils has continued to advocate for investment in prevention through public service reform, and shifting healthcare into communities, in line with Government's shift towards a neighbourhood health service. London Councils has been providing support to members and chief officers across health and local government, sharing best practice and expressing London local government's commitment to designing new models for health and care delivery in partnership. London Councils will be a key member of the neighbourhood health service working group (due to begin summer 2025) that will feed into a DHSC and NHS England led Taskforce, reporting into the Secretary of State.
- Through connecting and collaborating across different networks, including the London ICS networks, the London Association for Directors of Adult Social Services, the Association of London Directors of Children's Service and Association of Directors of Public Health, a two-way flow of communication has been enabled and ensured that local government has had a voice in the functional ICB and NHS review groups that were established by Hannah Witty, the Senior Responsibility Officer for London-wide regional work. The groups are looking at options and ideas of 'once for London' opportunities to increase efficiencies in the context of wider changes in the health sector. As this work progresses, London Councils will continue to focus on the opportunities associated with changes – including how service delivery can pivot to place and neighbourhoods, linking this design to public service reform.
- London Councils and borough representatives formed part of the design group for the simulation event of the Integrated Neighbourhood Team (INT) target operating model for London. As London boroughs were central to the design and delivery of the simulation event, the role of place, and the wider social determinants of health, were included. This will be reflected in the review of the target operating mode.
- The London Office of Technology and Innovation (LOTI) ran an adult social care "sandbox" event – in which exploration of current public services are undertaken in an interactive approach, testing public services in an experimental setting and to think about public service reform and design in a different way. The event has resulted in boroughs collaborating on solutions to four key identified systemic 'problems'.
- The London Health Mission has been agreed by the London Health and Care Partnership. The aim of the mission is as follows: 'By 2035 we will have significantly closed the gap in health inequalities in our city, utilising London's innovation and digital transformation opportunities'. The first meeting of the Health Mission Board is scheduled to take place in June 2025.
- A new regular forum for Deputy Mayor for Policing and London Council members has been established. London Councils has worked with senior Mayor's Office for Policing and Crime (MOPAC) colleagues to develop details of the new regular (triannual) engagement, and shared this with lead members and Chief Executive advisors on community safety for input and further development.
- London Councils is continuing to work with Leaders to scrutinise the Metropolitan Police Service (MPS) response to violence against woman and girls through post-Casey work. Leaders met with the MPS in September 2024 for a deep dive session, Leaders were made aware of public safety work that MPS can work together with boroughs on.
- The 2026–2030 pan-London Grants Programme proposes a £22.98m investment to tackle homelessness and domestic and sexual abuse. This was approved by Grants Committee in March 2025, the programme received 76 applications totalling £94.5m. Recommended awards will be agreed in July, with delivery expected to begin in April 2026 across all boroughs.

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

- Through working with TfL, London Councils is developing a more consistent offering for disabled Londoners. Initial work has started on TaxiCard harmonisation, and will be picked up in autumn 2025 following a TfL consultation of the Capital Call scheme. Early work has identified areas to focus on to harmonise the service.

**The ambition for London's Voice:** *Developing a shared narrative to maximise the city's opportunities for all Londoners.*

- Build cross-borough policy positions to lobby, prioritising legislation and influence better outcomes for London and Londoners.
- Celebrate and promote the work of London boroughs, to build trust and collaboration with partners in London and nationally.

Under the Shared Ambition for London's Voice, the following progress and outcomes have been achieved in 2024/25:

- Through the process of prioritisation and engagement with Elected Officers, London Councils has continued to focus lobbying efforts on four priority pieces of legislation: The English Devolution Bill, The Planning and Infrastructure Bill, The Children Wellbeing and Schools Bill and The Renters Rights Bill – cross-party policy positions have continued to be developed to provide the foundation for lobbying activity.
- London Councils has worked with the communications agency Stronger Stories, showcasing boroughs' best examples of prevention work. This work convened discussions with a range of senior borough officers on the work they do in the preventative public services, bringing together borough officers working in different service areas together to discuss prevention, building a wider narrative on prevention. 42 borough, voluntary sector and NHS stakeholders attended the external workshop to test and improve the draft prevention narrative. One case study on prevention was gathered from every London borough – these examples were then developed into a consistent format using the structure of the narrative, and published via London Councils' LinkedIn profile page. This work has empowered and equipped boroughs to communicate about their prevention work in a more aligned and impactful way, and encouraged to influence national government to support the design of preventive public services - London Councils and Barnet Council have used the prevention messaging in recent media work ahead of the Spending Review.
- The Million Hearts and Minds campaign has been developed to improve Londoners' heart health. A communications campaign has been created, focus groups have been used in order to test materials and gain insight into the communities and target audiences. Key messaging has been developed and the campaign will be launched and available for boroughs to use.
- A report on falling school rolls was published in February, with an associated media campaign, a letter to the Secretary of State was sent and briefings were shared with London MPs. This work raised profile of the borough role in managing school places and explained the challenges facing boroughs collectively on falling school rolls.
- London Councils has continued lobbying and policy work on the English Devolution Bill, the integrated settlement for London as part of English Devolution and has developed further policy positions in relation to devolution to London.

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

- While there are no signals from Government that they will introduce further fiscal devolution through the English Devolution Bill, London Councils continues to push priorities in responses to consultations such as the Spending Review and Local Government Funding Reform. London Councils continues to maintain relationships with other urban area leaders including the GLA and Special Interest Group of Municipal Authorities (SIGOMA). If additional opportunities to lobby for fiscal devolution present themselves, London Councils remains well-positioned to engage with these leaders for joint lobbying.

**The ambition for Value Proposition and Continuous Improvement:** *Enabling the organisation to add maximum value for the boroughs and Londoners.*

- Identify, promote and share innovative practice and support professional networks to enable continuous improvement.
- Strengthen and develop London Councils' operating model to ensure what we do is accessible and delivers impact for residents and value for money for boroughs.

Under the Shared Ambition for Value Proposition and Continuous Improvement, the following progress and outcomes have been achieved in 2024/25:

- The Self Improvement Board, hosted by London Councils, has been reshaped to consider improvement and innovation in line with public service reform. London Councils is continuing to monitor metrics as part of an 'early warning system' on behalf of the Self Improvement Board.
- Following the closure of Oflog, and in line with London Councils' spending review submission, lobbying efforts continue to highlight the case to government for simplified and cost-effective regulation that can support sector-led improvement. Work is ongoing to track the establishment of the Local Audit Office, making the case for the right level of cost-effective regulation that can drive genuine improvement for the sector.
- The re-procurement of Freedom Pass, Taxicard and London Lorry Control Scheme managed services is now complete, final contracts for signature are being drafted and inception meeting are being planned. Exit planning with the previous providers has begun. The cost for the service is now based on transaction type as opposed to unit price for each interaction. Stringent Service Level Agreements will be in place with strong performance monitoring and robust contract management underpinned by governance is primed, the full contracted service will go live after a transition period in April 2026. The goal of the managed service is to become a fully automated, digital self-service solution.
- Operational work is being carried out in partnership with TfL to establish camera enforcement of the London Lorry Control Scheme. External providers have confirmed that they have built the cameras for the confirmed sites and they will be planning fitting as soon as possible, this is planned for mid-July depending on Highways Authorities work schedules. The appointment of the provider and the creation of a roll-out plan will allow London Councils to implement Automatic Number Plate Recognition (ANPR) enforcement across London. There will be an acceleration of deployment over the next three years at multiple locations that have already been identified. This will improve compliance of the scheme and environmental conditions for London's residents. The introduction of ANPR will improve enforcement during the hours of the scheme and benefit the residents of every borough through improved compliance of the scheme terms and conditions. Over time it should also reduce the costs for London Councils of managing the scheme, although this is already self-financing.

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

- London Tribunals are in the process of moving to new premises, change of use for the property has been agreed. Procurement for the fit out of the premises is underway and will conclude in July. As it stands, the proposed move date of October 2025 is still on target. Moving to smaller premises will provide a cost saving, and utilises the premises more effectively and efficiently, supported by the launch of video hearings.
- In 2024/25, London Councils relocated its main operations from Southwark Street to a smaller, more suitable premises on Arthur Street. This successful move was part of a broader review of the organisation's operating model and has resulted in long-term savings.

**London Councils and Parliament**

London Councils continued to provide the secretariate to the All-Party Parliamentary Group (APPG) for London, on behalf of London government, including the Mayor of London and the London Assembly. London Councils successfully organised a series of events with London MPs in 2024/25, including: SEND Inclusion in London's Schools (November 2024) and How can we turbocharge in London? (February 2025). An APPG event exploring what London needs from the Spending Review will take place in April. Throughout the year we provided detailed briefings to London MPs and Peers on issues of concern to London boroughs, including: the Budget, Spending Review; Local Government Finance; London's housing crisis; Youth unemployment, Education and managing falling school rolls, Potholes and Highway maintenance; Planning policy; E-scooters and micro-mobility; and on the priority bills for London local government: the English Devolution Bill, The Planning and Infrastructure Bill, The Children Wellbeing and Schools Bill and The Renters' Rights Bill.

**Thirty years of successful cross party collaboration**

2025 marked the 30<sup>th</sup> anniversary of cross-party collaboration across the whole of local government in the capital with the formation of the Association of London Government in 1995 (renamed London Councils in 2006).

A special supplement in the Municipal Journal was published in May 2025 with an emphasis on collaboration, devolution, innovation and prevention. A 30th Anniversary summer party stakeholder event with Core Cities UK (representing the cities of Belfast, Birmingham, Bristol, Cardiff, Edinburgh, Glasgow, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield), and who are also marking their 30<sup>th</sup> anniversary in 2025, is planned for the summer. The joint London Councils and Core Cities UK event will bring local government stakeholders working in major UK cities together to network, celebrate success, share learning and look to the future.

**NARRATIVE REPORT TO THE STATEMENT OF ACCOUNTS (continued)****Financial Review**

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

**Financial information**

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

- Statement of Responsibilities for the Statement of Accounts (page 14);
- Consolidated Comprehensive Income and Expenditure Statement (page 28);
- Consolidated Movement in Reserves Statement (page 29);
- Consolidated Balance Sheet (page 30);
- Consolidated Cash Flow Statement (page 31); and
- Notes to the Consolidated Accounts (pages 32 – 66).

**Revenue expenditure**

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

	<b>Revised Budget</b>	<b>Actual</b>	<b>Variation</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Expenditure	61,823	87,872	26,049
Income	(60,002)	(84,582)	(24,580)
Interest income and expenditure	(75)	(1,142)	(1,067)
<b>Deficit for the year</b>	<b>1,746</b>	<b>2,148</b>	<b>402</b>
Transfer from Reserves	(1,746)	(2,882)	(1,136)
<b>Net Surplus for the year (including transfers from reserves)</b>	<b>-</b>	<b>(734)</b>	<b>(734)</b>

There is a surplus for the year of £734,000 after the transfer from reserves of £2.882 million.

Included within actual income and expenditure for 2024/25 are transactions relating to externally funded projects of £9.96 million as detailed in Appendix C, which do not form part of the core budget. Although these result in variances within the income and expenditure lines above, the projects are broadly cost neutral and therefore do not impact the overall net surplus or deficit.

Also recorded within both income and expenditure lines, are the significant refunds to boroughs in relation to the Concessionary Fares scheme, which were not included with the budget set during December 2024 and are cost neutral to London Councils.

The deficit for the year of £2.148 million includes IAS19 pension adjustments of £173,000 in relation to Current Service Costs, Past Service Costs and the net interest on the pension asset/liability. These costs are debited / credited to the Comprehensive Income and Expenditure Statement. In accordance with the Local Authority Accounting Code of Practice, the General Reserve should only be charged with the actual

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

amount payable by the Committee to the pension fund and not the amount calculated according to the accounting standard. Therefore, a transfer of £173,000 has been made from the Pensions Reserve in the Movement in Reserves Statement to remove the impact of these notional debits and credits to the pension fund. This transfer is included in the Net Transfer from Reserves line in the table above. The notional debits and credits are not included in the budget.

The surplus of £734,000 is split over the three funding streams as follows:

	<b>Grants Committee</b>	<b>Transport, and Environment Committee</b>	<b>Joint Committee</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Total Expenditure	6,762	61,198	19,912	87,872
Total Income	(6,666)	(59,172)	(18,744)	(84,582)
Interest income and expenditure	(120)	(383)	(639)	(1,142)
<b>Deficit for the year</b>	<b>(24)</b>	<b>1,643</b>	<b>529</b>	<b>2,148</b>
Transfer from Reserves	(113)	(1,725)	(1,044)	(2,882)
<b>Net Surplus</b>	<b>(137)</b>	<b>(82)</b>	<b>(515)</b>	<b>(734)</b>

Transport and Environment (TEC) and the Grants Committee (GC) are separate joint-committees that require separate accounts to be prepared (refer to Note 1, Item I on page 38 and Appendices A and B on pages 67 and 68).

**Grants Committee**

The surplus of £137,000 is largely attributable to:

- an overspend on operating expenditure of £12,000 made up of an overspend on employee costs due to maternity cover of £31,000 and running costs of £6,000 offset by an underspend on recharge costs of £25,000;
- an underspend on the S.48 Commissioned services of £20,000 after taking account payment of funds held back from 2023/24 which was covered by a transfer from earmarked reserves. As part of the approved monitoring arrangements, officers review financial information including the audited accounts at the end of the year along with adjustments to previous years where funds can be drawn back from providers; and
- an additional sum of £107,000 from investment income has been received on Committee reserves, which was not included in the budget. This reflects higher returns on cash balances in 2024/25.

## NARRATIVE REPORT TO THE STATEMENT OF ACCOUNTS (continued)

## Transport and Environment Committee

The surplus of £82,000 is mainly attributable to:

- **Freedom Pass non-TfL bus services (-£340,000)**

The level of trips made in the claims submitted by the independent bus operators remains lower than the estimated trips. While the level of activity continues to recover post pandemic, the actual expenditure of £760,000 for 2024/25 is lower than the annual budget of £1.1 million.

- **Lorry Control PCN income (+£170,000)**

London Lorry Control Scheme enforcement income was £170,000 lower during the course of 2024/25 than budgeted. The primary reason for this were staffing issues with the on-street enforcement contractor that led to a shortfall in the expected level of vehicle observations. Officers have sought to address this with performance expected to improve in 2025-26 along with the introduction of ANPR cameras.

- **Net Freedom Pass reissue costs/Income (Net +£203,000)**

The budget for the freedom pass survey and issue processes for the year was £1.65 million. This budget covers the issuing of freedom passes to new applicants and for the replacement of passes which are lost, stolen or faulty. Total expenditure for 2024/25 was £2.112 million, an overspend of £462,000. This budget has been impacted in part due to inflationary pressure on expenditure and higher than expected levels of activity. However, a sum of £1.16 million was collected during 2024/25 in respect of replacement Freedom Passes, £260,000 above the £900,000 budgetary provision. In net terms, there was a deficit of £203,000.

- **Taxicard (Net Nil)**

Total payments to the contractor, City Fleet, was £8.163 million based on actual trips taken during the year. This was £771,000 below the revised total budgetary provision of £8.934 million.

TfL contributed £6.5 million towards the cost of the scheme, with the remaining amount paid for by Boroughs. As a result of an underspend on the scheme overall, Boroughs are refunded a total of £771,000.

- **Interest earned on investment of cash-balances (-£221,000)**

The increase in income reflects higher returns available from the money markets in 2024/25. Cash-flow management undertaken at the City of London, who invest London Councils' cash balances on behalf of boroughs, has yielded interest receipts of £229,000 against a zero budgetary provision. An increase of £8,000 on the Lorry Control bad debt provision has reduced this variance.

- **Central recharges (+£155,000)**

A reduction in the proportion of income received from externally funded projects hosted by London Councils has resulted in an increase in the value of central overhead costs charged to TEC. As part of its ongoing review of operations, London Councils remains committed to identifying and pursuing opportunities for efficiencies and cost savings, ensuring the effective use of resources.

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

The surplus of £515,000 is mainly attributable to:

- **Investment Income (-£358,000)**

The increase in income reflects higher returns available from the money markets in 2024/25, largely as a result of the Bank of England's (BoE) tightening of monetary policy to control inflation. Investment returns remained robust throughout 2024/25, with the Bank of England reducing the Bank Rate through the course of the financial year with reductions of 0.25% occurring in August 2024 as CPI inflation hit near target at 2.2%. The interest income yield for 2024/25 equates to 4.38% (2023/24: 4.29%) on average cash balances per annum. This is a one off surplus against budget, which is difficult to predict due to the unpredictable nature of market fluctuations and global economic volatility.

- **Commissioning & Improvement Fund (-£93,000)**

Expenditure on commissioning and other priority work amounted to £271,000 for the year, leading to an underspend of £71,000. This along with an underspend on the improvement fund of £22,000 resulted in a net surplus of £93,000. These budgets are subject to developing proposals and is often impacted upon by the timing of commissioning work.

- **Employee Costs (-£127,000)**

After accounting for these income sources matched to employee costs, there is an actual underspend of £127,000 against these budget lines. This underspend is primarily due to savings resulting from the review of the operating model. The savings that have arisen will be allocated to the Operating Model Transition Reserve allowing a more even distribution over the four-year MTFS period, extending to 2027/28.

**Budget for 2025/26**

On 10 December 2024, the Leaders' Committee approved a total expenditure budget for 2025/26 of £65.819 million, exclusive of the borough payments of £314.374 million to Transport for London (TfL) in respect of Concessionary Fares. The direct payments to TfL are excluded from the accounts as the expenditure is not incurred by the Committee, therefore full inclusion of the costs artificially inflate London Councils income and expenditure. Total income sources, including the use of existing balances of £494 million were also estimated to be £65.819 million, leaving a projected balanced budget for the year.

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

The Committee is required to:

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

**The Director of Corporate Resources' Responsibilities**

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

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

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

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Committee at 31 March 2025 and of its income and expenditure for the year then ended.



David Sanni CPFA FCCA  
Director of Corporate Resources

4 November 2025

**APPROVAL CERTIFICATE**

At a meeting of London Councils' Audit Committee held on 18 September 2025, the statement of accounts were approved on behalf of the Committee.

A handwritten signature in black ink, appearing to read 'B. Rawlings', written in a cursive style.

Cllr Barry Rawlings  
Chair of London Councils' Audit Committee

4 November 2025

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

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

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

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

Our Leaders' Shared Ambitions themes are:

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

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

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

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

**ANNUAL GOVERNANCE STATEMENT (continued)****Scope of responsibility**

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

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

London Councils has approved and adopted a code of corporate governance in the form of a framework, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government 2016. A copy of London Councils Corporate Governance Framework can be obtained from the Chief Operating Officer at 12 Arthur Street, London EC4R 9AB. This statement explains how London Councils has applied this code.

**The purpose of the governance framework**

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

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

The governance framework has been in place at London Councils for the year ended 31 March 2025 and up to the date of approval of the statement of accounts.

**The governance framework**

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

- **Developing and communicating the Committee's vision** – The Committee has agreed a set of Shared Ambitions for London Councils and Londoners which inform the strategic direction of the organisation and the milestones included in the Shared Ambition Roadmap. The roadmap is reviewed on a regular basis and a report was presented to the Leaders' Committee in December 2024 detailing progress against the milestones and setting new ones for 2025. There are a number of other ways in which the Committee communicates with relevant stakeholders which include member briefings, committee and other meetings, briefings for senior managerial and professional colleagues in boroughs.
- **Commitment to openness and acting in the public interest** – The Committee has adopted the Information Commissioner's model publication scheme and follows the provision for joint authorities and boards. Details of the scheme and the information published are available on London Councils' website. The Committee's decisions are made by its elected members and agendas, reports, background papers and minutes of meetings are published under this scheme.

**ANNUAL GOVERNANCE STATEMENT (continued)**

- **Measuring the performance of services** – The Committee collects data on the performance of activities and services during the year. A summary of the key achievements is included in the Narrative Report to the Statement of Accounts. Progress reports on the achievements of milestones included in the Shared Ambition Roadmap are presented to members twice a year. London Councils Corporate Management Team (CMT), the London Councils Executive and the Grants and Transport and Environment Committees receive regular financial management reports that monitor actual income and expenditure trends against approved budgets. The TEC executive receives regular reports on the performance of transport and mobility services. London Councils operates a complaints procedure which provides an opportunity to put things right if an error is made and assists in the search to improve the quality of services to member authorities and to Londoners. There are also a number of internal management mechanisms, such as 1:1 review meetings and a fully embedded feedback and learning framework which monitor on-going progress against objectives
- **Defining and documenting roles and responsibilities** – The London Councils Agreement sets out the main functions and obligations of London Councils and its member authorities. The Agreement includes the standing orders and financial regulations which provide details of the delegation arrangements in place. There is a scheme of delegations to officers in place which was last reviewed, updated and approved by the Leaders' Committee at its Annual General Meeting in July 2024. There is an established protocol which provides guidance on the working relationships between elected members and officers and a series of working conventions for the operation of the organisation. This has also been approved at the Leaders Committee' Annual General Meeting in July 2024. Additional information on the roles and responsibilities of London Councils Leaders' Committee, Executive, Grants Committee and Transport and Environment Committee are documented in their individual Terms of Reference. In addition to the Executive, the Leaders' Committee appointed members to the Audit Committee. Executive portfolio holders and shadow members have agreed priorities that codify expectations of these roles.
- **Developing, communicating and embedding codes of conduct** – All London Councils Staff have been made aware of the staff handbook which is located on the intranet site. The staff handbook sign-posts staff to London Councils policies and procedures which are on the intranet. All staff are encouraged to refer to the intranet when they require guidance on London Councils policies and procedures. Reference to the staff handbook is also included in the induction training of all new staff joining London Councils with their attention specifically drawn to the financial regulations, the code of conduct, data protection and London Councils whistle blowing policy. London Councils has established a set of core values which will be promoted and embedded throughout the organisation.
- **Reviewing the effectiveness of the Committee's decision-making framework** - The standing orders and financial regulations are included within the London Councils Agreement. The financial regulations were last reviewed by Leaders' Committee on 17 July 2024. Minutes of Committee meetings are posted on London Councils website and provide an official record of decisions made. There is a live stream of formal meetings of the main committees (Leaders, TEC and Grants). These are public meetings which the public and press can attend in person other than for exempt items of business. While formal sub- committee meetings are not live streamed, members of the public can attend them in person.
- **Identifying and managing risks** - London Councils Risk Management Strategy and Framework was last reviewed and approved by the Audit Committee in September 2023, with the Strategic Risk Register reviewed by the Audit Committee in March 2025. The organisation's strategic risks were considered as part of the review to ensure that they align with the Shared Ambitions. The individual risk registers for London Councils' primary activities and functions continue to be reviewed by the Corporate Governance Group and Corporate Management Team to ensure they support London Councils' corporate priorities, which provides members with assurance on how the risks identified are being managed.

**ANNUAL GOVERNANCE STATEMENT (continued)**

- **Anti-fraud and anti-corruption arrangements** – London Councils is committed to having an effective Anti-Fraud and Anti-Corruption strategy designed to promote standards of honest and fair conduct, prevent fraud and corruption, detect and investigate fraud and corruption, prosecute offenders, recover losses and maintain strong systems of internal control. There are two separate policies in place: London Councils Whistle Blowing Policy and London Councils Policy to Combat Fraud, Bribery and Corruption, which were updated and approved by London Councils Audit Committee in September 2023. Both documents are available on London Councils' intranet and website.
- **Effective management of change and transformation** – London Councils has a framework for managing organisational change which is available to all staff on the intranet. The framework provides guidance on the statutory elements of managing change and issues that should be considered when implementing changes.
- **Financial management arrangements** – London Councils' financial management arrangements conform with the governance requirements of the CIPFA statement on the Role of the Chief Financial Officer in Local Government.
- **Assurance arrangements** – London Councils' internal audit function is carried out by the City of London's internal audit team under a service level agreement for financial support services.. The Internal Audit function at the City of London Corporation operates in conformance with the Global Internal Audit Standards.
- **Discharge of the monitoring officer function** – This is a statutory post under Section 5 of the Local Government and Housing Act 1989 and as such is not applicable to London Councils which is a joint committee. However, legal advice is provided to London Councils by the City of London Corporation including governance advice and support which in a local authority would generally be provided by the borough solicitor and monitoring officer.
- **Discharge of the head of paid service function** – London Councils' Chief Executive is the head of paid service. As with all officers, the Chief Executive is issued with a job description which confirms her duties within the organisation. The Chief Executive is subject to appraisal arrangements with Group Leaders who assess her performance against agreed objectives.
- **Audit Committee** –The Audit Committee is a sub-committee of London Councils Leaders' Committee. The Terms of Reference are agreed annually and were last agreed on 17 July 2024. The Audit Committee meets three times a year and is chaired by a leading member from a borough. The members of the Audit Committee will not normally be members of the Executive.
- **Response to audit recommendations** – The Audit Committee responds to information requests and queries received from its external and internal auditor on a timely basis. External and internal audit findings and recommendations are considered by officers and appropriate responses which include implementation timescales are provided to the auditors. Audit reports, which include management responses, are presented to the Audit Committee to consider and are published along with the Committee papers on the website. The implementation of audit recommendations are monitored on a regular basis.
- **Compliance with relevant laws and regulations** - London Councils has comprehensive financial regulations and a comprehensive set of human resources policies and procedures which are reviewed on a regular basis. These arrangements ensure compliance with all applicable statutes, regulations and other relevant statements of best practice in order to ensure that public funds are properly safeguarded and are used economically, efficiently and effectively and in accordance with the statutory and other authorities that govern their use.

**ANNUAL GOVERNANCE STATEMENT (continued)**

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

**ANNUAL GOVERNANCE STATEMENT (continued)****Review of effectiveness**

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

- The work of Internal Audit, undertaken by the City of London Corporation under a service level agreement, and the annual opinion of the Head of Audit and Risk Management at the City of London. Internal Audit plays a central role in providing the required assurance on internal controls through its comprehensive risk-based audit of all auditable areas within a five-year planning cycle, – with key areas being reviewed annually. This is reinforced by consultation with London Councils Corporate Management Team and London Councils' Audit Committee on perceived risk and by a rigorous follow-up audit regime. The review considers the annual opinion of the Head of Audit on the internal control environment in operation at London Councils during the financial year. The Head of Audit is satisfied that the breadth of scope and overall quantity of internal audit work undertaken is sufficient to be able to draw a reasonable conclusion as to the adequacy and effectiveness of London Councils' control, governance and risk management processes. On the basis of work undertaken, it is the Head of Audit's opinion that London Councils systems of internal control are generally effective to manage the achievement of its objectives. The Internal Audit function at the City of London Corporation operates in conformance with the Global Internal Audit Standards..
- The Audit Committee's review of the governance arrangements in place during 2024/25.
- London Councils Corporate Management Team considers the organisation's governance arrangements as part of the quarterly Corporate Health Checks, which also include other key areas that affect operational performance, sustainability and compliance.

**Areas for development during 2025/26**

The review of the effectiveness of London Councils governance arrangements has revealed the following areas for development during 2025/26:

**Grants (including probity checks)**

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

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

- that eligibility criteria, and the approach to assessment and award of grants are clearly documented to facilitate a consistent and compliant approach to programme delivery;
- that a range of due diligence checks are carried out by the Grants and Finance teams to confirm eligibility and validity of grant applications. Control would be strengthened by introducing finance service sign-off of financial assessments and overall senior management sign-off of due diligence to reflect that all required criteria have been met;

**ANNUAL GOVERNANCE STATEMENT (continued)**

- monitoring arrangements are in place to help ensure that project delivery is in accordance with grant conditions and that only valid payments are released in relation to agreed milestones. Control improvements are required to ensure that evidenced checks are in place in relation to monitoring visits, and that financial accounts are received at the required frequency and subject to timely review; and
- there is regular senior management monitoring of programme delivery and an opportunity has been identified to enhance member oversight by incorporating budgeted and actual spend information against individual grants.

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

**ICT Remote Access and Mobile Devices**

The purpose of this review was to provide assurance on the adequacy of the arrangements for managing mobile devices and access to the London Councils' network through remote working. Specifically, we evaluated the adequacy of arrangements to ensure the following:

- Relevant policy and procedures are adequately defined and communicated to staff.
- There is continuous adherence to this policy and procedure. Only authorised users can gain remote access.
- There is effective monitoring and record keeping, ensuring unauthorised or changed access rights are addressed on a timely basis.
- Devices with remote connection capability are appropriately managed and controlled.

Overall, moderate assurance was provided in respect of the control environment within the scope of audit and several recommendations have been made to strengthen arrangements, including review of relevant policies.

Nine recommendations were made to support the improvement of the internal control framework and overall efficiency and effectiveness of processes. These were all agreed by management and have been fully implemented.

**Employees**

The focus of this review was on processes and procedures operated within London Councils to support the effective administration of the following employee-related areas: recruitment, contract changes, changes to pay, and management of staff declarations including gifts and hospitality.

Overall, moderate assurance is provided in respect of the control environment within the scope of audit. Audit sample testing confirmed that controls have been established in all areas examined but their effectiveness is undermined in some respects by inconsistent application or inadequate record-keeping.

Six recommendations were made to address the above issues, all of which were accepted by management with immediate action to be taken in most cases.

**ANNUAL GOVERNANCE STATEMENT (continued)****Parking and Traffic Contracts**

The purpose of this Audit was to evaluate the adequacy and effectiveness of key controls within this service area. Internal Audit sought to evaluate arrangements for ensuring that procurement activities relating to the managed services contract run by NEC, procured in 2014 and extended in November 2023, are compliant with the Procurement Regulations and continue to demonstrate value for money.

Overall, substantial assurance was provided in respect of the control framework for monitoring delivery of the sampled services within the scope of this review, although limited evidence was available to demonstrate the effectiveness of some of the related control mechanisms. Audit recommendations were made to further strengthen the control framework, ensuring consistent operation. It was identified that responsibilities for management of the contract are understood, contractual performance has been consistently satisfactory and there is regular monitoring in place.

**Apportionment of Central Costs – Advisory outcome**

The purpose of this audit was to evaluate the effectiveness and appropriateness of the proposed recharge methodology. London Councils undertook a review of its methodology for recharging central costs to ensure it remains effective, transparent, complies with best practice and distributes costs in a fair manner. A revised methodology has been developed following the review and is currently being implemented.

Based on feedback received, the revised methodology includes a 'fee model' for charging externally funded projects hosted by London Councils. The fee model recognises that these projects may not use all the central services provided by the organisation. It also acknowledges that given the size of the organisation, the fee charged is likely to be higher than that charged by other organisations within the local government sector. Therefore, London Councils has continued to offer discounts to projects that align strategically with the organisation's Shared Ambitions.

Internal audit undertook a review of the proposed methodology and fee model and advised that:

- Governance arrangements for determining discounts or variations to the standard fee model should be determined and documented; and
- Policy and procedure in respect of the fee model should be fully documented and communicated to all relevant stakeholders.

London Councils has considered the advice provided and will implement changes during 2025/26.

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

ANNUAL GOVERNANCE STATEMENT (continued)

Significant governance issues

There are no significant governance issues.



Alison Griffin  
Chief Executive

4 November 2025



Cllr Claire Holland  
Chair of London Councils

4 November 2025

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

We have audited the non-statutory consolidated financial statements of London Councils Joint Committee (the 'group') for the year ended 31 March 2025, which comprise the Consolidated Comprehensive Income and Expenditure statement, the Consolidated Movement in Reserves Statement, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the group at 31 March 2025 and of its expenditure and income for the year then ended in accordance with the basis of accounting except that it does not prepare single entity financial statement for London Councils Joint Committee as described in Note 1a General Principles.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

In our evaluation of the Director of Corporate Resources' conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2024/25 that the group's consolidated financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the group. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the group and the group disclosures over the going concern period.

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

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

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

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

**Other information**

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

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

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

**Use of our report**

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



PKF Littlejohn LLP, Statutory Auditor, Chartered Accountants, London

5 December 2025

## CONSOLIDATED COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

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

	Notes	2024/25 Gross Expenditure £000	2024/25 Gross Income £000	2024/25 Net £000	2023/24 Gross Expenditure £000	2023/24 Gross Income £000	2023/24 Net £000
<b>Cost of Services</b>							
London Councils Grants Committee	Appx A	6,762	(6,666)	96	6,757	(6,670)	87
London Councils Transport and Environment Committee	Appx B	61,198	(59,172)	2,026	43,787	(42,450)	1,337
London Councils Joint Committee	Appx C	19,912	(18,744)	1,168	18,089	(16,456)	1,633
<b>Net Cost of Services</b>		<b>87,872</b>	<b>(84,582)</b>	<b>3,290</b>	<b>68,633</b>	<b>(65,576)</b>	<b>3,057</b>
Financing and investment income and expenditure	7	178	(1,320)	(1,142)	23	(1,026)	(1,003)
<b>Deficit on Provision of Services</b>		<b>88,050</b>	<b>(85,902)</b>	<b>2,148</b>	<b>68,656</b>	<b>(66,602)</b>	<b>2,054</b>
Actuarial loss/(gain) on pension assets/liabilities	9			(173)			(541)
<b>Other Comprehensive Income and Expenditure</b>				<b>(173)</b>			<b>(541)</b>
<b>Total Comprehensive Income and Expenditure</b>				<b>1,975</b>			<b>1,513</b>

The notes on pages 32 to 66 form part of the accounts.

**CONSOLIDATED MOVEMENT IN RESERVES STATEMENT FOR THE YEAR ENDED 31 MARCH 2025**

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

	2024/25			2023/24		
	Usable Reserves	Unusable Reserves	Total Committee Reserves	Usable Reserves	Unusable Reserves	Total Committee Reserves
	£000	£000	£000	£000	£000	£000
<b>Balance at 1 April</b>	<b>8,816</b>	<b>(205)</b>	<b>8,611</b>	<b>10,289</b>	<b>(165)</b>	<b>10,124</b>
Total Comprehensive Income and Expenditure	(2,148)	173	(1,975)	(2,054)	541	(1,513)
Adjustments between accounting basis and funding basis under regulations (note 6)	289	(289)	-	581	(581)	-
<b>(Decrease)/Increase</b>	<b>(1,859)</b>	<b>(116)</b>	<b>(1,975)</b>	<b>(1,473)</b>	<b>(40)</b>	<b>(1,513)</b>
<b>Balance at 31 March</b>	<b>6,957</b>	<b>(321)</b>	<b>6,636</b>	<b>8,816</b>	<b>(205)</b>	<b>8,611</b>

The notes on pages 32 to 66 form part of the accounts.

**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2025**

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

	Note	31 March 2025	31 March 2024
		£000	£000
Property, Plant and Equipment	10	1,828	627
Right of Use Assets	11	3,739	-
<b>Long Term Assets</b>		<b>5,567</b>	<b>627</b>
Short Term Debtors	13	7,025	7,015
Cash and Cash Equivalent	14	11,865	26,219
<b>Current Assets</b>		<b>18,890</b>	<b>33,234</b>
Short Term Creditors	15	(13,641)	(23,985)
Provisions	16	(286)	(114)
<b>Current Liabilities</b>		<b>(13,927)</b>	<b>(24,099)</b>
Long Term Creditors	17	(3,822)	(172)
Provisions	16	(27)	(979)
Other Long Term Liabilities	9	(45)	-
<b>Long Term Liabilities</b>		<b>(3,894)</b>	<b>(1,151)</b>
<b>Net Assets/ (Liabilities)</b>		<b>6,636</b>	<b>8,611</b>
Usable Reserves	19	6,957	8,816
Unusable Reserves	21	(321)	(205)
<b>Total Reserves</b>		<b>6,636</b>	<b>8,611</b>

The notes on pages 32 to 66 form part of the accounts.



David Sanni CPFA FCCA  
Director of Corporate Resources

4 November 2025

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025**

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

	<b>2024/25 £000</b>	<b>2024/25 £000</b>
Net deficit on the provision of services	(2,148)	(2,054)
Adjustments to net deficit on the provision of services for non-cash movements	(10,537)	13,602
Adjustments for items included in the net deficit on the provision of services that are investing and financing activities.	(1,142)	(1,003)
<b>Net cash flows from Operating Activities (note 22)</b>	<b>(13,827)</b>	<b>10,545</b>
Investing Activities (note 23)	(527)	758
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(14,354)</b>	<b>11,303</b>
<b>Cash and cash equivalents at 1 April</b>	<b>26,219</b>	<b>14,916</b>
<b>Cash and cash equivalents at 31 March</b>	<b>11,865</b>	<b>26,219</b>

The notes on pages 32 to 66 form part of the accounts.

**NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025****1. Accounting Policies****a General Principles**

The Statement of Accounts summarises the Committee's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The Committee prepares its accounts in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 except for the exception single entity financial statement for London Councils Joint Committee.

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

The Statement of Accounts has been prepared with reference to:

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

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

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

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

**b Accruals of Income and Expenditure**

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

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

**c Allocation of Income**

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

**d Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits held by the City of London Corporation on behalf of London Councils, with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

**NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)****1. Accounting Policies (continued)****e Contingent Liabilities**

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

**f Employee Benefits****Benefits Payable During Employment**

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

**Termination Benefits**

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

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

**Post Employment Benefits****Defined Benefit Pension Scheme**

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

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

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

## 1. Accounting Policies (continued)

- The liabilities of the pension fund attributable to the Committee are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, projected earnings of current employees etc.
- Liabilities are discounted to their value at current prices using a discount rate of 5.85% (2023/24: 4.9%).
- The assets of the pension fund attributable to the Committee are included in the Balance Sheet at their fair value:
  - Quoted securities – current bid price;
  - Unquoted securities – professional estimate;
  - Unutilised securities – current bid price; and
  - Property – market value.
- The change in the net pensions liability is analysed into six components:
  - Current service cost – the increase in liabilities as a result of years of service earned this year debited to the Staff Costs line in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
  - Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years debited to the Staff Costs line in the Comprehensive Income and Expenditure Statement;
  - Net interest on the net defined benefit liability (asset), ie net interest expense for the Committee – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments;
  - Return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
  - Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure; and
  - Contributions paid to the pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

**NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)****1. Accounting Policies (continued)**

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

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

**Defined Contribution Pension Scheme**

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

**g Exceptional Items and Prior Period Adjustments**

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

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

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

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

**NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)****1. Accounting Policies (continued)****h Financial Instruments****Financial Liabilities**

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

Currently the Committee has no borrowings.

**Financial Assets**

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

**i Government Grants and Contributions**

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

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

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

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

**j Intangible Assets**

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

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

## 1. Accounting Policies (continued)

**k Interest Income**

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

**l Interest in Companies and Other Entities**

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

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

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

**m Leases****Finance leases**

IFRS 16 *Leases* is applied and recognises a right-of-use asset and a corresponding lease liability at the lease commencement date for all leases, except for short-term leases (less than 12 months).

**Lease liabilities** are initially measured at the present value of future lease payments, discounted using the interest rate based on the 10 year PWLB rate. Lease payments include fixed payments, variable payments, and amounts expected to be paid under residual value guarantees.

**Right-of-use assets** are initially measured at cost, comprising the initial lease liability, any lease payments made at or before commencement, initial direct costs, and estimated costs to dismantle or restore the asset. These assets are subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the asset.

**Presentation and disclosures:**

- Right-of-use assets are presented on the balance sheet.
- Lease liabilities are presented on the balance sheet.
- Interest expense on lease liabilities is included in finance costs.
- Cash payments for principal and interest are classified within financing and operating activities respectively in the statement of cash flows.

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

## 1. Accounting Policies (continued)

**Operating leases**

Prior to the adoption of IFRS 16, leases were classified as operating leases if they did not transfer substantially all the risks and rewards of ownership. Lease payments under operating leases were recognised as an expense on a straight-line basis over the lease term. We continue to adopt this approach for budgetary control purposes.

**n Overheads**

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

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

**o Property, Plant and Equipment**

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

Assets are initially measured at cost, comprising:

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

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

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

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

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

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

**NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)****1. Accounting Policies (continued)****p Provisions**

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

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

**q Reserves**

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

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

**r Value Added Tax**

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

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

The Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code) has introduced changes in accounting policies required from 1 April 2025. If these had been adopted for the financial year 2024/25 the changes to the Committee's accounts are detailed below.

**IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability)** issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

**IFRS 17 Insurance Contracts** issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

**NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)****2. Accounting Standards that have been Issued but not yet adopted (continued)**

The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of **IAS 16 Property, Plant and Equipment** and **IAS 38 Intangible Assets**. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8.

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

**3. Critical Judgements in Applying Accounting Policies**

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

The critical judgements made in the Statement of Accounts are:

**Government Funding**

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

**NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)****4. Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty**

The Statement of Accounts contains estimated figures that are based on assumptions made by the Committee about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Committee's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

**Pensions**

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

The effect on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £977,000. However, the assumptions interact in complex ways. During 2024/25, Barnett Waddingham LLP advised that the net pensions liability had changed by £10.837 million as a result of changes in the financial assumptions.

**Provisions**

The Committee has made a provision of £211,000 for its contractual obligations for dilapidations and periodic decoration included within its property leases. An increase of 10% to the total value of these costs would have the effect of adding £21,000 to the annual contribution to the provision.

**5. Events After the Balance Sheet Date**

The Statement of Accounts was authorised for issue by the Director of Corporate Resources on 4 November 2025. Events taking place after this date are not reflected in the accounts or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the accounts and notes have been adjusted in all material respects to reflect the impact of this information.

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

## 6A. Expenditure and Funding Analysis

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

	2024/25	2024/25	2024/25	2023/24	2023/24	2023/24
	Net Expenditure Chargeable to Usable Reserves £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000	Net Expenditure Chargeable to Usable Reserves £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
<b>Cost of Services</b>						
London Councils Grants Committee	71	25	96	59	28	87
London Councils Transport and Environment Committee	1,810	216	2,026	1,186	151	1,337
London Councils Joint Committee	584	584	1,168	996	637	1,633
<b>Net Cost of Services</b>	<b>2,465</b>	<b>825</b>	<b>3,290</b>	<b>2,241</b>	<b>816</b>	<b>3,057</b>
Financing and investment income and expenditure	(606)	(536)	(1,142)	(768)	(235)	(1,003)
<b>Deficit / (Surplus)</b>	<b>1,859</b>	<b>289</b>	<b>2,148</b>	<b>1,473</b>	<b>581</b>	<b>2,054</b>
Opening Usable Reserve Balance	(8,816)			(10,289)		
Deficit	1,859			1,473		
<b>Closing Usable Reserve Balance</b>	<b>(6,957)</b>			<b>(8,816)</b>		

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

**6B. Note to the Expenditure and Funding Analysis**

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

Adjustments between funding and accounting basis during 2024/25:

<b>Adjustments from General Reserves to arrive at the Comprehensive Income and Expenditure</b>	<b>Pension Adjustments £000</b>	<b>Accumulated Absence Adjustments £000</b>	<b>Premises Lease Adjustments £000</b>	<b>Total Adjustments £000</b>
Grants Committee	19	6	-	25
Transport and Environment Committee	217	(1)	-	216
London Councils Core Joint Committee	518	2	64	584
<b>Net Cost of Services</b>	<b>754</b>	<b>7</b>	<b>64</b>	<b>825</b>
Financing and investment income and expenditure	(536)	-	-	(536)
<b>Difference between General Reserve and Comprehensive Income and Expenditure Statements Deficit on Provision of Services</b>	<b>218</b>	<b>7</b>	<b>64</b>	<b>289</b>

Adjustments between funding and accounting basis during 2023/24:

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

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

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

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

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

**Accumulated Absence adjustments** – This adjustment relates to the amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.

**Premises Lease adjustment** – This adjustment relates to reduce the impact of IFRS 16 against the General Reserve, where an unusable reserve has been setup.

## 7. Financing and Investment Income and Expenditure

	2024/25	2023/24
	£000	£000
Interest Payable	161	23
Interest and Investment Income	(776)	(776)
Net interest on Pension Scheme Assets/Liabilities (see note 9)	(536)	(235)
Impairment loss/(gains) for bad debts	9	(15)
<b>Total</b>	<b>(1,142)</b>	<b>(1,003)</b>

## 8. Revenue from Contracts with Service Recipients

The Committee's main source of income is from annual subscriptions and agreed charges to member authorities. In 2024/25, TEC provided administrative support and infrastructure to the Road User Charging Adjudicators (RUCA) on behalf of the Greater London Authority under the terms of a service contract. The contract is charged on a cost recovery basis with performance obligations recognised over time.

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

	2024/25	2023/24
	£000	£000
Revenue from contract	(1,932)	(1,936)
<b>Total</b>	<b>(1,932)</b>	<b>(1,936)</b>

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

	2024/25	2023/24
	£000	£000
Receivables (included in debtors)	373	2,146
<b>Total</b>	<b>373</b>	<b>2,146</b>

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

**8. Revenue from Contracts with Service Recipients (continued)**

In 2024/25, London Councils generated income from room hire. Income is recognised over the period of the hire.

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

	<b>2024/25</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Revenue from contract	(25)	(55)
<b>Total</b>	<b>(25)</b>	<b>(55)</b>

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

	<b>2024/25</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Receivables (included in debtors)	2	-
<b>Total Receivables</b>	<b>2</b>	<b>-</b>

**9. Pensions****Defined Benefit Scheme**

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

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

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

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

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

**NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)****9. Pensions (continued)**

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

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

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

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

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

The LPFA, as administering authority, provided Barnett Waddingham LLP, an independent firm of qualified actuaries with scheme membership information as at 31 March 2022 for all employees within London Councils as part of the triennial valuation. Assets were allocated within the LPFA Pension Fund based on these calculated liabilities. The triennial valuation as at 31 March 2022 was the starting point for the 'roll forward' IAS 19 valuations. In order to assess the actuarial value of the LPFA Pension Fund's liabilities as at 31 March 2025 attributable to London Councils, scheme liabilities have been assessed by Barnett Waddingham LLP on an actuarial basis using the projected unit method, and estimate of pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc.

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

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

**NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)****9. Pensions (continued)****Financial Assumptions**

The financial assumptions as at 31 March 2025:

<b>Assumptions as at:</b>	<b>31 March 2025 (% per annum)</b>	<b>31 March 2024 (% per annum)</b>
CPI increases	2.90	2.90
Salary increases	3.90	3.90
Pension increases	2.90	2.90
Discount rate	5.85	4.90

These assumptions are set with reference to market conditions at 31 March 2025.

Our estimate of the duration of the Employer's liabilities is 17 years.

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

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

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

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

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

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

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

## 9. Pensions (continued)

**Demographic and Statistical Assumptions**

A set of demographic assumptions that are consistent with those used for the most recent fund valuation, which was carried out as at 31 March 2022, except for the CMI projection model. The post retirement mortality tables have been constructed based on Club Vita analysis. These base tables are then projected using the CMI\_2021 Model, allowing for a long-term rate of improvement of 1.25% p.a., smoothing parameter of 7.0, an initial addition parameter of 0.0% p.a. a 2021 weighting of 5% and a 2022 weight parameter of 25%.

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

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

	<b>31 March 2025</b>	<b>31 March 2024</b>
Retiring today:		
Males	22.3	22.3
Females	24.4	24.4
Retiring in 20 years:		
Males	22.5	22.5
Females	25.4	25.4

The fair value of the pension scheme assets attributable to the London Councils Joint Committee at 31 March 2025:

	<b>At 31 March 2025</b>		<b>At 31 March 2024</b>	
	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>%</b>
Equities	47,213	59%	47,007	61%
Target return portfolio	14,538	18%	13,393	17%
Infrastructure	9,130	11%	8,919	11%
Property	7,296	10%	7,102	9%
Cash	1,872	2%	1,216	2%
	<b>80,049</b>	<b>100%</b>	<b>77,637</b>	<b>100%</b>

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

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

## 9. Pensions (continued)

The analysis of the net value of the pension scheme assets and liabilities recognised in the Balance Sheet as at 31 March 2025 is as follows:

	At 31 March 2025	At 31 March 2024
	£000	£000
Fair value of employer assets	80,049	77,637
Present value of scheme liabilities	(61,985)	(77,587)
<b>Net Asset / (Liability)</b>	<b>18,064</b>	<b>50</b>
Impact of asset ceiling	(18,064)	-
Present value of unfunded liabilities	(45)	(50)
<b>Net Asset / (Liability) in Balance Sheet</b>	<b>(45)</b>	<b>-</b>

The analysis of the amounts recognised in the Comprehensive Income and Expenditure Account for the year ended 31 March 2025 is as follows:

	At 31 March 2025	At 31 March 2024
	£000	£000
Service cost	1,436	1,557
Net interest on the defined liability	(536)	(235)
Administration expenses	23	22
<b>Total</b>	<b>923</b>	<b>1,344</b>

The reconciliation of the Defined Benefit Obligation at 31 March 2025 is as follows:

	At 31 March 2025	At 31 March 2024
	£000	£000
<b>Opening Defined Benefit Obligation</b>	<b>(77,637)</b>	<b>(72,285)</b>
Current service cost	(1,420)	(1,358)
Interest cost	(3,404)	(3,168)
Change in financial assumptions	19,437	(3,258)
Change in demographic assumptions	153	756
Experience (gain)/ loss on defined benefit obligation	170	(244)
Estimated benefits paid net of transfers	1,405	2,782
Past Service Costs including curtailments	(16)	(199)
Contributions by scheme participants	(723)	(668)
Unfunded pension payments	5	5
<b>Closing Defined Benefit Obligation</b>	<b>(62,030)</b>	<b>(77,637)</b>

**NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)****9. Pensions (continued)**

The reconciliation of the Fair Value of Employer's Assets at 31 March 2025 is as follows:

	<b>At 31 March 2025</b>	<b>At 31 March 2024</b>
	<b>£000</b>	<b>£000</b>
<b>Opening Fair Value of Employer's Assets</b>	<b>77,637</b>	<b>72,285</b>
Interest on assets	3,940	3,403
Return on assets less interest	(1,523)	3,287
Other actuarial gain/(losses)	-	-
Impact of asset ceiling	(18,064)	-
Administration expenses	(23)	(22)
Contributions by employer	705	803
Contributions by scheme participants	723	668
Estimated benefits paid plus unfunded net of transfers in	(1,410)	(2,787)
<b>Closing Fair Value of Employer's Assets</b>	<b>61,985</b>	<b>77,637</b>

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

Sensitivity analysis:

	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Adjustment to Discount Rate</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	61,076	62,030	63,007
Projected service cost	973	1,014	1,058
<b>Adjustment to Long-term Salary Increases</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	62,084	62,030	61,976
Projected service cost	1,014	1,014	1,014
<b>Adjustment to Pension Increases and Deferred Revaluation</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	62,980	62,030	61,103
Projected service cost	1,059	1,014	971
<b>Adjustment to Mortality Age Rating Assumption</b>	<b>+1 Year</b>	<b>None</b>	<b>-1 Year</b>
Present value of total obligation	63,861	62,030	60,254
Projected service cost	1,055	1,014	975

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

## 9. Pensions (continued)

The analysis of the re-measurements in Other Comprehensive Income and Expenditure for the year ended 31 March 2025 is as follows:

	<b>At 31 March 2025</b>	<b>At 31 March 2024</b>
	<b>£000</b>	<b>£000</b>
Return on plan assets in excess of interest	(1,523)	3,287
Other actuarial losses on assets	-	-
Change in financial assumptions	10,837	617
Change in demographic assumptions	153	756
Experience gain/(loss) on defined benefit obligation	170	(244)
Changes in asset ceiling	(18,064)	-
<b>Re-measurements</b>	<b>(8,427)</b>	<b>4,416</b>

The projections for the year to 31 March 2026 is as follows:

	<b>31 March 2026</b>
	<b>£000</b>
Service cost	1,014
Net interest on the defined liability/(asset)	(18)
Administration expenses	24
<b>Total</b>	<b>1,020</b>
Employers contribution	722

**Defined Contribution Scheme**

The Committee provides a defined contribution scheme to adjudicators who are classed as workers under auto enrolment legislation but are not entitled to join the Local Government Pension Scheme. Pension contributions are based on a percentage of the monthly fee paid to adjudicators participating in the scheme. The Committee's contribution rate for the 2024/25 tax year was 3% (2023/24: 3%) while the adjudicators' minimum contribution rate was 5% (2023/24: 5%). The scheme is operated by Smart Pension and the amount recognised as an expense in the accounts is as follows:

	<b>2024/25</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Current period contributions	35	31

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

## 10. Property, Plant and Equipment

Movements in 2024/25:

	Furniture and Equipment £000	Leasehold Improvements £000	Total £000
<b>Cost</b>			
At 1 April 2024	1,613	2,058	3,671
Additions	366	1,303	1,669
Disposals	(1,124)	(1,433)	(2,557)
<b>At 31 March 2025</b>	<b>855</b>	<b>1,928</b>	<b>2,783</b>
At 1 April 2024	1,226	1,818	3,044
Charge for the year	80	101	181
Charge relating to Disposals	(985)	(1,285)	(2,270)
<b>At 31 March 2025</b>	<b>321</b>	<b>634</b>	<b>955</b>
<b>Net Book Value</b>			
<b>At 31 March 2025</b>	<b>534</b>	<b>1,294</b>	<b>1,828</b>
<b>At 31 March 2024</b>	<b>387</b>	<b>240</b>	<b>627</b>

Movements in 2023/24:

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

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

**NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)****10. Property, Plant and Equipment (continued)**

There are contractual commitments in relation to the acquisition of Property, Plant and Equipment, relating to the fit out of the new offices at Martin Lane of approximately £834,000.

**11. Right of Use Asset**

London Councils has entered into a lease agreement for office space. At the commencement date, the London Councils recognised a right-of-use asset and a lease liability. The initial measurement of the right-of-use asset includes the lease liability and incentives received, with depreciation charged on a straight line basis over the lease term.

	<b>Finance Lease Assets £000</b>
<b>Cost</b>	
As at 1 April 2024	-
Additions	4,051
Disposals	-
<b>At 31 March 2025</b>	<u><b>4,051</b></u>
At 1 April 2024	-
Charge for the year	312
Charge relating to Disposals	-
<b>At 31 March 2025</b>	<u><b>312</b></u>
<b>Net Book Value</b>	
<b>At 31 March 2025</b>	<u><u><b>3,739</b></u></u>
<b>At 31 March 2024</b>	-

**12. Intangible Assets**

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

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

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

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

## 13. Short Term Debtors

	31 March 2025	31 March 2024
	£000	£000
Amounts owed by member authorities	2,496	2,672
Payments in advance	587	729
Other debtors	4,025	3,685
Impairment provision for bad debts	(83)	(71)
<b>Total</b>	<b>7,025</b>	<b>7,015</b>

## 14. Cash and Cash Equivalents

	31 March 2025	31 March 2024
	£000	£000
Cash held by the Committee	171	11,408
Cash balances held by the City of London	11,694	14,811
<b>Total</b>	<b>11,865</b>	<b>26,219</b>

Included within Cash held by the Committee for 2023/24 is an amount received from Transport for London in March 2024 of £11.24 million. This related to an agreed refund to boroughs for the 2024/25 concessionary fare settlement, and has therefore been recognised as a receipt in advance on the balance sheet – See note 15

## 15. Short Term Creditors

	31 March 2025	31 March 2024
	£000	£000
Amounts owed to member authorities	(4,612)	(6,893)
Receipts in advance	(5,081)	(13,371)
Accruals	(3,559)	(3,500)
Lease Liability	(248)	-
Bank	(34)	-
Other creditors	(107)	(221)
<b>Total</b>	<b>(13,641)</b>	<b>(23,985)</b>

## 16. Provisions

	Property Lease Provisions £000
<b>Balance at 1 April 2024</b>	<b>(991)</b>
Reduction in Provisions made in 2024/25	732
Additional Provisions made in 2024/25	(24)
Unwinding of discount	(7)
Amounts used in 2024/25	79
<b>Balance at 31 March 2025</b>	<b>(211)</b>

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

## 16. Provisions (continued)

	Non Property Provisions £000
<b>Balance at 1 April 2024</b>	<b>(103)</b>
Additional Provisions made in 2024/25	-
<b>Balance at 31 March 2025</b>	<b>(103)</b>
Analysis of Total Provisions:	
	<b>£000</b>
Current	(286)
Non-current	(27)
<b>Total Provision</b>	<b>(313)</b>

London Councils wrote down the provision it established at Southwark Street following the end of the lease. A new provision was established for the Arthur Street premises, with costs based on the estimated remedial works required at the end of the lease term.

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

## 17. Long Term Creditors

	31 March 2025 £000	31 March 2024 £000
Amounts owed to member authorities	-	(172)
Lease Liability	3,822	-
<b>Total</b>	<b>(3,822)</b>	<b>(172)</b>

## 18. Financial Instruments

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

Financial assets:

	31 March 2025 £000	31 March 2024 £000
Amortised cost	18,273	32,729
<b>Total financial assets</b>	<b>18,273</b>	<b>32,729</b>
Non-financial assets	6,184	1,132
<b>Total assets</b>	<b>24,457</b>	<b>33,861</b>

Financial liabilities:

	31 March 2025 £000	31 March 2024 £000
Amortised cost	(17,608)	(25,043)
<b>Total financial liabilities</b>	<b>(17,608)</b>	<b>(25,043)</b>
Non-financial liabilities	(258)	(206)
<b>Total liabilities</b>	<b>(17,866)</b>	<b>(25,249)</b>

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

## 19. Usable Reserves

	31 March 2025	31 March 2024
	£000	£000
General Reserve	4,529	4,424
Earmarked Reserves	2,428	4,392
<b>Total</b>	<b>6,957</b>	<b>8,816</b>

## 20. Specific and Earmarked Reserves

	31 March 2025	31 March 2024
	£000	£000
Lorry Control Scheme System Development	89	123
Records Management	70	240
Website Development	6	83
Tribunal Systems Development	62	119
Health Emergency Badge CMS	120	120
Pan-London LEVI DPS tool	129	224
Premises Transition	328	1,971
Operating Model	858	-
Change Management	201	357
Shared Ambition Impact Fund	-	38
Health Partnership Work	170	267
Digital Transformation	69	69
Freedom Pass Renewal Reserve	-	780
Grants Committee	26	-
Warmer Homes	300	-
<b>Total</b>	<b>2,428</b>	<b>4,392</b>

## 21. Unusable Reserves

	31 March 2025	31 March 2024
	£000	£000
Pensions Reserve	(45)	-
Accumulated Absences Reserve	(213)	(206)
Finance Lease Reserve	(63)	-
<b>Total</b>	<b>(321)</b>	<b>(206)</b>

**Pensions Reserve**

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

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

## 21. Unusable Reserves (continued)

	2024/25		2023/24	
	£000	£000	£000	£000
<b>Balance at 1 April</b>		-		(31,189)
Actuarial (losses)/gains on pension assets and liabilities		173		541
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(923)		(1,344)	
Employer's pensions contribution and direct payments to pensioners payable in the year	705		803	
		(218)		(541)
<b>Balance at 31 March</b>		<b>(45)</b>		<b>-</b>

**Accumulated Absences Reserve**

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

	2024/25		2023/24	
	£000	£000	£000	£000
<b>Balance at 1 April</b>		(206)		(165)
Settlement or cancellation of accrual made at the end of the preceding year	206		165	
Amounts accrued at the end of the current year	(213)		(206)	
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		(7)		(41)
<b>Balance at 31 March</b>		<b>(213)</b>		<b>(206)</b>

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

**Finance Lease Reserve**

The Finance Lease Reserve absorbs the impact of the notional accounting adjustments under IFRS 16, Leases against the General Reserve.

	31 March 2025 £000	31 March 2024 £000
Finance Lease Reserve	(63)	-

**22. Cash Flow Statement – Operating Activities**

	2024/25 £000	2023/24 £000
<b>Deficit on Provision of Services</b>	<b>(2,148)</b>	<b>(2,054)</b>
Adjusted for:		
Current Service Cost Adjustment	754	776
Depreciation	493	248
Amortisation of Intangible Assets	-	-
Net loss on Pension Scheme Assets/Liabilities	(581)	(235)
Provision for liabilities and charges	(780)	(27)
Carrying amount on aborted refurbishment costs	-	-
Increase in Debtors	(10)	484
Decrease in Creditors	(6,649)	12,356
ROU Asset	(4,051)	-
Net Disposal of Assets	287	-
<b>Adjustments for non-cash movements</b>	<b>(10,537)</b>	<b>13,602</b>
Finance and investment expenditure	170	23
Finance and investment income	(1,312)	(1,026)
<b>Adjustments for investing and financing activities</b>	<b>(1,142)</b>	<b>(1,003)</b>
<b>Net cash flows from Operating Activities</b>	<b>(13,827)</b>	<b>10,545</b>

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

## 23. Cash Flow Statement – Investing Activities

	2024/25	2023/24
	£000	£000
Finance and investment expenditure	(170)	(23)
Finance and investment income	1,312	1,026
Payment to Acquire Property, Plant and Equipment and Intangible Assets	(1,669)	(245)
<b>Total</b>	<b>(527)</b>	<b>758</b>

## 24. Leases

**Operating Leases**

In prior reporting periods, the Committee held leased properties under operating lease arrangements and accounted for them under the previous IAS17, *Leases*. Following the implementation of IFRS 16, London Councils now recognises a right-of-use asset and a corresponding lease liability for applicable leases, in line with the updated accounting treatment. However, in accordance with the short-term lease exemption permitted under IFRS 16, lease arrangements with a term of 12 months or less and without a purchase option are not capitalised. Instead, these leases are recognised as operating expenses on a straight-line basis over the lease term.

The lease for Chancery Exchange falls within this exemption, as its remaining term is less than one year from the balance sheet date. Accordingly, it has not been capitalised and is disclosed below.

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

	31 March 2025	31 March 2024
	£000	£000
Not later than one year	99	1,359
Later than one year and not later than five years	-	849
<b>Total</b>	<b>99</b>	<b>2,208</b>

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

**25. Intragroup Transactions**

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

	<b>2024/25</b> <b>£000</b>	<b>2023/24</b> <b>£000</b>
London Councils Limited recharge of Chancery Exchange costs to the Transport and Environment Committee:		
Expenditure	539	528
Income	(539)	(528)
Transfer between London Councils Joint Committee and London Councils Transport and Environment Committee for climate change work:		
Expenditure	293	326
Income	(293)	(326)
Transfer between London Councils Joint Committee and London Councils Transport and Environment Committee for premises move contribution:		
Expenditure	436	-
Income	(436)	-
Transfer between London Councils Joint Committee and London Councils Grants Committee for premises move contribution:		
Expenditure	60	-
Income	(60)	-

**26. Members' Allowances**

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

	<b>2024/25</b> <b>£000</b>	<b>2023/24</b> <b>£000</b>
Members' Allowances	294	275

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

## 27. Officers' Remuneration

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

Remuneration Bands	Number of Employees	
	2024/25	2023/24
£50,000 - £54,999	15	9
£55,000 - £59,999	14	10
£60,000 - £64,999	5	10
£65,000 - £69,999	2	6
£70,000 - £74,999	12	3
£75,000 - £79,999	3	2
£80,000 - £84,999	3	1
£85,000 - £89,999	2	4
£90,000 - £94,999	2	6
£95,000 - £99,999	6	1
£100,000 - £104,999	1	-
£110,000 - £114,999	-	3
£115,000 - £119,999	2	-
£125,000 - £129,999	-	1
£130,000 - £134,999	5	5
£135,000 - £139,999	1	-
£190,000 - £194,999	-	1
£195,000 - £199,999	1	-

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

## 27. Officers' Remuneration (continued)

The remuneration paid to the Committee's senior employees in 2024/25 is as follows:

<b>Post Holder</b>	<b>Salary £</b>	<b>Compensation for Loss of Office £</b>	<b>Total Remuneration excluding Pension Contribution</b>	<b>Employer's Pension Contribution £</b>	<b>Total Remuneration including Pension Contribution £</b>
Chief Executive (Alison Griffin)	199,730	-	199,730	15,379	215,109
Strategy Director, London's Futures	134,580	-	134,580	10,363	144,943
Director, Corporate Resources	118,737	-	118,737	9,143	127,880
Chief Operating Officer	136,904	-	136,904	10,542	147,446
Strategy Director, London's Communities	134,580	-	134,580	10,363	144,943
Director, Communications	134,580	-	134,580	10,363	144,943
Strategy Director, LG Finance and Improvement	134,580	-	134,580	10,363	144,943
Policy and Strategy Director <sup>1</sup>	12,952	-	12,952	997	13,949
<b>Total</b>	<b>1,006,643</b>	<b>-</b>	<b>1,006,643</b>	<b>77,513</b>	<b>1,084,156</b>

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<sup>1</sup> Joined during 2024/25

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

## 27. Officers' Remuneration (continued)

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

Post Holder	Salary £	Compensation for Loss of Office £	Total Remuneration excluding Pension Contribution	Employer's Pension Contribution £	Total Remuneration including Pension Contribution £
Chief Executive (Alison Griffin)	194,479	-	194,479	13,528	208,007
Strategy Director, London's Futures & Places	131,236	-	131,236	9,107	140,344
Director, Corporate Governance <sup>2</sup>	10,084	-	10,084	595	10,679
Director, Corporate Resources	114,516	-	114,516	7,948	122,464
Chief Operating Officer <sup>3</sup>	133,529	-	133,529	9,268	142,796
Strategy Director, London's Communities	131,236	-	131,236	9,107	140,344
Director, Communications	131,236	-	131,236	9,107	140,344
Strategy Director, LG Finance and Improvement	131,236	-	131,236	9,107	140,344
<b>Total</b>	<b>977,552</b>	<b>-</b>	<b>977,552</b>	<b>67,768</b>	<b>1,045,320</b>

<sup>2</sup> Left during 2023/24

<sup>3</sup> Title change from Director, Transport and Mobility

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

**28. Termination Benefits**

There were termination payments included in the Comprehensive Income and Expenditure Statement of £100,000 for 2024/25 (2023/24: £283,000).

**29. External Audit Costs**

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

	<b>2024/25</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Fees payable in respect of the audit of the Statement of Accounts and Employers' Association Return	57	55
Additional fees payable in respect of the audit of the 2024/25 Statement of Accounts and Employers' Association Return	-	-
	<b>57</b>	<b>55</b>

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

**30. Related Parties**

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

**Member Boroughs**

Member boroughs have direct control over the Committees activities through their membership of London Councils Leaders' Committee. The total value of income from subscriptions, contributions and other charges paid to London Councils by its member boroughs during 2024/25 was £51.993 million (2023/24: £45.519 million). The total value of expenditure on rent, rates, professional fees and the distribution of grants paid to member boroughs during 2024/25 was £12.718 million (2023/24: £5.083 million) with the increase relating to the concessionary fares refunds paid in 2024/25. On 31 March 2025, the value of debtor balances owed by member boroughs (including payments in advance) amounted to £2.762 million (2023/24: £2.671 million) and the value of creditor balances (including receipts in advance) owed to member boroughs amounted to £4.612 million (2023/24: £7.065 million).

**Transport for London**

A representative of Transport for London (TfL) sits on London Councils Transport and Environment Committee and therefore has influence over the activities of the Committee. The total value of income received from TfL in respect of subscriptions, contributions and charges during 2024/25 was £8.110 million (2023/24: £9.438 million). The total value of payments to TfL during 2024/25 was nil (2023/24: Nil). On 31 March 2025, the value of debtor balances owed by TfL amounted to £2.750 million (2023/24: £683,000), with the increase relating to the reimbursement of the taxicard scheme, and the value of creditor balances owed to TfL (including receipts in advance) was nil (2023/24: £11.237 million which relating to the Concessionary Fares TfL refund to boroughs).

**NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)****30. Related Parties (continued)****Central Government**

Central Government has effective control over the general operations of member boroughs as it is responsible for providing the statutory framework within which the boroughs operate, provides the majority of their funding in the form of grants and prescribes the terms of many of the transactions that the boroughs have with other parties. The total value of expenditure on the registration of debts to HM Courts and Tribunal Services and other charges during 2024/25 amounted to £8.994 million (2023/24: £7.601 million). Funding received from Central Government in 2024/25 amounted to £426,000 (2023/24: nil). On 31 March 2025, the value of debtor balances owed by central government bodies amounted to £617,000 (2023/24: £506,000) and the value of creditor balances owed to central government bodies (including receipts in advance) amounted to £4.452 million (2023/24: £1.316).

**London Pensions Fund Authority (LPFA)**

London Councils' pension scheme is administered by the LPFA and members of London Councils Leaders Committee sit on the LPFA board. The total value of expenditure paid to the LPFA for pension payments and other charges during 2024/25 was £734,000 (2023/24: £703,000). On 31 March 2025, the value of creditor balances owed to the LPFA (including receipts in advance) was nil (2023/24: £284,000).

**31. Grant Commitments**

The value of grant commitments in 2025/26 is £6.173 million.

**32. Concessionary fares**

These accounts do not include the amount of £281.849 million (2023/24: £207.770 million) paid directly by member boroughs to Transport for London in respect of the Concessionary Fares scheme. Whilst these direct payments are included in the Committee's annual budget they are excluded from the accounts as the expenditure is not incurred by the Committee, therefore full inclusion of the costs will artificially inflate London Councils income and expenditure.

**33. Segmental Reporting**

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

**Appendix A – London Councils Grants Committee Comprehensive Income and Expenditure Statement 2024/25 which is for information and not covered by the Independent Auditor’s Report**

	2024/25 Gross Expenditure £000	2024/25 Gross Income £000	2024/25 Net £000	2023/24 Gross Expenditure £000	2023/24 Gross Income £000	2023/24 Net £000
<b>Cost of Services</b>						
Borough commissioned services	6,173	(6,171)	2	6,223	(6,175)	48
ESF commissioned services	-	-	-	-	-	-
<b>Cost of Services</b>	<b>6,173</b>	<b>(6,171)</b>	<b>2</b>	<b>6,223</b>	<b>(6,175)</b>	<b>48</b>
Other Operating Expenditure	589	(495)	94	534	(495)	39
Financing and investment income and expenditure	-	(120)	(120)	-	(99)	(99)
<b>Deficit on Provision of Services</b>	<b>6,762</b>	<b>(6,786)</b>	<b>(24)</b>	<b>6,757</b>	<b>(6,769)</b>	<b>(12)</b>
Re-measurement of the net defined liability			(4)			(11)
<b>Other Comprehensive Income and Expenditure</b>			<b>(4)</b>			<b>(11)</b>
<b>Total Comprehensive Income and Expenditure</b>			<b>(28)</b>			<b>(23)</b>

**Appendix B – London Councils Transport and Environment Committee Comprehensive Income and Expenditure Statement 2024/25 which is for information and not covered by the Independent Auditor’s Report**

	2024/25 Gross Expenditure £000	2024/25 Gross Income £000	2024/25 Net £000	2023/24 Gross Expenditure £000	2023/24 Gross Income £000	2023/24 Net £000
<b>Cost of Services</b>						
Freedom Pass and Taxicard services	41,677	(41,264)	413	27,494	(27,672)	(178)
Direct Services	16,123	(16,734)	(611)	13,855	(14,275)	(420)
<b>Cost of Services</b>	<b>57,800</b>	<b>(57,998)</b>	<b>(198)</b>	<b>41,349</b>	<b>(41,947)</b>	<b>(598)</b>
Other Operating Expenditure	3,398	(1,174)	2,224	2,438	(503)	1,935
Financing and investment income and expenditure	16	(399)	(383)	-	(295)	(295)
<b>Deficit on Provision of Services</b>	<b>61,214</b>	<b>(59,571)</b>	<b>1,643</b>	<b>43,787</b>	<b>(42,745)</b>	<b>1,042</b>
Re-measurement of the net defined liability			(50)			(97)
<b>Other Comprehensive Income and Expenditure</b>			<b>(50)</b>			<b>(97)</b>
<b>Total Comprehensive Income and Expenditure</b>			<b>1,593</b>			<b>945</b>

**Appendix C – London Councils Joint Committee Comprehensive Income and Expenditure Statement 2024/25 which is for information and not covered by the Independent Auditor’s Report**

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

	2024/25 Gross Expenditure £000	2024/25 Gross Income £000	2024/25 Net £000	2023/24 Gross Expenditure £000	2023/24 Gross Income £000	2023/24 Net £000
<b>Cost of Services</b>						
Externally Funded Projects	9,969	(9,965)	3	9,862	(9,865)	(3)
Improvement and Efficiency	100	(100)	-	122	(122)	-
Research and Commissioning	235	(235)	-	274	(274)	-
Health Partnership Funding	97	-	97	152	(152)	-
Shared Ambition Impact Fund	100	-	100	189	-	189
YPES Regional Activity	-	-	-	14	(180)	(166)
<b>Net Cost of Services</b>	<b>10,501</b>	<b>(10,301)</b>	<b>200</b>	<b>10,613</b>	<b>(10,593)</b>	<b>20</b>
Other Operating Expenditure	9,411	(8,443)	968	7,476	(5,863)	1,613
Financing and investment income and expenditure	162	(801)	(639)	23	(632)	(609)
<b>Deficit on Provision of Services</b>	<b>20,074</b>	<b>(19,545)</b>	<b>529</b>	<b>18,113</b>	<b>(17,089)</b>	<b>1,024</b>
Re-measurement of the net defined liability			(119)			(432)
<b>Other Comprehensive Income and Expenditure</b>			<b>(119)</b>			<b>(433)</b>
<b>Total Comprehensive Income and Expenditure</b>			<b>410</b>			<b>591</b>

## Appendix C – London Councils Joint Committee Comprehensive Income and Expenditure Statement 2024/25 (continued)

### a. Consolidation Adjustments

Included within the Deficit on the Provision of Services is expenditure of £539,000 (2023/24: £528,000) and income of £539,000 (2023/24: £528,000) in respect of the premises costs of Arthur Street and Chancery Exchange which were incurred by London Councils Limited and recharged to London Councils Transport and Environment Committee. There is also a transfer of £293,000 (2023/24: £326,000) from the Transport and Environment Committee to the core Joint Committee to fund climate change related policy work. Finally there is a transfer of £436,000 and £60,000 from the Transport and Environment Committee and Grants Committee respectively in relation to the contribution to the premises move. (2023/24 Nil).

These amounts are removed on consolidation as follows:

	2024/25 Gross Expenditure £000	2024/25 Gross Income £000	2024/25 Net £000	2023/24 Gross Expenditure £000	2023/24 Gross Income £000	2023/24 Net £000
Net Cost of Services	10,501	(10,301)	200	10,613	(10,593)	20
Other Operating Expenditure	9,411	(8,443)	968	7,476	(5,863)	1,613
	<b>19,912</b>	<b>(18,744)</b>	<b>1,168</b>	<b>18,089</b>	<b>(16,456)</b>	<b>1,633</b>
Recharge of premises costs	(539)	539	-	(528)	528	-
Transfer between Committees	(789)	789	-	(326)	326	-
<b>Amount included in Consolidated Income and Expenditure Statement</b>	<b>18,584</b>	<b>(17,416)</b>	<b>1,168</b>	<b>17,235</b>	<b>(15,602)</b>	<b>1,633</b>

### b. Other Operating Expenditure

Other Operating Expenditure consists of the following items:

	2024/25 £000	2023/24 £000
Staff costs	4,947	5,236
Premises costs	1,640	1,377
Other running costs	2,824	863
<b>Total</b>	<b>9,411</b>	<b>7,476</b>

## GLOSSARY

### **Accounting Policies**

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

### **Accruals**

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

### **Actuarial Gains and Losses**

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

### **Actuary**

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

### **Amortised Cost**

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

### **Balance Sheet**

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

### **Budget**

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

### **Capital Charges**

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

### **Capital Expenditure**

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

### **Carrying amount**

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

### **Change in Accounting Estimate**

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

### **Consistency**

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

**GLOSSARY (continued)****Contingent**

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

**Contract**

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

**Creditors**

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

**Current Asset**

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

**Current Expenditure**

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

**Current Liability**

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

**Current Service Cost**

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

**Curtailments**

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

**Debtors**

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

**Depreciation**

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

**Employee benefits**

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

**Equity Instrument**

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

**Events after the reporting period**

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

**GLOSSARY (continued)****Fair Value**

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

**Financial Asset**

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

**Financial Instrument**

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

**Financial Liability**

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

**Fixed Assets**

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

**Historical Cost**

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

**Impairment**

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

**Intangible Assets**

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

**Inventories**

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

**Levies**

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

**Material**

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

**GLOSSARY (continued)****Net Realisable Value**

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

**Operational Assets**

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

**Past Service Cost**

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

**Pensions Interest Cost**

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

**Performance Obligation**

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

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

**Post Balance Sheet Events**

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

**Post-Employment Benefits**

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

**Present Value of a Defined Benefit Obligation**

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

**Provision**

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

**Prudence**

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

**Recharges**

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

**Recoverable Amount**

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

**GLOSSARY (continued)****Related Parties**

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

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

**Related Party Transaction**

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

**Remuneration**

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

**Reserves**

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

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

**Residual Value**

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

**Right of Use Asset**

Right-of-Use Asset represents a lessee's right to use an identified asset for the duration of a lease term in exchange for consideration. It is recognised at the commencement of the lease and initially measured at cost, which includes the initial measurement of the lease liabilities, lease payments made, initial direct costs and estimate end of life or restoration costs.

**Service Recipient**

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

**Short-Term Employee Benefits**

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

**Specific Grants**

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

**Specific Reserves**

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

**Tangible Fixed Assets**

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

**GLOSSARY (continued)**

**Useful Life**

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

**VAT**

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