

**LOCAL GOVERNMENT ASSOCIATION**

**Report and Financial Statements**

**for the year ended 31 March 2011**

**LOCAL GOVERNMENT ASSOCIATION  
REPORT AND FINANCIAL STATEMENTS 2011**

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# **LOCAL GOVERNMENT ASSOCIATION**

## **CHIEF EXECUTIVE'S REPORT**

### **Introduction**

The Local Government Association (LGA) was set up as an unincorporated body on 1 April 1997 following the merger of the three previous local authority associations covering England and Wales (the Association of County Councils, the Association of District Councils and the Association of Metropolitan Authorities), to provide a single voice for local government.

The Association had 422 member authorities in England and Wales in 2010-11. The 22 Welsh authorities are in corporate membership through the Welsh Local Government Association. The LGA lobbies and campaigns for changes in policy and legislation on behalf of its member councils and the people and communities they serve. It works with and on behalf of its membership to deliver a shared vision of an independent and confident local government sector, where local priorities drive public service improvement in every city, town and village and every councillor acts as a champion for their ward and for the people they represent.

### **Business review**

The LGA and the five bodies with which it is most closely associated – Local Government Improvement & Development (LGID), Local Government Employers (LGE), Local Government Regulation (LGR), Local Partnerships (LP) and the Leadership Centre for Local Government (LCLG) - have a shared ambition to make an outstanding contribution to the success of local government. In 2010-11 the six organisations worked closely together as the Local Government Group (LG Group) to deliver a revised policy and improvement offer to councils. The LG Group worked to a group-wide business plan to set common goals for the year ahead and direct resources.

The priorities in the group business plan were firmly based on evidence and research, identifying the issues most important to member councils. The priorities set covered the reputation of local government and the need for innovation and even greater value for money, improvements in local democracy, stronger local economies and improved customer service. The LGA addressed these priorities across all its policy work, in particular through its Programme Boards covering the areas of the economy and transport, culture, tourism and sport, housing, safer communities, environment, children and young people and community wellbeing. Work on getting closer to the membership, retaining authorities in membership and ensuring that the Group provided an efficient service continued in 2010-11. The Association's account management system has continued to ensure strong relationships with our member authorities and means that each authority has a dedicated contact. In 2010 all subscription income due was collected within the first six months of the year.

In May 2010 the political landscape changed with the formation of a coalition government. The LGA has worked closely with our membership to develop a new consensus on the key issues facing councils. Over the past 12 months we successfully campaigned for substantial reductions in the number of Quangos and an end to unnecessary bureaucratic inspection, such as the Comprehensive Area Assessment. We argued for an end to the housing subsidy system whereby council rents were paid over to Whitehall, and for reform of the local government finance system to allow local councils to gain control of their business rates. Both these major changes are now set to be introduced.

Building on learning from Total Place (a project about community based budgets in 2009-10), the LGA made the case for place-based budgets to strengthen local accountability for public services, encourage innovation and deliver savings. The LGA is supporting the first 16 councils operating community budgets whilst pressing government to fulfil its commitment to extend the community budgeting framework.

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In 2010-11, the LGA's long running campaign for a general power of competence delivered results with its inclusion in the Localism Bill which is now passing through Parliament. The new power gives councils wide ranging freedoms to act in the interests of their communities.

Following the LGA's successful 2010 campaign for funding to help councils deal with the damage to roads caused by last winter's exceptionally cold weather, this year the LGA secured a further £200m from the Department for Transport.

The Comprehensive Spending Review published in October 2010 set councils some of the most challenging financial targets in the public sector. The LGA is continuing to argue for the effects of the unexpected front-loading to be mitigated, and has secured some successes, for example through the additional £100m of capitalization announced in the March 2011 budget, and for councils to have maximum flexibility in how they deliver spending reductions.

The LGA will also continue to lobby to ensure that changes made to the housing benefit, business rates and council tax systems will not financially disadvantage councils, and that councils are at the heart of new arrangements in the education system. The abolition of Regional Development Authorities (RDAs) in 2010 means that the LGA is working closely with its members and wider partners pressing for councils to be at the heart of the new Local Enterprise Partnerships (LEPs) whilst lobbying for assets from the former RDAs to be transferred to the new LEPs.

In progressing a wide range of local government finance issues, the highlight of the LGA's work in direct support of its member authorities was the announcement on 1 April 2011 by the Reykjavik District Court that local authority wholesale depositors have priority status in the administrations of the Icelandic banks Landsbanki and Glitnir. This decision, if confirmed by the Icelandic Supreme Court, safeguards more than £400m of recoveries from these banks that was potentially at risk.

Income from renting out space within both Local Government House and Layden House has increased as the LG Group accommodation strategy heads towards the sharing of accommodation at Local Government House and the rental of Layden House in its entirety in 2011. Improvements have been made in the utilisation of space in both Local Government House and Layden House, with increased sub-letting income generated as a result. Energy management has also improved, and the LGA has invested in leasing of video conferencing equipment at Local Government House to reduce travel costs for meetings.

The LGA continued to secure income from running conferences and events. In 2010-11 gross income amounted to more than £1.7m despite the challenging financial climate. We also operated many more free events for our members to ensure we continue to provide value for money.

### **Local Government Group Restructure**

The LGA has along with the other LG Group bodies undertaken its largest review and restructure since its creation. This work started in 2009-10 with the formation of a Group wide Communications service. The new Group service oversaw the introduction of new branding in July 2010 and ensured a more efficient and unified communications function.

Faced with a reduction of 38% in the funding distributed to the LG Group through the Revenue Support Grant (RSG) top-slice mechanism, this work intensified in 2010-11. In the early part of the year, we reviewed our business support structures and from November 2010 undertook a wider review of all aspects of the LGA and LG Group's functions. As a result, the new LG Group Executive, with support and input from relevant company boards and panels within the Group, has overseen a restructuring of the whole LG Group to reflect the reductions in subscription income and in Government funding that will apply from April 2011. This has meant

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## **LOCAL GOVERNMENT ASSOCIATION**

a projected reduction in staff resources of over 40%, taking staff costs for the LG Group from £34 million in 2010-11 to around £17.5 million for 2011-12.

As a result the LG Group has had to undertake several rounds of voluntary redundancy and an extensive selection and recruitment process for those employees that wished to remain. There has been a significant reduction in the number of senior posts in the restructuring process. Excluding senior posts that are funded by specific grants (3 such posts at 1 April 2010 and 1 April 2011), the total number of senior manager and Director level posts across the LG Group has reduced from 41 as at 1 April 2010 to 19 following completion of implementation of the restructuring programme. Total transition costs across the LG Group, covering the administration of the selection process, outplacement support for those leaving and the costs of redundancy and notice period payments are expected to amount to between £7m and £8m.

Despite very challenging times the Association delivered a satisfactory financial outcome. Costs were kept down, allowing the LGA to make a significant payment towards its pension fund deficit and meet severance costs paid within 2010-11 without needing to draw on reserves.

### **Future Developments**

The Association's work in the coming year is set in the context of the major policy reforms that are being undertaken by the new coalition government, and the significant reductions in public spending announced in the 2010 Spending Review. Our future success will rely heavily on our delivering ever greater value to our membership when councils are facing such significant reductions in their own funding and are, rightly, questioning the value of every item of expenditure. The further work ongoing to make the joint working now introduced across the LGA Group even more focused on the priorities of key importance to member authorities and even more effective in lobbying in support of local government is therefore vital.

### **Principal risks and uncertainties**

The Association has reviewed its arrangements for risk management with clear responsibilities assigned to named senior officers for the management of the principal risks and the introduction of a Group-wide risk register. The principal risks identified and actively managed include helping councils maintain services to communities in the face of front-loading of budget cuts, sustaining the membership base, managing relationships with government and other key contacts effectively, and successfully reducing the cost base of the LGA and integrating the different parts of the Group.

### **Employees**

Details of the number of employees and related costs can be found in note 3. to the accounts on page 13.

**John Ransford**  
**Chief Executive**

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# **LOCAL GOVERNMENT ASSOCIATION**

## **REPORT OF THE CHAIRMAN OF THE RESOURCES PANEL**

### **Business Review**

The LGA implemented major changes in the delivery of its services from May 2008, when a range of back office activities were outsourced to Liberata. The contract provides for price reductions in the second and third years, with pricing thereafter at a fixed level for the remainder of the 10-year contract. The Resources Panel, as part of its work this year, has reviewed the effectiveness of this contract, confirmed that the planned savings are being achieved and commissioned further work to ensure that back office, accommodation and similar overhead costs across the LG Group are further reduced in the light of the restructuring described in the Chief Executive's Report.

The Resources Panel agreed that part of the LGA's 2010-11 budget should include a sum of £250,000 set aside for investment in projects that would save money and deliver better value for member authorities. The principal project delivered with this funding has been the installation of videoconferencing equipment in Local Government House, enabling member authorities to participate more fully in the LGA's business without needing to incur travel costs. The Panel also identified the potential for cost savings in the distribution of 'First' magazine and appropriate changes to deliver savings have now been made.

The Resources Panel has regularly monitored the LGA's financial performance against budget and, in the light of the restructuring activity across the LG Group, commissioned detailed reports firstly to review how value could be maximised from the improved use of accommodation and secondly to develop a cost-effective strategy for management of the LGA's pension liabilities. As a result of the first report, action to locate all of the LG Group's staff in Local Government House was accelerated, and this change was effected on 9 May 2011. As a result of the work on the strategy for the management of pension costs, the Resources Panel sanctioned an additional special contribution payment of £1.5m, on the basis that this was likely to deliver a high rate of return on the money invested, given the arrangements that local authority pension funds operate to ensure that employers' deficits are fully recovered over time. In addition to these particularly important areas of review, the Resources Panel undertook significant work across a number of meetings to develop the proposed 2011-12 budgets for the LGA and the wider LGA Group, which deliver substantial cost reductions.

With the 2010-11 LGA membership subscription structure having been radically reformed in the light of the Resources Panel's review in 2009-10, it was decided that only relatively minor further changes to the subscription structure should be recommended for introduction in April 2011. However, the Resources Panel concluded that the level of subscriptions should be further reduced, on a strategy representing an overall reduction of around 20% in subscription income over the period to 31 March 2014, and that a discount to encourage prompt payment should be introduced.

### **Governance**

The LG Group Resources Panel oversees management of the Association's financial and other resources, and the financial and accommodation strategies for the wider LG Group. The Panel also has the responsibility to consider and make recommendations on proposals for the use of revenue support grant by entities within the LG Group. These responsibilities include oversight of treasury management issues. No losses arose on treasury activities. The Resources Panel has also considered these accounts in the light of a report from the LG Group Audit and Scrutiny Panel, chaired by Cllr Ian Swithenbank CBE, whose membership is independent of the Group's other Boards and Panels.

**Councillor Keith R Mitchell CBE FCA FCCA**

**Chairman of the Resources Panel**

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## **LOCAL GOVERNMENT ASSOCIATION**

The members of the Resources Panel for 2010-11 are:

Councillor Keith R Mitchell CBE FCA FCCA (Chairman)

Councillor Sharon Taylor (Vice Chair)

Councillor Sarita Bush (Deputy Chair)

Alderman Ian D Luder CBE (Deputy Chair)

Councillor Gordon Keymer CBE

Councillor Claire Kober

Councillor Derrick Murphy

Councillor Stephen Parnaby

Councillor Keith Whitmore

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## **LOCAL GOVERNMENT ASSOCIATION**

### **STATEMENT OF RESOURCES PANEL'S RESPONSIBILITIES**

The Resources Panel of the Local Government Association (LGA) have accepted responsibility for the preparation of these financial statements for the year ended 31 March 2011. They have decided to prepare these financial statements in accordance with UK Generally Accepted Accounting Practice with the exception of FRS 2, accounting for subsidiary undertakings.

In preparing these financial statements, the Resources Panel have:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis as they believe that to be appropriate, having regard to the LGA's business, state of affairs and constitution.

The Resources Panel have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LGA and to prevent and detect fraud and other irregularities.

### **Provision of information to Auditors**

In the case of each of the persons who are members of the Resources Panel at the time when the financial statements are approved, the following applies:

- so far as the members of the Panel are aware, there is no relevant audit information of which the company's auditors are unaware, and
- the members of the Panel have taken all the steps that they ought to have taken under their Terms of Reference in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Auditors**

A resolution for the re-appointment of auditors of the LGA is to be proposed.

**Approved** by the Resources Panel and signed on their behalf

1 June 2011

Keith R Mitchell CBE FCA FCCA  
Chairman of the Resources Panel

# LOCAL GOVERNMENT ASSOCIATION

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LOCAL GOVERNMENT ASSOCIATION

We have audited the financial statements of the Local Government Association (LGA) for the year ended 31 March 2011 set out on pages 8 to 26. The financial reporting framework that has been applied in their preparation is as set out within Note 1 to these accounts.

This report is made solely to the Members, as a body, in accordance with the terms of our engagement. Our audit work has been undertaken so that we might state to the Members those matters we have been engaged to state to them in this 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the Resources Panel and auditors

As explained more fully in the Statement of Resources Panel's Responsibilities set out on page 6, the Members of the Resources Panel are responsible for the preparation of the financial statements and for being satisfied that they have been properly prepared. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with the terms of our engagement letter dated 25 May 2011 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the LGA's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements have been properly prepared in accordance with the basis of preparation and accounting policies set out in Note 1 to the accounts

*Chartered Accountants*

*15 Canada Square*

*London*

*E14 5GL*

*Andrew Sayers*

*for and on behalf of KPMG LLP,*

*Date: 1 June 2011*

## LOCAL GOVERNMENT ASSOCIATION

### INCOME AND EXPENDITURE ACCOUNT

Year ended 31 March 2011

	Note	2011 £000	2010 £000
Income	2	33,087	35,812
Operating expenses		(30,014)	(30,908)
<b>OPERATING SURPLUS</b>	4	3,073	4,904
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		3,073	4,904
Interest receivable and similar income		138	33
Finance discounts allowed	5	(455)	(462)
Pension scheme adjustment – impact of indexation change	12	7,663	0
Pension scheme accounting adjustments		(1,345)	(2,449)
<b>SURPLUS OF INCOME OVER EXPENDITURE FOR THE YEAR BEFORE AND AFTER TAX</b>	6	9,074	2,026

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 31 March 2011

	Note	2011 £000	2010 £000
Surplus for the year		9,074	2,026
Actuarial gain/(loss) recognised in respect of the pension fund	12	9,820	(12,733)
Total recognised gain/(loss) relating to the year		18,894	(10,707)

# LOCAL GOVERNMENT ASSOCIATION

## BALANCE SHEET

As at 31 March 2011

	Note	2011 £000	2010 £000
<b>FIXED ASSETS</b>			
Investments	8	1,775	800
		<u>1,775</u>	<u>800</u>
<b>CURRENT ASSETS</b>			
Debtors	9	5,093	8,595
Short term investments	10	5,000	3,700
Cash at bank and in hand		1,032	1,234
		<u>11,125</u>	<u>13,529</u>
<b>CREDITORS: amounts falling due within one year</b>	11	(5,110)	(6,332)
		<u>6,015</u>	<u>7,197</u>
<b>NET CURRENT ASSETS</b>			
		6,015	7,197
<b>LONG TERM DEBTORS: Loan to LGA (Properties)</b>		620	0
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		8,410	7,997
<b>PROVISIONS FOR LIABILITIES</b>			
Pension fund deficit	12, 13	(25,421)	(44,229)
Restructuring provision	12	(75)	(0)
		<u>(17,086)</u>	<u>(36,232)</u>
<b>TOTAL NET LIABILITIES</b>		<u>(17,086)</u>	<u>(36,232)</u>
<b>ACCUMULATED FUNDS</b>			
General reserve		3,810	3,258
Conference income reserve	14	0	214
Pension reserve		4,525	4,525
Pension deficits reserve			
- Defined Benefits		68,629	67,619
- Defined Liabilities		(94,050)	(111,848)
		<u>(17,086)</u>	<u>(36,232)</u>

These financial statements were approved by the Resources Panel on 1 June 2011

Councillor Keith R Mitchell CBE FCA FCCA

Chairman of the LGA Resources Panel

## LOCAL GOVERNMENT ASSOCIATION

### CASH FLOW STATEMENT

Year ended 31 March 2011

	2011 £000	2010 £000
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	1,880	2,940
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	138	33
Finance discounts allowed for authorities that were former members of the AMA	(455)	(462)
	<u>(317)</u>	<u>(429)</u>
<b>INVESTING ACTIVITIES</b>		
Capital receipt on formation of Local Partnerships LLP	0	1,000
Transfer of 4ps surplus reserves	510	1,000
Investment in Local Partnerships LLP	(975)	(1,000)
Short term investments	(1,300)	(3,700)
	<u>(1,765)</u>	<u>(2,700)</u>
<b>(Decrease) in cash</b>	(202)	(189)
<b>Net funds at the start of the year</b>	1,234	1,423
<b>Net funds at the end of the year</b>	<u>1,032</u>	<u>1,234</u>

### RECONCILIATION OF OPERATING SURPLUS/(DEFICIT) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2011 £000	2010 £000
Operating surplus	3,073	4,904
Impairment of investment	0	200
Pension costs –current service cost less contributions	(2,670)	(1,463)
Decrease/(increase) in current assets:		
- stocks		
- debtors	2,882	(593)
(Decrease)/increase in current liabilities:		
- creditors	(1,222)	2,067
Capital receipt on formation of Local Partnerships LLP	0	(1,000)
Transfer of 4ps surplus reserves	(510)	(1,000)
Write back of Repairs and maintenance Reserve	0	(175)
Distribution of LGIB deposit account	48	0
Adjustment for provision	75	0
Movement on Reserves	204	0
	<u>1,880</u>	<u>2,940</u>
Net cash inflow from operating activities	<u>1,880</u>	<u>2,940</u>

# **LOCAL GOVERNMENT ASSOCIATION**

## **NOTES TO THE ACCOUNTS**

**Year ended 31 March 2011**

### **1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with United Kingdom accounting standards, with the exception of FRS 2 – Accounting for Subsidiary Undertakings. The particular accounting policies adopted are described below. It is considered that consolidation of the results of the related organisations listed in note 15, as required by FRS2, would not add significantly to the understanding of the financial position of the Association and consolidated accounts are therefore not presented.

#### **Going Concern**

The financial statements have been prepared on a going concern basis. The Association has net liabilities, after accounting for the defined benefit pension scheme deficits of £16.3m as at 31 March 2011. This position includes an actuarial estimate of the pension liabilities at the balance sheet date. The Association pays amounts into the schemes, as prescribed by the actuaries (note 13), in order to eliminate this deficit over a maximum of 15 years. The unfunded pension deficits are being repaid over the remaining lives of the pensioners concerned as detailed in note 13. The payments are being financed from subscriptions. In view of these arrangements the Resources Panel expect that the Association will have adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis. However, in the event of dissolution, the Association's unsecured liabilities would be underwritten, under the terms of the Association's constitution, by a guarantee from all member authorities, past and present.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention.

#### **Investments**

Investments are recognised at the lower of cost and net realisable value.

#### **Income**

Income represents the amount receivable as grants, subscriptions and for goods sold and services provided (excluding Value Added Tax). Note 2 gives further analysis of income which is all generated in the UK.

#### **Government Grants**

Grants are recognised in the Income and Expenditure accounts when the conditions for receipt have been complied with. Deferred grant income at the year end is included in creditors. Specific Grant is recognised in the accounts in the period the related activities occur.

#### **Pension costs**

New employees are entitled to membership of the Merseyside defined benefit pension scheme. Existing staff may be members of either the Merseyside or West Sussex scheme. Under the defined benefit plans, pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Any increase in the present value of liabilities within the defined benefit pension schemes expected to arise from employee service in the period are charged to the income and expenditure account.

## **LOCAL GOVERNMENT ASSOCIATION**

### **NOTES TO THE ACCOUNTS**

**Year ended 31 March 2011**

The expected return on the schemes' assets and the increase during the period in the present value of the schemes' liabilities arising from the passage of time are included in the income and expenditure account as pension scheme adjustments. Actuarial gains and losses are recognised in the statement of total recognised gains and losses. Pension scheme surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet.

The amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments (included in staff costs). Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs.

The total of employer pension contributions estimated to be payable in 2011/12 is £2.942m.

#### **Status of the Association**

The Local Government Association is an unincorporated association governed by its constitution. In the event of dissolution of the Association, its member authorities (both existing and past) are liable to contribute such additional sum as is required to eliminate any deficiency representing the excess of the Association's liabilities over its assets.

# LOCAL GOVERNMENT ASSOCIATION

## NOTES TO THE ACCOUNTS

Year ended 31 March 2011

### 2. INCOME

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Subscriptions	13,009	14,454
Conferences and seminars	1,688	3,131
Shared Services	9,874	9,044
Other income	8,516	9,183
	<hr/>	<hr/>
	33,087	35,812
	<hr/> <hr/>	<hr/> <hr/>

### 3. STAFF INFORMATION

	<b>2011</b>	<b>2010</b>
<b>Average number of persons employed</b>	151	161
	<hr/> <hr/>	<hr/> <hr/>

<b>Staff costs</b>	<b>£000</b>	<b>£000</b>
Wages and salaries	7,113	7,510
Social security costs	720	748
Pension costs – cash payable by employer	3,085	1,560
Pension costs – current service costs less contributions	(2,670)	(1,463)
<u>Less</u> income from secondments	(1,144)	(1,384)
	<hr/>	<hr/>
	7,104	6,971
	<hr/> <hr/>	<hr/> <hr/>

<b>Staff related costs</b>		
Agency, freelance and secondment costs	794	970
Recharges re unfunded pension liabilities	778	921
Travel, subsistence and staff expenses	177	272
Recruitment costs	0	52
Training costs	130	134
Other personnel costs	20	30
	<hr/>	<hr/>
	1,899	2,379
	<hr/> <hr/>	<hr/> <hr/>
<b>Total staff costs</b>	9,003	9,350
	<hr/> <hr/>	<hr/> <hr/>

# LOCAL GOVERNMENT ASSOCIATION

## NOTES TO THE ACCOUNTS

Year ended 31 March 2011

Details of the remuneration of the Association's senior staff in 2010-11 are given below, with comparative figures for 2009-10. No bonuses were paid to senior staff.

	2011		2010	
	Salary £	Employer pension contribution £	Salary £	Employer pension contribution £
John Ransford – Chief Executive	207,532	48,518	245,612	57,228
Jo Miller – Deputy Chief Executive	195,042	46,211	157,683	42,505
Jenny Crighton – Director of Strategy and Communications	41,468	10,150	85,758	19,634
Stephen Jones – Director of Finance and Performance	159,520	42,113	159,983	37,276
Chris Lawrence-Pietroni – Interim Director of Strategy and Communications	0	0	27,395	6,383

John Ransford was originally employed as Chief Executive under a fixed term contract from 1st February 2009 to 31 December 2010. In April 2010 it was agreed that he would remain in post as Chief Executive until no later than the end of 2011, on revised contractual arrangements taking effect from 1st January 2011.

In 2009-10 Jo Miller was on maternity leave for part of the year: her contractual salary rate did not change between 2009-10 and 2010-11.

Jenny Crighton served as Director of Strategy and Communications until 31st July 2010.

Chris Lawrence-Pietroni served as an interim Director until 2nd July 2009.

The numbers of the Association's other staff who received remuneration of £50,000 or more are stated in the Table below. Remuneration excludes employer pension contributions but includes redundancy and all taxable benefits paid to or receivable by the employee. The 2011 figures include 5 staff (2010: 3 staff) seconded to other organisations.

	2011	2011	2010	2010
	Remuneration including redundancy	Remuneration excluding redundancy	Remuneration including redundancy	Remuneration excluding redundancy
£50,000 - £54,999	3	3	3	3
£55,000 - £59,999	6	5	13	13
£60,000 - £64,999	13	13	8	7
£65,000 - £69,999	7	6	1	0
£70,000 - £74,999	1	1	1	1
£75,000 - £79,999	1	1	1	1
£80,000 - £84,999	0	0	0	0
£85,000 - £89,999	1	1	4	4
£90,000 - £94,999	4	3	1	1
£95,000 - £99,999	3	3	2	2
£100,000 - £104,999	2	2	2	2
£110,000 - £114,999	1	0	0	0
£140,000-£144,999			1	1

# LOCAL GOVERNMENT ASSOCIATION

## NOTES TO THE ACCOUNTS

Year ended 31 March 2011

### 4. OPERATING SURPLUS

	2011 £000	2010 £000
<b>Operating surplus is after charging:</b>		
Auditors' remuneration - audit fee	11	12
<b>Analysis of Operating Expenses</b>		
Staff costs (gross of secondment income)	10,147	10,734
Staff costs – redundancy payments	519	0
Conferences and seminars	779	1,219
Members Allowances and Support Costs	1,170	1,325
Shared Services	10,252	11,289
Communications	595	595
Other Services	6,552	5,746
Total Operating Expenses	30,014	30,908

### 5. FINANCE DISCOUNTS

Under an agreement dated 22 January 1998 made between Association of Metropolitan Authorities (Properties) Ltd, Local Government Association (Properties) Ltd and the Association, the AMA property company contributed the net sale proceeds of its former property in Great Smith Street to the purchase of Local Government House by Local Government Association (Properties) Ltd. In recognition of this, authorities in membership of the LGA that were formerly members of the Association of Metropolitan Authorities receive a discount on their membership subscriptions. The discount, originally at the rate of £6,000 per authority and currently £6,700, increases every five years in line with inflation, with the next increase due on 1 April 2012.

### 6. TAXATION

The Association is exempt from tax on its income and gains by virtue of its status as a Local Authority Association under Section 519(3) of the Taxes Act 1988. It is exempt from capital gains tax under Section 271(3) of the Taxation of Chargeable Gains Act 1992.

### 7. TANGIBLE FIXED ASSETS

The Association does not own tangible fixed assets. The property from which it operates is owned by Local Government Association (Properties) Ltd, a related company. The Association pays rent to that company for its accommodation. Facilities within the accommodation are provided by Liberata Ltd under an agreement for the provision of services.

### 8. FIXED ASSET INVESTMENTS

	Equity £000	Debt £000	Total £000
<b>Investment in Local Partnerships LLP</b>			
Year ended 31 March 2010			
Opening balance	0	0	0
Invested in year	500	500	1000
Impairment charged in year	(200)	0	(200)
Carrying value	300	500	800

# LOCAL GOVERNMENT ASSOCIATION

## NOTES TO THE ACCOUNTS

Year ended 31 March 2011

	Equity £000	Debt £000	Total £000
<b>Investment in Local Partnerships LLP</b>			
Year ended 31 March 2011			
Opening balance	300	500	800
Invested in year	300	675	975
Impairment charged in year	0	0	0
Carrying value	600	1,175	<b>1,775</b>

By an agreement dated 1 July 2009, the Association formed a joint venture, Local Partnerships LLP, with Partnerships UK plc. Under the terms of the joint venture, part of the business of Public Private Partnerships Programme Ltd (4ps), a related company, was transferred to Local Partnerships LLP, as was part of the business of Partnerships UK plc and the membership interest in 4ps previously held on behalf of the Association. The Association's investment in Local Partnerships LLP originally consisted of Equity of £500,000 and £500,000 of 6% Convertible Loan Stock, repayable at par on 31 March 2029. An identical investment was made by Partnerships UK plc.

In May 2010, the Association approved a further investment of £300,000 Equity and £300,000 of 6% Convertible Loan Stock repayable at par on 31 March 2029. This investment was drawn down in June 2010 with Partnerships UK plc again making an identical investment.

On 1 August 2010, Partnerships UK plc transferred the whole of its interest in Local Partnerships LLP to HM Treasury.

Following a further review of the Local Partnerships business, the Association and HM Treasury approved additional investment in the form of 6% Convertible Loan Stock repayable at par in 2020 and ranking pari passu with the existing Convertible Loan Stock. The Association and HM Treasury each invested £375,000 in December 2010.

Local Partnerships LLP made losses in its first period of operation, as costs were higher and income lower than budget. Action has been taken to reduce costs and reshape the business to operate on a reduced budget that is likely to be sustainable. In the light of that and review of revised budgets and plans for the business, the value of the Association's equity in the LLP, which was written down by £200,000 as at 31 March 2010, has continued to be stated at that reduced amount.

### 9. DEBTORS

	2011 £000	2010 £000
Accounts receivable (less provision for doubtful debts)	1,463	2,249
Due from related entities	1,606	5,138
Other debtors	1,002	93
Prepayments	973	826
Accrued income	49	289
	<u>5,093</u>	<u>8,595</u>

The Association's policy is to make partial provision for debts that are over one year old and full provision for debts that are over two years old, subject to exceptions for subscription debt and debt due from related entities, where the policy is not to make provision. Old debt is periodically

# LOCAL GOVERNMENT ASSOCIATION

## NOTES TO THE ACCOUNTS

Year ended 31 March 2011

reviewed for write-off. In the year to 31 March 2011, debts of £400K were written off as irrecoverable.

### 10. SHORT TERM INVESTMENTS

Surplus cash balances are lent to borrowers on the LGA Group's approved list. The company's investments are pooled with those of other entities that have adopted the LGA Group Investment Strategy. Investments are typically for periods of up to six months and as such the loan amount is a reasonable assessment of fair value. Lending of up to £3m of the total funds held for up to one year is permitted. The counterparty list is currently restricted to major UK financial institutions, the larger UK building societies, and AAA-rated money market funds. The LGA Group Investment Strategy strictly applies credit limits for all of the above financial institutions to ensure that deposits are spread across a number of its approved counterparties. No credit limits were exceeded during the year and the Association does not expect any losses on short term investments.

### 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>2011</b> <b>£000</b>	<b>2010</b> <b>£000</b>
Accounts payable and accruals	2,599	4,141
Income received in advance	836	683
Other creditors	19	456
Amounts owed to related parties	1,656	1,052
	<hr/> 5,110 <hr/>	<hr/> 6,332 <hr/>

### 12. PROVISIONS FOR LIABILITIES

	<b>2011</b> <b>£000</b>	<b>2010</b> <b>£000</b>
<b>Pension provisions:</b>		
Balance as at 1 April	44,229	30,510
Charge/credit to Income and Expenditure for the year	(8,988)	986
Actuarial (gain)/loss	(9,820)	12,733
	<hr/> 25,421 <hr/>	<hr/> 44,229 <hr/>
Analysis of pension provisions		
Unfunded pension deficit	1,860	1,973
West Sussex pension deficit	13,784	20,736
Merseyside pension deficit	9,777	21,520
	<hr/> 25,421 <hr/>	<hr/> 44,229 <hr/>

# LOCAL GOVERNMENT ASSOCIATION

## NOTES TO THE ACCOUNTS

Year ended 31 March 2011

	Unfunded £000	W Sussex £000	Merseyside £000	Total £000
Deficit balance as at 1 April 2010	1,973	20,736	21,520	44,229
Deficit / (Surplus) for the year	(164)	(5,650)	(3,174)	(8,988)
Actuarial loss / (gain)	51	(1,302)	(8,569)	(9,820)
	<hr/>	<hr/>	<hr/>	<hr/>
Deficit balance at 31 March 2011	1,860	13,784	9,777	25,421
	<hr/>	<hr/>	<hr/>	<hr/>

Movements on the pension deficits in the year ended 31 March 2011 are analysed as below:

The LG Group is currently undertaking a major restructuring of its organisation in order to streamline its processes and deal with a significant reduction in funding. This provision has been set up to cover the cost of some 23 voluntary redundancies which had been agreed with members of staff on or before 31 March 2011. Other costs are disclosed in Note 16 as contingent liabilities.

	2011 £000	2010 £000
<b>Restructuring Provision</b>		
Balance as at 1 April 2011	0	0
Arising during year	(519)	0
Utilised during year	444	0
	<hr/>	<hr/>
Balance as at 31 March 2011	(75)	0
	<hr/>	<hr/>

# LOCAL GOVERNMENT ASSOCIATION

## NOTES TO THE ACCOUNTS

Year ended 31 March 2011

### 13. PENSION COMMITMENTS

The Local Government Association is an admitted body to two local government pension funds: the Merseyside Pension Fund, administered by Wirral Metropolitan Borough Council; and the West Sussex County Council Pension Fund. Both funds are administered in accordance with the Local Government Pension Scheme Regulations 1997. Details of the calculation of the deficit relating to each fund are given below.

In addition, the Association and its predecessor bodies have incurred pension liabilities that are outside the funded benefits provided by the relevant pension schemes. These other unfunded liabilities were estimated by an actuary at 31 March 2011 as £1.860m (2010 £1.973m). The unfunded liabilities are being paid annually over the remaining lives of the pensioners concerned.

#### Change from RPI to CPI indexation on pension benefits

Following the government announcement that statutory pension revaluation and increases in payment would be indexed in line with the Consumer Prices Index (CPI) rather than the Retail prices index (RPI) from 2011, the plans' index-linked pensions are now indexed in line with CPI. This has resulted in past service gains of £3,370K (Merseyside fund) and £4,191K (West Sussex fund) being recognised in 2010-11.

#### Merseyside Pension Fund

The most recent formal actuarial review in relation to the fund was at 31 March 2010. The actuarial assumptions that have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. The assumptions made by the actuary (Mercer Ltd) are stated below.

#### Investment returns

The investment return on the Fund used in calculating the year end assets is 8.06% (2010, 33.46%).

#### Major categories of plan assets as a percentage of total plan assets

	31 March 2011	31 March 2010
Equities	60.7%	63.6%
Government Bonds	10.7%	12.1%
Other Bonds	6.7%	6.6%
Property	7.9%	6.3%
Cash	2.3%	2.6%
Other	11.7%	8.8%

#### a) Actuarial assumptions

A full actuarial valuation was carried out at 31 March 2010 and updated to 31 March 2011 by a qualified independent actuary.

The assumptions used by the actuary were:

	31 March 2011 % per annum	31 March 2010 % per annum
Pension increase rate	2.9%	3.3%
Salary increase rate	4.4%	4.55%
Discount rate	5.5%	5.6%
Inflation assumption	3.4%	3.3%

# LOCAL GOVERNMENT ASSOCIATION

## NOTES TO THE ACCOUNTS

Year ended 31 March 2011

### b) Scheme assets

The deficit in the scheme and the expected rate of return were:

	Expected rate of return on assets 2011	Fair value at 31 March 2011 £000	Expected rate of return on assets 2010	Fair value at 31 March 2010 £000
<b>Fair value of employer assets</b>				
Equities	7.5%	23,289	7.5%	22,892
Government Bonds	4.4%	4,105	4.5%	4,355
Other Bonds	5.1%	2,571	5.2%	2,376
Property	6.5%	3,031	6.5%	2,268
Cash	0.5%	882	0.5%	936
Other	7.5%	4,489	7.5%	3,167
<b>Total Market Value of Assets</b>		<b>38,367</b>		<b>35,994</b>

The above asset values are at bid value as required under FRS17.

<b>Balance sheet</b>	<b>31 March 2011 £000</b>	<b>31 March 2010 £000</b>
Fair value of employer assets	38,367	35,994
Present value of funded liabilities	(47,305)	(56,626)
Net (under)/overfunding in funded plans	(8,938)	(20,632)
Present value of unfunded liabilities	(839)	(888)
Unrecognised past service cost	-	-
<b>Net Asset/(liability)</b>	<b>(9,777)</b>	<b>(21,520)</b>

### Recognition in the profit or loss

	<b>Year to 31 March 2011 £000</b>	<b>Year to 31 March 2010 £000</b>
Current service cost	855	504
Interest cost	3,211	2,863
Expected return on employer assets	(2,351)	(1,662)
Past service cost/(gain)	(3,370)	0
Losses/(gains) on curtailments and settlements	165	0
<b>Total</b>	<b>(1,490)</b>	<b>1,705</b>
Actual return on plan assets	<b>2,920</b>	<b>8,945</b>

# LOCAL GOVERNMENT ASSOCIATION

## NOTES TO THE ACCOUNTS

Year ended 31 March 2011

	<b>2011</b> <b>£000</b>	<b>2010</b> <b>£000</b>
<b>Reconciliation of defined benefit obligation</b>		
Opening defined benefit obligation	57,514	40,455
Current service cost	855	504
Interest cost	3,211	2,863
Contribution by members	392	410
Actuarial losses/(gains)	(9,018)	14,471
Past service costs/(gains)	(3,370)	0
Losses/(gains) on curtailments	165	0
Estimated benefits paid	(1,605)	(1,189)
<b>Closing defined benefit obligation</b>	<b>48,144</b>	<b>57,514</b>

	<b>2011</b> <b>£000</b>	<b>2010</b> <b>£000</b>
<b>Reconciliation of fair value of employer assets</b>		
Opening fair value of employer assets	35,994	26,414
Expected return on assets	2,351	1,662
Contributions by members	392	410
Contributions by the employer	1,684	1,414
Actuarial gains/(losses)	(449)	7,283
Assets distributed on settlements		
Benefits paid	(1,605)	(1,189)
<b>Closing fair value of employer assets</b>	<b>38,367</b>	<b>35,994</b>

### Amounts for the current and previous accounting periods

	<b>2011</b> <b>£000</b>	<b>2010</b> <b>£000</b>	<b>2009</b> <b>£000</b>	<b>2008</b> <b>£000</b>	<b>2007</b> <b>£000</b>
Fair value of employer assets	38,367	35,994	26,414	31,922	26,766
Present value of defined benefit obligation	(48,144)	(57,514)	(40,455)	(48,425)	(34,437)
<b>Surplus /(deficit)</b>	<b>(9,777)</b>	<b>(21,520)</b>	<b>(14,041)</b>	<b>(16,503)</b>	<b>(7,671)</b>
Experience gains/(losses) on assets	(449)	7,283	(7,836)	1,660	(9)
Experience gains/(losses) on liabilities	9,665	(0)	(0)	(8,831)	(0)

### Amount recognised in statement of total recognised gains and losses (STRGL)

	<b>2011</b> <b>£000</b>	<b>2010</b> <b>£000</b>	<b>2009</b> <b>£000</b>	<b>2008</b> <b>£000</b>	<b>2007</b> <b>£000</b>
Actuarial gains/(losses)	8,569	(7,188)	3,339	(8,575)	1,982
Increase/(decrease in irrecoverable surplus from membership)	-	-	-	-	-
Actuarial gains/(losses) recognised in STRGL	8,569	(7,188)	3,339	(8,575)	1,982
Cumulative actuarial gains and (losses)	(8,113)	(16,682)	(9,494)	(12,833)	(4,258)

# LOCAL GOVERNMENT ASSOCIATION

## NOTES TO THE ACCOUNTS

Year ended 31 March 2011

### West Sussex County Council Pension Fund

The most recent formal actuarial review in relation to the fund was at 31 March 2011. The actuarial assumptions that have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions.

The assumptions made by the actuary (Hymans Robertson LLP) are stated below.

#### Investment returns

The estimated investment return on the Fund used in calculating the year end assets is 7.2% (2010, 40.4%).

#### Major categories of plan assets as a percentage of total plan assets

	31 March 2011	31 March 2010
Equities	77%	76%
Bonds	14%	15%
Property	7%	6%
Cash	2%	3%

#### a) Actuarial assumptions

The assumptions used by the actuary were:

	31 March 2011 % per annum	31 March 2010 % per annum
Pension increase rate	2.8%	3.8%
Salary increase rate	5.1%	5.3%
Discount rate	5.5%	5.5%
Inflation assumption	3.0%	3.8%
Expected return on assets	6.9%	7.2%

#### b) Scheme assets

The deficit in the scheme and the expected rate of return were:

	Expected rate of return on assets 2011	Fair value at 31 March 2011 £000	Expected rate of return on assets 2010	Fair value at 31 March 2010 £000
<b>Fair value of employer assets</b>				
Equities	7.5%	23,302	7.8%	24,035
Bonds	4.9%	4,237	5.0%	4,744
Property	5.5%	2,118	5.8%	1,897
Cash	4.6%	605	4.8%	949
<b>Total Market Value of Assets</b>		<b>30,262</b>		<b>31,625</b>

The above asset values are at bid value as required under FRS17.

# LOCAL GOVERNMENT ASSOCIATION

## NOTES TO THE ACCOUNTS

Year ended 31 March 2011

Balance sheet	31 March 2011 £000	31 March 2010 £000
Fair value of employer assets	30,262	31,625
Present value of funded liabilities	(40,264)	(48,060)
	<hr/>	<hr/>
Net (under)/overfunding in funded plans	(10,002)	(16,435)
Present value of unfunded liabilities	(3,782)	(4,301)
Unrecognised past service cost	-	-
	<hr/>	<hr/>
<b>Net Asset/(liability)</b>	<b>(13,784)</b>	<b>(20,736)</b>

### Recognition in the profit or loss

	Year to 31 March 2011 £000	Year to 31 March 2010 £000
Current service cost	64	37
Interest cost	2,636	2,609
Expected return on employer assets	(2,257)	(1,478)
Past service cost/(gain)	(4,191)	0
Losses/(gains) on curtailments and settlements	0	0
	<hr/>	<hr/>
<b>Total</b>	<b>(3,748)</b>	<b>1,168</b>
	<hr/>	<hr/>
Actual return on plan assets	<b>2,600</b>	<b>9,352</b>

	2011 £000	2010 £000
<b>Reconciliation of defined benefit obligation</b>		
Opening defined benefit obligation	52,361	38,974
Current service cost	64	37
Interest cost	2,636	2,609
Contribution by members	19	20
Actuarial losses/(gains)	(4,409)	13,130
Past service costs/(gains)	(4,191)	0
Losses/(gains) on curtailments	0	0
Liabilities extinguished on settlements	0	0
Estimated unfunded benefits paid	(269)	(260)
Estimated benefits paid	(2,165)	(2,149)
	<hr/>	<hr/>
<b>Closing defined benefit obligation</b>	<b>44,046</b>	<b>52,361</b>

# LOCAL GOVERNMENT ASSOCIATION

## NOTES TO THE ACCOUNTS

Year ended 31 March 2011

	2011 £000	2010 £000
<b>Reconciliation of fair value of employer assets</b>		
Opening fair value of employer assets	31,625	23,905
Expected return on assets	2,257	1,478
Contributions by members	19	20
Contributions by the employer	1,633	498
Contributions in respect of unfunded benefits	269	260
Actuarial gains/(losses)	(3,107)	7,873
Unfunded benefits paid	(269)	(260)
Benefits paid	(2,165)	(2,149)
	<u>30,262</u>	<u>31,625</u>
<b>Closing fair value of employer assets</b>	<b><u>30,262</u></b>	<b><u>31,625</u></b>

### Amounts for the current and previous accounting periods

	2011 £000	2010 £000	2009 £000	2008 £000	2007 £000
Fair value of employer assets	30,262	31,625	23,905	31,295	34,837
Present value of defined benefit obligation	(44,046)	(52,361)	(38,974)	(41,957)	(45,074)
<b>Surplus /(deficit)</b>	<b><u>(13,784)</u></b>	<b><u>(20,736)</u></b>	<b><u>(15,069)</u></b>	<b><u>(10,662)</u></b>	<b><u>(10,237)</u></b>
Experience gains/(losses) on assets	(3,107)	7,873	(7,714)	(4,433)	(660)
Experience gains/(losses) on liabilities	2,874	(0)	869	(1,285)	3

### Amount recognised in statement of total recognised gains and losses (STRGL)

	2011 £000	2010 £000	2009 £000	2008 £000	2007 £000
Actuarial gains/(losses)	1,302	(5,257)	(4,227)	(604)	1,959
Increase/(decrease in irrecoverable surplus from membership)	-	-	-	-	-
Actuarial gains/(losses) recognised in STRGL	1,302	(5,257)	(4,227)	(604)	1,959
Cumulative actuarial gains and losses	(2,936)	(4,238)	1,019	5,246	5,850

## 14. ACCUMULATED FUNDS

Part of the Association's income from conferences and seminars is derived from a large conference which the Association organised in 2009-10 and will organise in 2011-12 but which in 2010-11 was organised by a third party partner. £214,000 of the net 2009-10 income from this conference was transferred to a reserve which has been fully utilised in 2010-11.

## LOCAL GOVERNMENT ASSOCIATION

### NOTES TO THE ACCOUNTS

Year ended 31 March 2011

#### 15. RELATED PARTIES

The Association had the following transactions with related parties:

	Value of related party transactions in year 2011 exp / (inc) £	Outstanding balance at 31 March 2011 dr / (cr) £	Value of related party transactions in year 2010 exp / (inc) £	Outstanding balance at 31 March 2010 dr / (cr) £
Improvement and Development Agency (IDeA)	(7,091,228)	512,275	(7,341,227)	511,890
Local Government Management Board (LGMB)	632,796	648,446	405,359	(162,226)
Local Government Association (Properties)	2,005,250	(196,577)	(1,534,100)	2,180,190
Local Government Employers (LGE)	(1,294,768)	8,110	(1,075,213)	118,524
Local Authorities Coordinators of Regulatory Services (LACORS)	(824,157)	2,071	(999,003)	63,146
Local Government International Bureau (LGIB)	(1,797,000)	-	(1,797,000)	-
Public Private Partnerships Programme (4ps)	-	-	(331,643)	54,937
Local Partnerships (LP's)	(888,835)	1,096	(552,279)	298,896
Local Government Information House (LGIH)	(226,541)	3,620	-	-

The transactions between these entities are a result of the shared service costs and other day to day activity recharges.

#### 16. CONTINGENT LIABILITIES

The Association has contingent liabilities in relation to the transactions under which Local Partnerships was formed. If Local Partnerships were to be wound up prior to August 2013, an amount not exceeding £400,000 would be payable to HM Treasury, the current partner in the joint venture. The repayable proportion is on a sliding scale and diminishes with time. There are also provisions under which the transfers of reserves from 4ps might become repayable if and to the extent that 4ps became unable to meet its liabilities as a result of those transfers.

The LG Group is currently undertaking a major restructuring of its organisation in order to streamline its processes and deal with a significant reduction in future funding. By 31 March 2011, some 89 voluntary redundancies had been agreed across the Group, 23 of which were of LGA staff. However, a total of at least 138 and possibly as many as 312 redundancies will be required to complete the restructuring. As at 31 March 2011, it was not possible to estimate with

## **LOCAL GOVERNMENT ASSOCIATION**

### **NOTES TO THE ACCOUNTS**

#### **Year ended 31 March 2011**

reasonable certainty the amount of further costs related to these redundancies that would fall to be borne by the LGA, but the figure was likely to be between £0.7m and £1.5m.

#### **17. POST BALANCE SHEET EVENTS**

The Resources Panel are not aware of any material post balance sheet events other than those already stated.