

LGA General Assembly

Agenda

Tuesday, 28 June 2022
11.45 am

Harrogate Conference Centre

In-person meeting

To: General Assembly representatives, substitutes and observers attending the meeting

www.local.gov.uk

Agenda

General Assembly

Tuesday 28 June 2022

11.45 am

Item	Page
1. Welcome	
2. Election of LGA President	1 - 2
3. Election of LGA Chairman	3 - 4
4. Election of LGA Vice-Chairs	5 - 6
5. Election of LGA Deputy Chairs	7 - 8
6. LGA Vice-Presidents 2022/23	9 - 12
7. A Year in the LGA: LGA Group Financial Statements for the Year to 31 March 2022	13 - 68
8. 2022 Annual Report of the Audit Committee	69 - 72
9. Minutes of the General Assembly held on 6 July 2021	73 - 82

Election of LGA President

Purpose of the report

To invite the General Assembly to elect a President for 2022/23, under Part 3 - Paragraph 9 of the LGA Articles of Association.

Recommendation

That the General Assembly elects Baroness Grey-Thompson as President of the Association for 2022/23.

Contact officer: Claire Holloway
Position: Head of Corporate Services
Phone no: 0207 664 3156
Email: claire.holloway@local.gov.uk

Election of LGA Chairman

Purpose of the report

To invite the General Assembly to elect the Chairman of the Local Government Association (LGA) for 2022/23.

Background

The LGA's Articles of Association (Article 21.1) provides for the General Assembly, at its Annual Meeting each year, to elect a Chairman from amongst the members representing full member authorities. Under Article 21.2, the largest political group at the point of calculating the political balance will nominate the Chairman of the Association. The LGA's Governance Framework sets out that the Chairman of the Association also holds the equivalent office on the Board of Directors of the LGA (the LGA Board) and the Executive Advisory Board.

Recommendation

That the General Assembly elects the Chairman of the Association on the nomination of the Conservative Group, which was the largest political group at the point of calculating the LGA's political balance for 2022/23.

Contact officer: Claire Holloway
Position: Head of Corporate Services
Phone no: 0207 664 3156
Email: claire.holloway@local.gov.uk

Election of LGA Vice-Chairs

Purpose of the report

To invite the General Assembly to elect four Vice-Chairs for 2022/23 under Article 21.1 of the Articles of Association.

Recommendation

That the General Assembly elects four Vice-Chairs of the Association for 2022/23, on the nomination of the four political groups.

Contact officer: Claire Holloway
Position: Head of Corporate Services
Phone no: 0207 664 3156
Email: claire.holloway@local.gov.uk

Election of LGA Vice-Chairs

Background

1. The LGA Articles of Association (Article 21.1) provide for the General Assembly at its Annual meeting each year to elect Vice-Chairs and Deputy Chairs, on the nomination of the relevant political groups.
2. Under Article 21.2 of the LGA Articles of Association, each group whose share of the weighted electorate exceeds 5 per cent of the total is entitled to one Vice-Chair. Under the 2022/23 political breakdown, four groups - Conservative, Labour, Liberal Democrat and Independent - meet the criteria and are entitled to one Vice Chair each.
3. Under the Articles of Association (Article 21.2), the Chair of the Association at the point of calculating the LGA political balance is nominated by the largest group. The Vice-Chair nominated by the second largest group shall be the Senior Vice-Chair of the Association (Article 21.4)
4. In the event of any of the above positions being the subject of a vote at the General Assembly, full members may exercise their vote in accordance with Article 17.1 of the Articles of Association.
5. Welsh authorities in corporate membership of the Association may exercise their vote in accordance with Articles 17.2 and 17.3 of the Articles of Association.

Election of LGA Deputy Chairs

Purpose of the report

To invite the General Assembly to elect nine Deputy Chairs for 2022/23 under Article 21.1 of the Articles of Association.

Recommendation

That the General Assembly elects nine Deputy Chairs of the Association for 2022/23, on the nomination of the four political groups.

Contact officer: Claire Holloway
Position: Head of Corporate Services
Phone no: 0207 664 3156
Email: claire.holloway@local.gov.uk

Election of LGA Deputy Chairs

Background

1. The LGA Articles of Association (Article 21.1) provide for the General Assembly at its Annual meeting each year to elect Vice-Chairs and Deputy Chairs, on the nomination of the relevant political groups.
2. Under Article 21.2 of the LGA Articles of Association, each group whose share of the weighted electorate exceeds 5 per cent of the total is entitled to one Vice-Chair. The larger groups are also entitled to Deputy Chairs according to proportionality. Under the 2021/22 political breakdown, four groups - Conservative, Labour, Liberal Democrat and Independent - meet the criteria and are entitled to:

	Conservative	Labour	Lib Dem	Independent
Chairman	1	0	0	0
Vice-Chair	1	1	1	1
Deputy Chair	3	3	2	1

3. In the event of any of the above positions being the subject of a vote at the General Assembly, full members may exercise their vote in accordance with Article 17.1 of the Articles of Association.
4. Welsh authorities in corporate membership of the Association may exercise their vote in accordance with Articles 17.2 and 17.3 of the Articles of Association.

LGA Vice-Presidents 2022/23

Purpose of report

For information.

Summary

This paper outlines those Members of the House of Commons and the House of Lords that the LGA Political Group Offices, working with the Public Affairs and Stakeholder Engagement team, will be inviting to be our honorary Vice-Presidents for 2021/22.

Recommendation

That the General Assembly notes the appointment of the Members of Parliament and Peers, listed below, as Vice-Presidents for 2022/23.

Contact officer:

Mel Haslam

Position:

Acting Head of Public Affairs and Stakeholder Engagement

Email:

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LGA Vice-Presidents 2022/23

The appointments for LGA Vice-Presidents 2022-23 are:

Conservative

Natalie Elphicke MP (Dover)
David Simmonds MP (Ruislip, Northwood and Pinner)
Tim Loughton MP (East Worthing and Shoreham)
Bob Blackman MP (Harrow East)
Sir Charles Walker MP (Broxbourne)
Robert Jenrick MP (Newark)
Kelly Tolhurst MP (Rochester and Strood)
Sir Bob Neill MP (Bromley and Chislehurst)
Ben Everitt MP (Milton Keynes North)
Anna Firth MP (Southend West)
Jill Mortimer MP (Hartlepool)
Siobhan Baillie MP (Stroud)
Lord Farmer
Lord Whitby
Lord True
Baroness Eaton
Baroness Coultie

Labour

Paulette Hamilton MP (Birmingham Erdington)
Preet Kaur Gill MP (Birmingham Edgbaston)
Helen Hayes MP (Dulwich and West Norwood)
Clive Betts MP (Sheffield South East)
Catherine West MP (Hornsey and Wood Green)
Catherine McKinnell MP (Newcastle upon Tyne North)
Wes Streeting MP (Ilford North)
Steve Reed MP (Croydon North)
Mike Amesbury MP (Weaver Vale)
Jim McMahon MP (Oldham West and Royton)
Dame Diana Johnson MP (Kingston upon Hull North)
Abena Opong-Asare MP (Erith and Thamesmead)
Florence Eshalomi MP (Vauxhall)
Dan Jarvis MP (Barnsley Central)
Feryal Clark MP (Enfield North)
Rachel Hopkins MP (Luton South)
Lord Kennedy of Southwark
Baroness Blake of Leeds
Baroness Smith of Basildon



Local Government Association

Company Number 11177145

LGA General Assembly

28 June 2022

Lord Filkin
Baroness Wilcox of Newport

Liberal Democrats

Sir Ed Davey MP (Kingston and Surbiton)
Daisy Cooper MP (St Albans)
Tim Farron MP (Westmorland and Lonsdale)
Wera Hobhouse MP (Bath)
Layla Moran MP (Oxford West and Abingdon)
Baroness Brinton
Lord Shipley
Lord Scriven
Baroness Bakewell of Hardington Mandeville
Baroness Janke
Baroness Scott of Needham Market
Baroness Pinnock
Baroness Thornhill
Lord Storey
Lord Tope

Independents

Liz Saville Roberts MP (Plaid Cymru, Dwyfor Meirionnydd)
Ben Lake MP (Plaid Cymru, Ceredigion)
Lord Kerlake (Crossbench)
Baroness Casey of Blackstock (Crossbench)
Lord Bird (Crossbench)
Lord Wigley (Plaid Cymru)
Lord Bichard (Crossbench)
Lord Best (Crossbench)
Lord Adebawale (Crossbench)
Bishop of St Albans (Lords Spiritual)
Baroness Jones of Mouslecoomb (Green Party)
Baroness Greengross (Crossbench)
Baroness Bennett of Manor Castle (Green Party)
Baroness Young of Hornsey (Crossbench)
Baroness Brown of Cambridge (Crossbench)

Code of Conduct

1. The LGA President and Vice-Presidents are required to operate in accordance with the Code of Conduct for Members of the House of Commons and House of Lords. This is made clear in the invitations to new Vice-Presidents and will be referenced in letters to those Vice-Presidents whose role is being renewed for a further year.



A year in the LGA 2021 2022

The national voice of local government

Contents	Page
Company information	3
Chief executive’s report	4
Strategic report	11
Directors’ report	17
Statement of LGA Board’s responsibilities	21
Independent auditor’s report	22
Consolidated statement of comprehensive income	25
Association statement of comprehensive income	26
Consolidated balance sheet	27
Association balance sheet	28
Consolidated statement of changes in equity	29
Association statement of changes in equity	30
Consolidated statement of cash flows	31
Notes to the financial statements	32-54

Company information

Directors

The members of the LGA Board for the year were:

Conservative	James Jamieson OBE [Chairman]	
	Izzi Seccombe OBE [Deputy-chairman]	
	John Fuller OBE [Deputy-chairman]	
	Robert Alden [Deputy-chairman]	
	Teresa O'Neill OBE [Deputy-chairman]	
Labour	Nick Forbes CBE [Senior Vice-chair]	
	Michael Payne [Deputy-chair]	
	Tudor Evans OBE [Deputy-chair]	
	Georgia Gould [Deputy-chair]	
	Shabir Pandor [Deputy-chair]	Appointed 6 August 2021
	Anntoinette Bramble [Deputy-chair]	Resigned 5 August 2021
Liberal Democrat	Joseph Harris [Vice-chair]	Appointed 6 July 2021
	Bridget Smith [Deputy Chair]	Appointed 6 July 2021
	Howard Sykes MBE [Vice-chair]	Resigned 6 July 2021
	Ruth Dombey OBE [Deputy-chair]	Resigned 6 July 2021
Independent	Marianne Overton MBE [Vice-chair]	
	Hannah Dalton [Deputy-chair]	Appointed 6 July 2021
	Clive Woodbridge [Deputy-chair]	Resigned 6 July 2021

Company secretary Claire Holloway

Registered office 18 Smith Square
London, SW1P 3HZ

Bankers Barclays
UK Banking
1 Churchill Place
London, E14 5HP

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

Company number 11177145

Chief executive's report Year ended 31 March 2022

The Local Government Association (LGA) is the national voice of local government, working with councils to support, promote and improve local government.

We are a politically-led, cross-party organisation. We receive funding from the subscriptions of our member councils to ensure local government has a strong, credible voice on the national stage, and from central government to deliver a range of services to councils.

We aim to influence and set the political agenda on issues that matter to councils so they are able to deliver local solutions to national problems. We support councils through increasingly challenging times and focus our efforts where we can have most impact for our members.

We support councils to improve and help them to provide the best possible services to the people they serve. We play a leading role in improvement and innovation so that councils can continue to make a difference in their local areas and to the lives of their residents.

We work with councils in every part of England and Wales - county and district councils, metropolitan and unitary councils, London boroughs and Welsh unitary councils. Through our associate scheme we provide services to other organisations including fire and rescue and national park authorities, police and crime commissioners and town and parish councils.

In 2021/22 we had 328 English member councils along with the 22 Welsh authorities, in corporate membership through the Welsh Local Government Association (WLGA).

Working with and on behalf of our membership we:

- influence critical legislative, financial and policy decisions and shape the policies that underpin councils' service delivery
- press for more powers to be devolved from Whitehall to local government
- shape emerging government thinking, ensuring councils' views are represented
- work with public, private, community and voluntary organisations to secure their support for local priorities
- campaign on behalf of our membership, promote local government and defend its reputation through the local, regional and national media
- ensure the voice of local government is heard in Parliament
- support councils to share best practice, drive innovation and improvement and to continue to deliver essential services
- negotiate, in our role as national employer, fair pay and pensions and provide support and advice on workforce issues
- coordinate collective legal action on behalf of member councils
- deliver broader services to local government and beyond via our wholly owned companies and our joint ventures such as Local Partnerships, Geoplace and Public Sector Audit Appointments.

The LGA Board closely monitors the LGA Group's financial performance against the agreed budget. The LGA's leadership undertook significant work to develop the medium term financial strategy of the LGA and its associated organisations. This includes a commercial strategy, whose purpose is to diversify the LGA's sources of income, which is now being implemented.

The LGA Board has also reviewed the strategy for managing the pension costs of the LGA and the IDeA, in view of the c.£3.5 million additional contributions to reduce deficits over the past few years, which has contributed towards a significantly improved position reported in the Triennial Valuation as at 31 March 2019, leading to contributions of less than £0.5 million annually for the next three years.

Chief executive's report Year ended 31 March 2022

Review of the year

The last two years have been unprecedented and the impact of COVID-19 will continue to be felt for years to come. However, the pandemic did solidify the immense value of strong local leadership provided by councils – working as the delivery partner for the Government's national strategy.

Throughout the period, the LGA continued to support local government in its response and championed its work to Government and the public.

Over the last 12 months the LGA has also played an important role in being local government's voice in the development of Government schemes to welcome refugees from Afghanistan and Ukraine.

As the country learns to live with COVID-19, we have continued to campaign on the issues important to local government – such as housing, planning, climate, adult social care and council funding – which will help to level up communities in a way which is locally-led.

Throughout 2021/22 we have also supported councils in a range of ways through our sector support programme which is funded by Government. This year we sharpened our focus, using intelligence from councils, to support them on issues emerging from Government and economic and social issues affecting local authorities.

In 2021/22 the IDeA provided local authorities with support including:

- the delivery of 134 peer challenges and remote peer support, with more than half of these being Corporate Peer Challenges
- providing more than 55 councils facing severe financial challenges with direct finance support including Finance Improvement & Sustainability Associate (FISA) support for over 40 councils through our finance programme
- providing support through our Climate Change Programme to 98 per cent of all councils
- reaching more than 2,000 councillors through training and development opportunities organised via our Leadership team
- providing targeted workforce support to 79 councils including HR/employment law support, collective agreements protocols advice, DMA support and workforce planning support
- launching an Equalities Hub to collate the range of Equalities, Diversity and Inclusion support available to councils
- the National Graduate Development Programme, which develops leaders in the local government for the future, received 4,424 applications this year
- our procurement programme providing bespoke support to the sector following the Russian Invasion of the Ukraine
- our digital pathfinders programme awarded over £250,000 to a dozen councils to pilot innovative work in a few areas such as digital connectivity, digital inclusion and cyber security.

We worked closely with Government to highlight the importance of local services and the financial pressures councils face, with £4.8 billion of new government funding for councils in the Spending Review. We continue to make the case for adequately funding our local services as a way to meet the Government's ambitions to 'level-up' communities.

We have also invested in our internal infrastructure and systems, as well as advancing our EDI agenda to make the LGA a more effective, efficient and inclusive place to work.

Chief executive's report Year ended 31 March 2022

At a glance: A year in the LGA

Over the last 12 months, we continued to campaign on behalf of our membership, taking every opportunity to secure the funding and powers that councils need to best serve their local communities and improve residents' lives.

Through our work with our members, government ministers and departments, our parliamentary Vice-Presidents and other partners we secured a number of benefits for councils over the past year. Highlights include:

April 2021

- The Treasury announced a **further business rates relief fund** for businesses affected by COVID-19 outside the retail, hospitality, and leisure sectors, providing **£1.5 billion** for councils to distribute using their knowledge of local businesses and the local economy.
- The Government's reforms to public health set out in 'Transforming the public health system' made clear that **responsibilities for public health** would **remain with councils** and that it would not be proposing any changes to the scope of local authority public health commissioning responsibilities.
- The Government announced the **coronavirus grant scheme** providing help with food and bills for vulnerable households extension to June 2021, with an **extra £40 million** available.
- Following concerns raised by the LGA and councils, the Government confirmed it would not be introducing a proposed measure to temporarily lift the **small sites threshold**.
- Our report, '**A perfect storm – health Inequalities and the Impact of COVID-19**', stressed the importance of driving forward work programmes that reduce inequalities, prevent poor health and improve people's opportunities for better health.

May 2021

- The Government announced details of a further 57 English high streets to receive a share of over **£830 million**, as part of the **Future High Streets Fund**.
- The **Cultural Investment Fund** was launched, providing council culture, library and museum services the chance to bid for **£18.5 million** for the Cultural Development Fund, £18.8 million for the Museum Estate and Development Fund, and **£5 million** for the Library Investment Fund.
- The LGA's **LG Inform COVID-19 reports** were shortlisted for the Local Area Research and Intelligence Association Awards 2021 and received the '**highly commended**' award for most engaging communication of local area research or analysis.
- Councils were given a further **£200 million** of the £750 million investment to tackle **homelessness and rough sleeping**.
- In the **Queen's Speech**, the government announced a wide range of measures around planning, jobs, health and care reform, environment, climate change and building safety. Following LGA lobbying, we were pleased that the Speech confirmed that proposals on social care reform would be brought forward.

June 2021

- The Government extended the **Infection Control and Testing Fund** until 30 September 2021 providing an additional £251.3 million for the care sector, as well as the **COVID Local Support Grant** with a further investment of **£160 million**.
- The pressures in adult social care were prominent in the headlines and Parliamentary agenda following the public letter the LGA and national partners submitted to the Government, calling for reform proposals to be published before the summer recess.
- We published our annual report setting out what our **sector-led improvement** programme delivered in **2020/21**. Highlights included the delivery of **300 remote based peer support** activities to 250 councils, a new **Rough Sleeping Peer Support** offer accessed by 222 councils, a new online and hybrid meetings hub, and the publication of more than 150 examples of **good practice** to support the COVID-19 response.

Chief executive's report Year ended 31 March 2022

- The Government announced the final **£300 million** of the **Government's Culture Recovery Fund** (CRF) to support organisations in need of urgent funding.

July 2021

- Over **2,000 local government colleagues** and partners registered for the **LGA's 2021 Annual Conference**, which included sessions with the Secretary of State for Housing, Communities and Local Government, the Secretary of State for Health and Social Care and the Chief Medical Officer. The LGA's Chairman launched our new **Build Back Local report**, which set how with the right investment and powers national and local government can level-up communities and tackle inequalities.
- The Government unveiled 100 commitments in a **£1.6 billion Disability Strategy** aimed at improving the lives and opportunities of people with disabilities.
- The Government announced that more than **£860 million** would be invested in **flood prevention schemes** across the UK over the upcoming year.

August 2021

- The Government announced **£8.6 billion** to be put towards delivering around 119,000 homes as part of their **Affordable Homes Programme funding**.
The funding was part of the largest single investment in affordable housing in a decade.

September 2021

- The Government launched the **Household Support Fund** to help with essentials over the winter period, a £500 million fund to be distributed by councils in England.
- The LGA published a report setting out the challenges facing **urban areas** as they recovered from the economic impact of COVID-19, as well as a report on '**Securing the Future of Public Sport and Leisure Services**' which brought together the views of over 260 stakeholders to articulate the sector's vision for the future.
- The LGA Chairman gave evidence to the **Home Affairs Committee** to outline councils' support for people arriving from **Afghanistan** and highlight the key issues for the Government to take into account in developing and implementing the schemes.
- The Health Secretary announced an **additional £388.3 million** to prevent the spread of **infection in social care settings**, including £25 million to support care workers to access COVID-19 and flu vaccines over the winter months.
- The LGA Chairman gave evidence to the **Health and Care Public Bill Committee** highlighting the need for the Secretary of State to consult with relevant health overview and scrutiny committees regarding NHS reconfiguration, leading to a shift in Government's position.

October 2021

- The LGA's **Spending Review Submission** set out the urgent need for public spending to be reset in a way that is fit for the future, flexible to allow the delivery of local priorities, and empowers councils to deliver on the ambition to level up our communities that central and local government share. Our analysis showed that councils in England faced **extra cost pressures** of almost **£8 billion by 2024/25** just to keep vital local services running at current levels.
- The **Spending Review and Autumn Budget** included new government grant funding of **£1.6 billion per annum** for councils over the following three years (totalling £4.8 billion over the period) to support vital local services, money for school places, transport infrastructure, housing, as well as the release of the first **£1.7 billion** of the **Levelling Up Fund**.

Chief executive's report Year ended 31 March 2022

November 2021

- Our **National Children and Adult Services (NCAS) Conference** heard from an impressive line-up of speakers including the Secretary of State for Health and Social Care, NHSE&I Chief Executive, and the Chief Medical Officer.
- In the lead-up to and throughout the **COP26 Summit**, the LGA called on government to use COP26 to empower local leaders with the right resources and powers to accelerate local climate change action. The summit held a **dedicated local and regional government day** which we had called for, and LGA's cross-party delegation worked tirelessly to ensure that the draft text proposed by the conference recognised the urgent need for multilevel action and the role of local communities in addressing climate change.
- In advance of the **Adult Social Care White Paper**, we published four priorities for the adult social care white paper and published a briefing setting out our response to different parts of the government's plan for health and social care.
- The **House of Lords Committee on Youth Employment** adopted the LGA's recommendation and called on Government to implement Work Local in their report.

December 2021

- The **provisional Local Government Finance Settlement for 2022/23** provided a potential increase of **6.9 per cent** in cash terms to council core spending power, including new government grant, to support vital local services.
- Ahead of the publication of the Levelling Up White Paper, the LGA Chairman and Leader of the LGA Labour Group **gave evidence** to the **House of Lords Constitution Committee** as part of their inquiry into the Future Governance of the UK.
- The Chancellor announced a **£1 billion support package** for businesses impacted by the Omicron variant.
- The Government announced a **£316 million Homelessness Prevention Grant**, to support people who are homeless or at risk of losing their home, including **£5.8 million** to support people forced into homelessness as a result of domestic abuse.
- The Government announced a package of new measures to protect the social care sector from COVID-19, including a **£300 million** fund to support the recruitment and retention of social care workforce.

January 2022

- Our annual **Local Government Finance Conference** set out the immense pressure councils were under before the pandemic. The LGA's new publication, commissioned by WPI Economics, provided a review of the current and alternative sources of local government revenue financing and an assessment of their strengths and weaknesses against the principles set out by the LGA: sufficiency, buoyancy, fairness, efficiency of collection, predictability, transparency and incentive.
- In a positive step, the Government made a major announcement on **building safety**, with the Housing Secretary telling developers they must pay the £4 billion cost of remediating unsafe cladding on buildings 11 to 18 metres tall.

February 2022

- Following significant work by the LGA to raise the Government's delay in **refunding court fees** for council tax summons, the Ministry of Justice (MoJ) confirmed that refunds would be issued by 31 March 2022.
- The Government published its **Health and Social Care Integration White Paper** which will aim to bring the NHS and local government closer together to improve care for all. Following lobbying by the LGA, the important role councils play in joining up health and care services was recognised in the paper, as well as a focus on prevention and providing care and support to people in community settings.
- The Government announced the **Levelling Up White Paper**, outlining 12 missions to level up the UK relating to pay, productivity, local transport, gigabit-capable broadband, school

Chief executive's report Year ended 31 March 2022

performance, skills, life expectancy, wellbeing, pride in place, home ownership, crime rates and devolution deals.

- The Government published the **2022/23 public health settlement** confirming that the total public health grant to local authorities will be **£3.417 billion**.

March 2022

- Following extensive pressure from the LGA, the Government announced an **additional £150 million** funding for **bus and light rail operators** until October 2022 to ensure services could continue to run.
- The LGA's **Climate Change Sector Support Programme**, aimed at helping councils to reach their local carbon reduction and adaptation targets, engaged with **96 per cent** of English councils from April 2021 to March 2022.
- The LGA Chairman and Chief Executive appeared at the **Levelling up, Housing and Communities Committee** as part of their one-day inquiry on **support for Ukrainian refugees**. They highlighted the crucial work councils were already undertaking, as well as ongoing concerns from local government across all arrival routes to the UK.

LGA in Parliament

We continue to deliver a full programme of parliamentary engagement, briefing for debates, influencing legislation and shaping parliamentary committee reports.

To help deliver this, we have briefed for **56** parliamentary debates, and produced **10** briefings to summarise key government announcements and set out an initial local government view including in response to key financial statements and government white papers. This has helped to secure support from MPs and Peers for our campaigns and policy positions.

To influence legislation, we briefed parliamentarians ahead of **39** debates on **14** Bills including successfully lobbying for significant reforms to the Building Safety Act, and securing a consultative role for local government in any future NHS reconfiguration through our briefings on the Health and Care Bill.

As part of our engagement with select committees and all-party parliamentary groups (APPGs), we provided evidence to inquiries **77** times. This comprises **47** written submissions and our councillors and senior officers providing oral evidence to parliamentary enquiries **30** times. This has, so far, resulted in the LGA influencing the recommendations in **nine** select committee reports.

In the last financial year, the LGA has been quoted **615** times in Parliament. This comprises **96** mentions in the House of Commons chamber, **43** times in Westminster Hall debates, **76** times in Public Bill Committees, **109** times in written questions and answers, **two** times in written ministerial statements and **three** times in Early Day Motions. In the House of Lords, the LGA has been quoted **205** times in the chamber, **63** times in Grand Committee and **18** times in written questions and answers.

Despite the party conference season being scaled back, the LGA still supported councillors to speak at **38** events across the Conservative, Labour and Liberal Democrat party conferences, as well as the Independent Group conference. This was as part of our corporate party conference offer, and is in addition to the events organised and attended by representatives from our political group offices at these conferences and those of other political parties.

**Chief executive's report
Year ended 31 March 2022**

LGA in the media

Over the past year the LGA was featured **15,294** times in national, trade, regional, broadcast and online media, including **9,381** LGA mentions in national newspapers, broadcast and online articles – that's an average of **167** times a week.

As well as a number of front page stories in national newspapers, our lead political spokespeople have been interviewed **115** times on national broadcast media.

I am proud of the contribution the LGA has made to the success of local government in the past year. Looking ahead to the coming year and the challenges it will bring for communities and councils, I am confident we will continue to provide first class support to our member councils.

I am proud of the contribution the LGA has made to the success of local government in the past year. Looking ahead to the coming year and the challenges it will bring for communities and councils, I am confident we will continue to provide first class support to our member councils.



Mark Lloyd CBE
Chief Executive

8 June 2022

Strategic report Year ended 31 March 2022

The directors present their strategic report on the Group for the year ended 31 March 2022.

Principal activities

The Local Government Association (LGA) was incorporated on 30 January 2018. On 1 April 2019 the LGA took on the business, assets and liabilities of the unincorporated Local Government Association, which had been set up 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 national voice for local government.

On 3 December 2021, the LGA took on the business, assets and liabilities of its subsidiary Local Government Association (Properties).

On 1 April 2021, the administration of the IDeA Local Government Pension Scheme (IDeA LGPS) was transferred from Camden Borough Council to the Merseyside Pension Fund (though the funds were not merged with the LGA LGPS).

The shared objective of the LGA and its subsidiaries is to make an outstanding contribution to the success of local government working with and on behalf of the LGA's member authorities to support, promote and improve local government.

Departure from United Kingdom Generally Accepted Accounting Principles (UKGAAP)

In line with prior years, the financial statements do not include a detailed note on the Association's defined benefit pension scheme, instead just showing the combined Group view.

The LGA Board believe that this exception results in the financial statements still showing a true and fair view.

Report of the business

In October 2019, the LGA Board agreed a new three-year business plan, based on those issues of greatest importance to our member councils and rooted in the United Nations Sustainable Development Goals. The business plan was updated in October 2021, to reflect the changing situation and new emphasis on recovery and economic growth following the COVID-19 pandemic.

Through the work of our Boards and Task and Finish Groups, made up of members from councils across England and Wales, the LGA has continued to make progress on delivering its priorities.

Despite ongoing pressure on our core funding, we have delivered a satisfactory financial outcome in 2021/22. From 1 April 2016, IDeA become the recipient of Direct Government Funding from the Department of Levelling Up, Housing and Communities (DLUHC) to pay for improvement services to councils, replacing Revenue Support Grant ("RSG top slice"). Our income from DLUHC Funding remained steady in the year, but with revised priorities and reflecting the change to remote working practices, and while other grants and service contracts were secured, overall income increased by a total of 7 per cent in 2021/22 compared with the previous year. We continued to keep costs down and invested in reducing costs of back office services, at the same time as continuing to deliver on our key priorities and deliver direct support to councils. Both the LGA and the IDeA continued to make payments towards their pension fund deficit.

Strategic report Year ended 31 March 2022

As agreed by the LGA Board, the 2021/22 consolidated operating surplus (excluding pension scheme and investment property revaluation adjustments) has replenished the risk and contingency reserve in our balance sheet. This was created to support opportunities to invest to save costs or generate additional commercial income, and also to cover the potential risks to the 3 Year plan included in the LGA's Financial Strategy.

The LGA Board has overseen the LGA's approach to Treasury Management and concluded that the LGA should continue to be cautious in its investment strategy. Substantial use has been made of the Public Sector Deposit Fund, a qualifying money market fund operated by CCLA Investment Management Ltd. No losses arose on treasury activities.

Following a real terms reduction in subscription income of over 48 per cent in the seven years to 2019 the LGA Board agreed an inflationary 2 per cent increase in membership subscriptions for 2021/22.

Future developments

In common with other parts of the public sector, we are taking steps to ensure we develop new sources of income as well as continuing to reduce our costs.

Our future success relies on delivering ever greater value to member councils at a time when councils will face cost of living pressures, increasing service demands and uncertain future funding levels.

During 2022/23 the LGA will continue to develop and manage its property assets to maximise their capital values and offset the liabilities arising from our pension funds and to reduce costs and deliver additional commercial income to maximise levels of support to our membership.

The impact of COVID-19 on the Group and Company's business has been assessed and has been determined to not be material. The IDeA receives grant funding from the Department for Levelling Up, Housing and Communities (DLUHC). This funding is received on behalf of the Local Government Association and its related bodies. The level of funding has been formally determined by DLUHC for the year to 31 March 2023. Funding for some of the Company's principal funded programmes has also been agreed by the funders, with further awards expected shortly, despite some funding now being required to be secured via competitive tender. The majority of Member subscription income has been received for the year.

For the investment property rental income streams, there has been, and is expected to be, no interruption for 18 Smith Square. At Layden House we have secured a single tenant for the office floors on a long term lease, and will begin active marketing of the two ground floor retail units during the summer of 2022, such that no material impact is expected to the Group.

Therefore, it is considered that the majority of the Group and Company's income for the foreseeable future is secure and the directors have therefore adopted the going concern basis for the preparation of these accounts.

Our priorities

In October 2019, based on feedback from our member councils and agreed by our politicians, we launched a new three-year business plan that set out our priorities, which was reviewed and updated in October 2020 and again in October 2021 in the light of the pandemic:

Strategic report Year ended 31 March 2022

Funding for local government

Fair and sustainable funding enables councils to plan and deliver essential public services beyond the short term, to raise more funds locally and to promote greater collective working across local public services.

Adult social care, health and wellbeing

Sustainable funding and better integration with health services enable councils to continue to support people to live safe, healthy, active, independent lives and to promote wellbeing and resilience for all ages.

Narrowing inequalities and protecting communities

Councils lead and work with diverse communities and partners to address inequalities and build safe, cohesive and resilient communities.

Places to live and work

Councils lead the way in driving inclusive and sustainable economic recovery, building the homes that people need and creating places where they want to live.

Children, education and schools

Councils have the powers and resources they need to bring partners together to deliver inclusive and high-quality education, help children and young people to fulfil their potential and offer lifelong learning opportunities for all.

Strong local democracy

A refocus on local democratic leadership, and a shift in power post-Brexit from Whitehall to local communities, leads to greater diversity of elected representatives, high standards of conduct and strong, flexible local governance.

Sustainability and climate action

Councils take the lead in driving urgent actions in their local areas to combat climate change and its impacts and to deliver zero net carbon by 2030.

Supporting councils

We support councils continuously to improve and innovate through a programme of practical peer-based support underpinned by strong local leadership and through our service delivery partnerships.

We have now begun the process of developing a new three-year business plan, which will come into effect from October 2022.

Principal risks and uncertainties

Our arrangements for risk management include the regular review of the LGA's strategic risk register with clear responsibilities assigned to named senior officers for the management of the principal risks. These included ensuring that we deliver on our objectives and have impact for our members, ensuring that membership levels are maintained, ensuring that we have effective governance arrangements and financial sustainability, and ensuring that we maintain employee capacity and capability. We have also put in place clear governance and project management arrangements for projects designated as being high risk from a financial or operational point view.

Strategic report

Year ended 31 March 2022

Our principal liabilities other than those arising in ordinary day to day business relate to our combined pension deficit and four main liabilities: structural interest free debt of £8.2 million due to the predecessor Local Authority Associations and related to the purchase of the Smith Square property; bank debt of £1.56 million on separate loans due to Barclays relating to the Smith Square property, which is currently being repaid at the rate of £0.52 million each year; £20.0 million from Westminster City Council which we are using to fund the development of our properties; and a liability until 2022 for funding the District Councils' Network (DCN), financed from cash received from the predecessor Local Authority Association.

The valuation of our combined pension deficit was £67.63 million at 31 March 2022 (£101.94 million deficit at 31 March 2021). In order to pay off the pension deficit and liabilities for past employees, we have been making additional contributions as directed by the actuaries. Following the Triennial Valuation as at 31 March 2019, these additional contributions have reduced to under £0.5 million per annum on average. Actuarial advice indicates that on reasonable long term assumptions, these contributions will be sufficient to eliminate the deficit over a period of 19 years for the LGA and 15 years for the IDeA. We have transferred the administration of the IDeA LGPS from Camden to Merseyside (administrators of the LGA LGPS) as at 1 April 2021 to align actuarial assumptions and generate cost savings.

Key performance indicators

We have reviewed the impact of our work and the delivery of our priorities through robust performance management which has included regular reports to the LGA Board. In addition we have reviewed our own efficiency and effectiveness through a number of key indicators. These include the number of organisations in membership, which has remained static in 2021/22, with only five councils out of membership at the year end. All 22 Welsh councils are in membership through the Welsh LGA's corporate membership of the LGA.

In 2019 we carried out a survey of our members which gave us important information about customer satisfaction with 78 per cent of members indicating that they were satisfied overall with the work of the LGA. We have set ourselves the target of increasing member satisfaction and also their perceptions of the value for money we offer and we will monitor our progress with these through member surveys.

We review our financial sustainability by carefully controlling our staff costs. Currently we have 432 employees in the year ended 31 March 2022. We continue to monitor employee absence and whilst this has increased from an average annual number of sick days per employee of 2.0 days in March 2021 to 3.9 days in March 2022, it is still well below national averages for sickness (8.0 days for public sector – Source: CIPD Health & Wellbeing at Work Survey 31 March 2020).

We continue to pay close attention to the collection of outstanding debt. The percentage of debtors over 12 months was 2 per cent of the total trade debtors at March 2022 (1 per cent 2021).

Market value of land and buildings

The market value of 18 Smith Square, which was previously owned by Local Government Association (Properties), is considered at the latest valuation in March 2022 to be £49.50 million (2021 £47.5 million) with a net increase of £2.0 million in the year reflecting rental market conditions in the Westminster area. In the Group accounts 34 per cent (2021/22 34 per cent) of the above market value is reflected as an investment in the Group's balance sheet. The remainder held as an operational asset at the current net book value of £16.5 million.

Strategic report Year ended 31 March 2022

Layden House is classified as an investment property and has a market value at 31 March 2022 of £66.0 million (2021 £63.0 million), an increase of £3.0 million reflecting the recovering strength of the Farringdon rental market.

Environmental matters – minimising the impact of climate change

Through the General Assembly in July 2019, the LGA declared a climate emergency, and aligned its priorities to the United Nations Sustainable Development Goals.

The LGA is committed to minimising the environmental impacts of its activities, reducing pollution and CO2 emissions and contributing to a healthy future for all. The past year has demonstrated that working and attending remotely now provides a real alternative to travelling to 18 Smith Square, both for staff and for the elected members who are actively engaged in the work of the LGA.

Flexible working

Our interim flexible working policy brought added flexibility for office-based staff to vary their work locations, subject to their role and to the needs of the business. For those who do not need to be based in 18 Smith Square, we offer home-based contracts. This means less journeys to work and a better work-life balance. Longer term it may enable us to further reduce the amount of office space that we occupy.

Our ICT is designed to support flexible working, enabling staff to log in from home or other venue with a secure wifi connection, or from public transport when they are on the move.

Head office - 18 Smith Square

All meeting rooms at 18 Smith Square are equipped with videoconferencing facilities, cameras and sound bars to support virtual or hybrid meetings and events.

Secure cycle facilities and showers are provided for those who prefer to cycle or run to work. There are no car parking facilities.

Following its refurbishment 18 Smith Square's EPC rating moved from F to B – a significant achievement for a heritage building in a conservation area. Lights are energy efficient LEDs, with motion sensors that switched off when not required. Windows that do not face the conservation area are triple glazed to reduce energy loss. Recycling bins are provided on every floor.

Travel

Where staff and members need to travel they are encouraged to use public transport wherever practicable to reduce the impact on the environment.

Procurement

The LGA has a robust procurement policy and process, which underpins the importance of all our contractors being able to demonstrate a commitment to sustainability and combatting climate change. Our policy has undergone a full review during 2021/22 in the light of our renewed commitment to equality, diversity and inclusion and will be relaunched during 2022/23. Our procurement documentation states:

“In adhering to our commitments, the contractor should have systems in place to account for and minimise environmental impacts in all areas of contract delivery”.

Community and social issues, respect for human rights

At their meeting on 11 March 2020, the LGA Board agreed to adopt the International Holocaust Remembrance Alliance definition of antisemitism.

**Strategic report
Year ended 31 March 2022**

The LGA's Public Duties and Volunteering policy makes provision for colleagues to take time off for approved public and community activities.

A significant strand of our policy work is targeted at improving social cohesion, adult and children's social care, and enhancing communities.

The LGA recognises that it has a responsibility to take a robust approach to modern slavery and human trafficking. The organisation supports the Modern Slavery Act 2015 and opposes modern slavery and human trafficking. It is committed to ensuring that such practices have no place within its supply chain or other activities.

In addition to the LGA's responsibility as an employer, it also acknowledges its duty to notify the Secretary of State of suspected victims of modern slavery or human trafficking as introduced by section 52 of the Modern Slavery Act 2015.

Anti-fraud, bribery and corruption matters

The LGA has an anti-fraud, bribery and corruption policy and response plan which is reviewed annually. The Audit Committee receives an annual report on any instances of fraud, bribery or corruption. No instances were reported in the past year.

Section 172 statement

Section 172(1) of the Companies Act 2006 states that directors of a company must act in the way he/she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, customers and others
- the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.

At the commencement of all Board meetings, directors are reminded of their responsibilities in regard to this requirement, and agree to abide by it in their decision making.

By Order of the Board



James Jamieson OBE

LGA Chairman and Chairman of the LGA Board

8 June 2022

**Directors' report
Year ended 31 March 2022**

The directors present their report and the audited financial statements of the Group and Company for the year ended 31 March 2022.

Future developments

Future developments are set out in the Strategic Report.

Dividends

The LGA Constitution and the articles of the companies that the LGA controls directly do not permit the payment of dividends.

Directors

The directors of the Company during the year ended 31 March 2022 were:

Conservative	James Jamieson OBE [Chairman]	
	Izzi Seccombe OBE [Deputy-chairman]	
	John Fuller OBE [Deputy-chairman]	
	Robert Alden [Deputy-chairman]	
	Teresa O'Neill OBE [Deputy-chairman]	
Labour	Nick Forbes CBE [Senior Vice-chair]	
	Michael Payne [Deputy-chair]	
	Tudor Evans OBE [Deputy-chair]	
	Georgia Gould [Deputy-chair]	
	Shabir Pandor [Deputy-chair]	Appointed 6 August 2021
	Anntoinette Bramble [Deputy-chair]	Resigned 5 August 2021
Liberal Democrat	Joseph Harris [Vice-chair]	Appointed 6 July 2021
	Bridget Smith [Deputy Chair]	Appointed 6 July 2021
	Howard Sykes MBE [Vice-chair]	Resigned 6 July 2021
	Ruth Dombey OBE [Deputy-chair]	Resigned 6 July 2021
Independent	Marianne Overton MBE [Vice-chair]	
	Hannah Dalton [Deputy-chair]	Appointed 6 July 2021
	Clive Woodbridge [Deputy-chair]	Resigned 6 July 2021

Directors' indemnity

The company has provided qualifying third-party indemnities for the benefit of its directors. These were provided during the year and remain in force at the date of this report.

Directors' report Year ended 31 March 2022

Financial Instruments

The Group operates a centralised treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the Group's activities.

Our operations expose us to a variety of financial risks that include ensuring that the funds held by us are, first and foremost, secure; second, that adequate liquidity is maintained so that sufficient funds are always available to meet current liabilities; and third that the best return on investment is obtained subject to achievement of the first two objectives.

Price risk

We have relatively low exposure to price risk, despite emerging inflationary pressures. Our employee costs are controlled through formal annual negotiations with employee representatives. Our back office services are now mainly delivered in house, with ICT services delivered through a jointly owned company with Brent Council, by Brent ICT team. Other services are procured from a range of external providers through competitive tendering arrangements in line with our formal procurement procedures.

Credit risk

We have a debt management policy and clear credit control procedures which include regular review and follow-up of our trade debtors.

Liquidity risk

Our agreed approach is to manage our revenue budget so as to deliver a balanced budget that does not require a net call on cash for the financial year as a whole. We maintain an adequate level of day to day liquid funds to pay liabilities promptly as they fall due.

Cash flow risk

We have both interest-bearing assets and liabilities. Subject to our liquidity requirements, which are assessed on a weekly basis, surplus funds are deposited in accordance with the Approved Investment Strategy as agreed by the LGA Board.

Political and charitable contributions

Neither the LGA nor its subsidiaries made any charitable donations over £2,000 or any political donations or incurred any political expenditure during the year.

Branches outside the UK

The Group has a branch in Brussels.

Post balance sheet events

The impact of COVID-19 on the Group's business interests are set out in the Strategic Report.

The directors are not aware of any material Post Balance sheet events.

Employees

Details of the number of employees and related costs can be found in Note 3 to the financial statements. In line with the LGA Pay Policy the LGA publishes the salaries of its Corporate Leadership Team on its website. These are updated annually to reflect the national pay award.

Directors' report Year ended 31 March 2022

Details of the statutory requirement to publish gender pay-gap remuneration statistics can also be found on the LGA website.

Consultation with employees and their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests. Communication with all employees continues through direct briefing and regular use of our intranet. Directors receive periodic updates on staff performance measures, and the results of biennial staff surveys.

Staff are provided with relevant information on the LGA's activities and are encouraged to be involved in the LGA's performance, by being invited to regular informal engagement opportunities such as the monthly All Staff webinar (which includes an annual update on financial performance), by sitting on panels such as the Commercial Ideas Lab and IT Strategy Board, as well as receiving updates through the intranet and associated bulletins. Managers are encouraged to have regular one-to-one updates with their direct reports. Our HR team meets with union representatives monthly.

The LGA has a three-year Equality, Diversity & Inclusion (EDI) strategy and action plan approved by the LGA board in 2021. The LGA and its leadership are committed to listening and responding to staff concerns, to closely monitoring what our data tells us and to developing the organisation as a fully inclusive and safe environment where everyone can bring their whole-selves to work. The LGA have set up an EDI Steering Group to oversee and drive delivery of the strategy and action plan which is chaired by senior management's EDI champion and includes representatives from all directorates, our four staff network groups and the Trade Union.

The strategy and action plan are focused on the work we are doing internally in the LGA. There is also work happening to improve the work we do with councils on improvement and policy and discussions with Members are getting underway with the newly appointed Equalities Advocates on our Boards.

The LGA offers apprenticeship and leadership development programme opportunities, and all staff have personal training and development plans with access to a variety of learning opportunities

Statement of engagement with suppliers, customers and others in a business relationship with the Company

The LGA Executive Advisory Board comprises representative Members to ensure its 'customers' are at the heart of its decision making on policy decision. Councillors' Forum and the General Assembly / Annual Conference also make sure that the customer views are regularly canvassed.

The LGA follows all public procurement rules (including OJEU where required) to ensure that suppliers and others in a business relationship are treated fairly and transparently. A list of the largest spend by supplier is available on the company website. The LGA expects its suppliers to pay their employees the London Living Wage, have in place a Modern Slavery policy, and to support the LGA in achieving the United Nations Strategic Development Goals.

The LGA voluntarily follows the Government Prompt Payment Policy, with the aim of ensuring that 100 per cent of all undisputed and valid invoices are paid within 30 days, with the Strategic Management Team receiving quarterly Key Performance Indicators on adherence.

Directors' report
Year ended 31 March 2022

Statement of corporate governance arrangements

The LGA Board oversees management of the LGA's financial and other resources, and the financial and accommodation strategies for the wider Group.

The LGA Board has considered these accounts in the light of a report from the LGA Audit Committee, chaired by Cllr Daniel Humphreys, whose membership is independent of the LGA's other Boards and Panels.

Provision of Information to auditors

So far as each of the directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditors are unaware: and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

This report was approved by the Board on 8 June 2022 and signed on its behalf.

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

James Jamieson OBE
LGA Chairman and Chairman of the LGA Board

Statement of directors' responsibilities**Year ended 31 March 2022**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group and Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- selected suitable Accounting Policies and then apply them consistently
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards, including FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

**Independent auditor's report
To the members of the Local Government Association
Year ended 31 March 2022**

Opinion

We have audited the financial statements of the Local Government Association (the 'Association') and its subsidiaries (the 'Group') for the year ended 31 March 2022 which comprise the Consolidated and Association Statements of Comprehensive Income, the Consolidated and Association Balance Sheets, the Consolidated and Association Statements of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2022 and of the Group's profit for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, 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

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

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 parent Association's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the Group and parent Association financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group and parent Association financial statements, the directors are responsible for assessing the Group's and the parent Association'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 directors either intend to liquidate the Group or the parent Association to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We obtained an understanding of the Group and parent Association and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this

regard through discussions with management, sector research and application of cumulative audit knowledge and experience.

- We determined the principal laws and regulations relevant to the company in this regard to be those arising from the Companies Act 2006, Financial Reporting Standard 102 and relevant employee legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was potential for management bias in the valuation of the investment properties. We addressed this through review of the valuation report prepared by management's expert, testing the reasonableness of inputs to their calculation, and challenging assumptions applied in the valuations for example by agreement to third party metrics.
- We also identified potential for management bias in the judgements made around recoverability of debtors. We addressed this through examination of post year end cash received, review of correspondence with debtors and discussion of recoverability with management.
- We also identified potential for management bias in the accounting for the defined benefit pension scheme liability. We addressed this through review of the actuary report prepared by management's expert, testing the reasonableness of inputs to their calculation, and challenging assumptions applied in the valuation.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alastair Duke (Senior Statutory Auditor)

For and on behalf of PKF Littlejohn LLP

Statutory Auditor

Date:

15 Westferry Circus

Canary Wharf

London E14 4HD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2022

	Note	2022 £000	2021 £000
Income: Group and share of joint ventures' income		67,935	63,450
Less share of joint ventures' income		(10,211)	(10,699)
Group Income	2	<u>57,724</u>	<u>52,751</u>
Administrative expenses		(62,112)	(55,910)
GROUP OPERATING DEFICIT BEFORE INTEREST AND TAX	4	(4,388)	(3,159)
Interest receivable and similar income		261	331
Interest payable		(636)	(803)
Share of operating surplus of joint ventures	9	3,447	3,486
Dividend and profits share from Joint Ventures		3,102	3,511
Finance discounts allowed	5	(604)	(604)
Share of joint ventures distribution to members		(3,000)	(3,250)
Unrealised gain/(loss) on revaluation in respect of investment property	8	3,787	(2,795)
GROUP OPERATING SURPLUS / (DEFICIT) BEFORE TAX		1,969	(3,283)
Corporation Tax		-	-
GROUP OPERATING SURPLUS / (DEFICIT) FOR THE FINANCIAL YEAR		1,969	(3,283)
Other Comprehensive Income:			
Actuarial gain/(loss) recognised in respect of the pension fund		40,878	(5,540)
GROUP TOTAL COMPREHENSIVE INCOME FOR THE YEAR		42,847	(8,823)

All amounts relate to continuing operations.

The accounting policies and notes in pages 32 to 54 form part of these financial statements.

ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME**Year ended 31 March 2022**

	Note	2022 £000	2021 £000
Income	2	26,127	22,655
Administrative expenses		(25,757)	(26,244)
Gain/(Loss) on revaluation of investment property		3,787	(4,879)
OPERATING SURPLUS / (DEFICIT) BEFORE INTEREST	4	4,157	(8,468)
Interest receivable and similar income		37	122
Interest payable		(1,106)	(23)
Finance discounts allowed	5	(604)	(604)
Dividend and profits share from Joint Ventures	9	102	261
OPERATING SURPLUS / (DEFICIT) FOR THE FINANCIAL YEAR		2,586	(8,712)
Other Comprehensive Income:			
Actuarial gain/(loss) recognised in respect of the pension fund		14,685	(2,051)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		17,271	(10,763)

All amounts relate to continuing operations.

The accounting policies and notes in pages 32 to 54 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

As at 31 March 2022

	Note	2022 £000	2021 £000
FIXED ASSETS			
Tangible assets	7	17,144	17,842
Investment Properties	8	82,830	79,150
Intellectual Copyright Assets		1	1
Investments - MBA	9	4	4
Investments in Joint Ventures:			
Share of gross assets of joint ventures	9	10,517	9,338
Share of gross liabilities of joint ventures	9	(2,521)	(1,446)
		<u>107,975</u>	<u>104,889</u>
LONG TERM DEBTORS	10	350	150
CURRENT ASSETS			
Debtors	11	11,638	7,867
Short term Investments	12	6,904	3,560
Cash at bank and in hand		4,699	4,701
		<u>23,241</u>	<u>16,128</u>
CREDITORS: amounts falling due within one year	13	(12,641)	(9,553)
		<u>10,600</u>	<u>6,575</u>
NET CURRENT ASSETS			
		<u>118,925</u>	<u>111,614</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS: amounts falling due after more than one year	13	(29,517)	(30,013)
PROVISIONS FOR LIABILITIES			
Provisions	14	(750)	(250)
Pension Fund deficit	15	(67,634)	(101,943)
NET ASSETS / (LIABILITIES)		<u>21,024</u>	<u>(20,592)</u>
ACCUMULATED FUNDS			
General Reserve		19,060	19,060
Revaluation Reserve		61,406	57,619
Risk & Contingency Reserve		8,192	4,672
Pension Deficits Reserve			
- Pension Fund Assets		382,967	359,155
- less Defined Liabilities		(450,601)	(461,098)
		<u>21,024</u>	<u>(20,592)</u>

These financial statements were approved by the LGA Board on 8 June 2022 and signed on their behalf by



James Jamieson OBE, LGA Chairman and Chairman of the LGA Board

The accounting policies and notes in pages 32 to 54 form part of these financial statements.

ASSOCIATION BALANCE SHEET

For the year ended 31 March 2022

	Note	2022 £000	2021 £000
FIXED ASSETS			
Tangible Assets	7	17,144	17,842
Investment Properties	8	82,830	79,150
Investments	9	804	804
		<u>100,778</u>	<u>97,796</u>
LONG TERM DEBTORS	10	2,850	2,650
CURRENT ASSETS			
Debtors	11	3,448	422
Short term Investments	12	3,589	4,540
Cash at bank and in hand		70	51
		<u>7,107</u>	<u>5,013</u>
CREDITORS: amounts falling due within one year	13	(6,580)	(5,345)
NET CURRENT ASSETS / (LIABILITIES)		<u>527</u>	<u>(332)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>104,155</u>	<u>100,114</u>
CREDITORS: amounts falling due after more than one year	13	(44,583)	(46,037)
PROVISIONS FOR LIABILITIES			
Provisions	14	(500)	-
Pension Fund deficit	15	(25,718)	(37,994)
NET ASSETS		<u>33,354</u>	<u>16,083</u>
ACCUMULATED FUNDS			
General Reserve		(1,988)	(3,196)
Risk & Contingency Reserve		-	-
Revaluation Reserve		61,060	57,273
Pension Deficits Reserve			
- Pension Fund Assets		176,685	161,992
- less Defined Liabilities		(202,403)	(199,986)
		<u>33,354</u>	<u>16,083</u>

These financial statements were approved by the LGA Board on 8 June 2022 and signed on their behalf by



James Jamieson OBE, LGA Chairman and Chairman of the LGA Board

The accounting policies and notes in pages 32 to 54 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2022

	Risk & Contingency Reserve	Investment Property Reserve	Pensions Deficit Reserve	Retained Earnings	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2020	-	60,414	(93,115)	19,060	(13,641)
Changes in equity for 2020/21					
Income for the year	-	-	-	(3,282)	(3,282)
Pensions Adjustments in Statement of Comprehensive income	-	-	(3,288)	3,288	-
Actuarial gains/(losses) on defined benefit plans	-	-	(5,540)	-	(5,540)
Unrealised gain on revaluation in respect of investment property	-	(2,795)	-	2,795	-
Total comprehensive income for the year	-	(2,795)	(8,828)	2,801	(8,822)
Movement on Joint Venture Reserves	-	-	-	1,871	1,871
Transfer to Risk and Contingency reserve (LGA and IDEA only)	4,672	-	-	(4,672)	-
Balance as at 31 March 2021	4,672	57,619	(101,943)	19,060	(20,592)
Balance at 1 April 2021	4,672	57,619	(101,943)	19,060	(20,592)
Changes in equity for 2021/22					
Surplus for the year	-	-	-	1,969	1,969
Pensions Adjustments in Statement of Comprehensive income	-	-	(5,681)	5,681	-
Actuarial gains (losses) on defined benefit plans	-	-	39,990	-	39,990
Unrealised gain on revaluation in respect of investment property	-	3,787	-	(3,787)	-
Total comprehensive income for the year	-	3,787	34,309	3,863	41,959
Movement on Joint Venture Reserves	-	-	-	(343)	(343)
Transfer to Risk and Contingency reserve (LGA and IDEA only)	3,520	-	-	(3,520)	-
Balance as at 31 March 2022	8,192	61,406	(67,634)	19,060	21,024

The accounting policies and notes in pages 32 to 54 form part of these financial statements.

ASSOCIATION STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2022

	Risk & Contingency Reserve	Investment Property Reserve	Pensions Deficit Reserve	Retained Earnings	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2020	3,402	62,153	(34,401)	9,814	40,968
Changes in equity for 2020/21					
Operating Deficit for the year	-	(79)	-	(3,762)	(3,841)
Pension adjustment included in Operating Surplus / Deficit for the year	-	-	(1,542)	1,542	-
Actuarial gains/(losses) on defined benefit plans	-	-	(2,051)	-	(2,051)
Unrealised loss on revaluation in respect of investment property	-	(4,880)	-	-	(4,880)
Change of merger accounting policy	-	79	-	(14,192)	(14,113)
Total comprehensive income for the year	-	(4,880)	(3,593)	(16,412)	(24,885)
Transfer to Risk and Contingency reserve	(3,402)	-	-	3,402	-
Balance as at 31 March 2021	-	57,273	(37,994)	(3,196)	16,083
Balance at 1 April 2021	-	57,273	(37,994)	(3,196)	16,083
Changes in equity for 2021/22					
Operating Deficit for the year	-	-	-	(1,201)	(1,201)
Pension adjustment included in Operating Surplus/Deficit for the year	-	-	(2,409)	2,409	-
Actuarial gains/(losses) on defined benefit plans	-	-	14,685	-	14,685
Unrealised gain on revaluation in respect of investment property	-	3,787	-	-	3,787
Total comprehensive income for the year	-	3,787	12,276	1,208	17,271
Transfer to Risk and Contingency reserve	-	-	-	-	-
Balance as at 31 March 2022	-	61,060	(25,718)	(1,988)	33,354

The accounting policies and notes in pages 32 to 54 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2022

	Note	2022 £000	2021 £000
Net cash inflow/(outflow) from operating activities			
Surplus/(Deficit)		1,969	(3,283)
Adjustments for:			
FRS17 Pension adjustments		5,681	3,288
Investment and dividend Income		(3,363)	(3,842)
Revaluation gains on Investment Properties		(3,787)	2,795
Joint Venture Non Cash Adjustments		(448)	(236)
Finance discounts for former members of AMA		604	604
Interest expense		636	803
Depreciation		697	694
Decrease/(increase) in debtors		(3,770)	(414)
(Decrease)/increase in creditors		3,088	(140)
(Decrease)/Increase in provisions		500	-
(Decrease)/Increase in creditors due after one year		(496)	(798)
Cash generated from operations		<u>1,311</u>	<u>(529)</u>
Interest paid		(636)	(803)
Net cash generated from operating activities		<u>675</u>	<u>(1,332)</u>
Cash flow from investing activities			
Interest received		261	331
Loan to UKMBA		(200)	-
Impairment of investment in the UKMBA		-	-
Investment in redevelopment of Property, Plant and Equipment		-	154
Investment in redevelopment of Investment Properties		107	(290)
Distribution from Joint Venture		3,102	3,511
		<u>3,270</u>	<u>3,706</u>
Cash flow from financing activities			
Finance discounts for former members of AMA		(603)	(603)
		<u>(603)</u>	<u>(603)</u>
Cash flow from Taxation activities			
Corporation Tax paid		-	-
		<u>-</u>	<u>-</u>
Net (Decrease)/ Increase in cash		3,342	1,771
Cash and cash equivalents at the start of the year		<u>8,261</u>	<u>6,490</u>
Cash and cash equivalents at the end of the year	16	<u>11,603</u>	<u>8,261</u>

The accounting policies and notes in pages 32 to 54 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2022

1. ACCOUNTING POLICIES

On 3 December 2021 the assets, liabilities and business of Local Association (Properties), an incorporated unlimited company with share capital, transferred to the Local Government Association, an incorporated unlimited company, via a business transfer agreement (see Note 19) and accounted for under Merger Accounting rules as permissible under FRS102.

The financial statements are prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006, under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410), with the exception of preparing a detailed note on the Association's defined benefit pension scheme. The LGA Board do not believe that this results in the financial statements not showing a true and fair view. The particular accounting policies adopted are described below.

The Association is considered to be a public benefit entity.

Going Concern

The financial statements have been prepared on the going concern basis. The Association and the entities under its control have net assets, after accounting for the defined benefit pension scheme deficits, of £20.9 million as at 31 March 2022 (net liabilities £20.6 million 2021). The valuation of net assets includes actuarial estimates of pension scheme liabilities at the balance sheet date. The Association and certain of its related entities pay amounts into the schemes, as prescribed by the actuaries, in order to eliminate this deficit over a period between 15 and 22 years, and unfunded pension liabilities are being cleared over the remaining lives of the pensioners concerned, as disclosed in Note 15. Payments to clear pension deficits are financed from the Association's and related entities' general income.

The impact of COVID-19 on the Group and Company's business has been assessed and has been determined to not be material. The IDeA receives grant funding from the Department for Levelling Up, Housing and Communities (DLUHC). This funding is received on behalf of the Local Government Association and its related bodies. The level of funding has been formally determined by DLUHC for the year to 31 March 2023. Funding for some of the Company's principal funded programmes has also been agreed by the funders, with some further awards expected shortly, notwithstanding that some funding now needs to be secured via competitive tender.

For the investment property rental income streams, there is expected to be no interruption for 18 Smith Square, while the delay in securing tenants for the retail units within Layden House may reduce income for the coming year, it is not expected to be material to that company or the Group.

Therefore it is considered that the majority of the Group and Company's income for the foreseeable future is secure and the directors have therefore adopted the going concern basis for the preparation of these accounts.

However, in the event of dissolution, any excess of the Association's liabilities over its assets would be required, under the terms of its constitution, to be covered by its member authorities, including authorities that had left membership within the period of five years prior to dissolution.

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the holding of investment properties at valuation in accordance with FRS 102.

NOTES TO THE FINANCIAL STATEMENTS As at 31 March 2022

1. ACCOUNTING POLICIES (Continued)

Basis of consolidation

The group financial statements consolidate the financial statements of the Association and companies under its control for the year ended 31 March 2022. They also consolidate the Group's share of the results and post-acquisition reserves of joint ventures under the gross equity accounting method. The profits and losses of group undertakings and joint ventures are consolidated from the date of acquisition to the date of disposal using the acquisition method of accounting. Uniform accounting policies are used for all group companies. Profits or losses on intragroup transactions are eliminated on consolidation.

Note 18 gives details of the companies under the control of the Association and the Association's other related entities.

The accounts for Public Sector Audit Appointments Limited (PSAA) are not consolidated into these statements because the LGA does not exercise or have the ability to exercise control over PSAA and the LGA is not in a position to benefit from its results and financial performance.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are held at historical cost net of depreciation and provisions for impairment. Under FRS102 mixed use property must be separated between investment property and tangible fixed assets. In the Group Accounts for the Financial Year 2021/22 66% (2020/21 66%) of 18 Smith Square cost and depreciation will be accounted for as Tangible Fixed Assets to reflect the area of the building utilised by the Group.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset, less any estimated residual value, evenly over its expected useful life. The expected useful lives of the principal categories are:

Freehold buildings	25 years
Fixtures, fittings and equipment	15 years
ICT and computer equipment	3 years

Assets in the course of construction are stated at cost. These assets are not depreciated until available for use.

Investment Property

The freehold land and buildings investment property, Layden House, has been valued by an independent, external valuer on an open market basis at the Balance Sheet date. In accordance with the FRS102:

- the investment property will be revalued annually with the surplus or deficit transferred to the revaluation reserve, unless the deficit is considered to be permanent; and
- no depreciation or amortisation is provided.

In the Group Accounts for the Financial Year 2021/22 34% (2020/21 34%) of 18 Smith Square valuation on the above basis will be accounted for as Investment Property Assets to reflect the area of the building available for occupation by third parties.

Open market value is defined, in accordance with the RICS valuation standards, as: "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties each had acted knowledgeably, prudently and without compulsion".

Investments

For the Group, investments in Joint Ventures are the interests in Local Partnerships LLP, Geoplace LLP and LGA Digital Services Limited. Note 9 provides the details of their formations and results.

NOTES TO THE FINANCIAL STATEMENTS**As at 31 March 2022****1. ACCOUNTING POLICIES (Continued)**

Note 9 provides details of the Association's investments in Local Partnerships LLP, UK Municipal Bonds Agency PLC, LGA Digital Services Limited, Improvement and Development Agency for Local Government, and LGA Commercial Services Limited.

Short Term investments are cash balances held by the Association and the companies it controls. These balances are pooled and deposited with financial institutions on the Association's approved counterparty list and in accordance with the Investment Strategy.

Financial Instruments – Loans, Swaps and hedging

External loans and swap liabilities are stated at fair value, with in year movements in value recognised in the Statement of Comprehensive Income.

Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost includes costs incurred in bringing each product to its present location and condition and is calculated as cost of direct materials and labour plus attributable overheads based on normal levels of activity. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Revenue Recognition**Income**

Income represents the amount receivable as grants, subscriptions and for goods sold and services provided (excluding Value Added Tax). Income from dividends due from Joint Ventures is identified separately within the Income and Expenditure account. Note 2 gives further analysis of income which is all generated in the UK.

Government Funding

Funding and grants are recognised in the Income and Expenditure accounts when the conditions for receipt have been met. Deferred grant income at the year end is included in creditors. Specific Grant income is recognised in the financial statements in the period the related activities occur.

Debtors

The policy of the Association and the companies it controls 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 reviewed for write-off.

Provisions

Provisions when required are utilised to reflect restructuring costs of redundancies and contracts which have been agreed before the end of the financial year.

Employee benefits

The LGA provides a range of benefits to employees, including paid holiday arrangements and the Local Government Pension Scheme defined benefit plan, as follows:

- (i) Holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received; and
- (ii) LGPS Pension costs.

New employees are entitled to membership of the Local Government Pension Scheme (LGPS) through either the LGA or IDeA LGPS. From 1 April 2021, the administration of the IDeA LGPS transferred from the London Borough of Camden to the Merseyside Pension Fund (though the funds have not merged). Existing staff may be members of either of these Funds.

NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2022

1. ACCOUNTING POLICIES (Continued)

The Local Government Pension Scheme is a defined benefit scheme and 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 Statement of Comprehensive Income. 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 and actuarial gains and losses are recognised in the Statement of Other Comprehensive Income as remeasurement of defined benefits pension scheme obligations. 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 Statement of Comprehensive Income if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs.

Reserves

The Risk and Contingency Reserve is created to provide cash resources to fund developments that provide opportunities to save costs or generate additional commercial income, fund external loan repayments, and also to cover the potential risks to the LGA medium term plan (such as increased pension deficit payments). Contributions to or from this reserve will be identified and set so that the LGA and IDeA budgets for each year of the plan are balanced.

2. INCOME

CONSOLIDATED	2022	2021
	£000	£000
Group		
Subscriptions	10,355	10,239
Conferences and seminars	778	248
Government Grants	34,883	33,516
Shared Services – external to group	749	165
Other income	10,959	8,583
	<hr/> 57,724	<hr/> 52,751
Joint Ventures	10,211	10,699
	<hr/> 67,935	<hr/> 63,450

NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2022

ASSOCIATION	2022 £000	2021 £000
Subscriptions	10,354	10,239
Conferences and seminars	406	65
Shared Services	5,695	5,220
Other income	9,672	7,131
	<u>26,127</u>	<u>22,655</u>

3. EMPLOYEES AND DIRECTORS

Employees

The average monthly number of persons employed and staff costs employed during the year was:

	CONSOLIDATED		ASSOCIATION	
	2022	2021	2022	2021
Average number of persons employed	415	386	196	184
Staff costs	£000	£000	£000	£000
Wages and salaries	25,303	23,493	11,606	10,817
Social security costs	2,726	2,604	1,330	1,208
Pension costs – employer payments	3,542	3,427	1,243	1,128
Pension costs – employer deficit payments	(95)	778	-	1
Pension costs – current service costs less contributions	(235)	1,127	1,630	735
<u>Less income from secondments</u>	<u>(1,077)</u>	<u>(789)</u>	<u>(584)</u>	<u>(472)</u>
	<u>30,164</u>	<u>30,640</u>	<u>15,225</u>	<u>13,417</u>
Staff related costs				
Agency, freelance and secondment costs	883	919	535	340
Redundancy costs & provision	112	67	110	28
Travel, subsistence and staff expenses	501	14	252	4
Recruitment costs	84	148	62	130
Training costs	120	142	65	128
Other personnel costs	93	79	55	38
	<u>1,793</u>	<u>1,369</u>	<u>1,079</u>	<u>668</u>
Total staff costs	<u>31,957</u>	<u>32,009</u>	<u>16,304</u>	<u>14,085</u>

NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2022

3. EMPLOYEES AND DIRECTORS (continued)

The numbers of 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 2022 figures include 25 staff (2021: 5 staff) seconded to other organisations, of which 15 were employed by the Association.

CONSOLIDATED	2022	2022	2021	2021
	Remuneration including redundancy	Remuneration excluding redundancy	Remuneration including redundancy	Remuneration excluding redundancy
£50,000 - £54,999	41	41	32	32
£55,000 - £59,999	24	24	8	8
£60,000 - £64,999	15	15	15	15
£65,000 - £69,999	15	15	28	28
£70,000 - £74,999	28	28	18	18
£75,000 - £79,999	27	27	38	38
£80,000 - £84,999	24	24	16	16
£85,000 - £89,999	12	12	2	2
£90,000 - £94,999	4	4	7	7
£95,000 - £99,999	4	4	1	1
£100,000 - £104,999	1	1	3	3
£105,000 - £109,999	8	8	8	8
£110,000 - £114,999	4	4	1	1
£115,000 - £119,999	5	5	4	4
£120,000 - £124,999	1	1	1	1
£125,000 - £129,999	1	1	3	3
£135,000 - £139,999	1	1	-	-
£170,000 - £174,999	1	1	1	1
£180,000 - £184,999	1	1	-	-
£215,000 - £219,999	1	1	1	1

ASSOCIATION	2022	2022	2021	2021
	Remuneration including redundancy	Remuneration excluding redundancy	Remuneration including redundancy	Remuneration excluding redundancy
£50,000 - £54,999	16	16	17	17
£55,000 - £59,999	17	17	1	1
£60,000 - £64,999	2	2	5	5
£65,000 - £69,999	9	9	7	7
£70,000 - £74,999	5	5	7	7
£75,000 - £79,999	6	6	17	17
£80,000 - £84,999	18	18	3	3
£85,000 - £89,999	3	3	-	-
£90,000 - £94,999	1	1	3	3
£95,000 - £99,999	3	3	1	1
£100,000 - £104,999	-	-	2	2
£105,000 - £109,999	3	3	4	4
£110,000 - £114,999	3	3	-	-
£115,000 - £119,999	2	2	1	1
£120,000 - £124,999	1	1	1	1
£125,000 - £129,999	-	-	2	2
£135,000 - £139,999	1	1	-	-
£170,000 - £174,999	1	1	1	1
£180,000 - £184,999	1	1	-	-
£215,000 - £219,999	1	1	1	1

NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2022

3. EMPLOYEES AND DIRECTORS (continued)

Directors

The directors received emoluments during the year in respect of their services was as follows:

	CONSOLIDATED		ASSOCIATION	
	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Total emoluments	1,802	1,652	1,725	1,528
Emolument of the chairman and highest paid director	85	69	85	69

Key Management Compensation

Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	CONSOLIDATED		ASSOCIATION	
	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Salaries and other short term benefits	890	900	641	652
Post-employment benefits	94	110	58	59
Total key management compensation	984	1,010	699	711

4. OPERATING DEFICIT

	CONSOLIDATED		ASSOCIATION	
	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Operating deficit is after charging:				
Depreciation and amortisation	877	694	698	178
Loss on disposal of fixed assets	-	-	-	-
Auditor's remuneration				
- audit fee	43	43	19	19
- non audit services	3	3	-	-

NOTES TO THE FINANCIAL STATEMENTS**As at 31 March 2022****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 Local Government Association, the AMA property company contributed the net sale proceeds of its former property in Great Smith Street to the purchase of 18 Smith Square 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 increases every five years in line with inflation. Originally at the rate of £6,000 per authority, the discount was increased to £7,965 with effect from 1 April 2012. The discount was increased to £9,156 with effect from 1 April 2019 for the 2018/19 membership subscriptions, with the next increase due to be recognised in the 2023/24 membership subscriptions.

6. TAXATION

The Association and the companies it controls (with the exception of LGA Commercial Services Ltd) are exempt from tax on their income and gains by virtue of their status as Local Authority Associations under Section 838(2) of the Income Tax Act 2007 and Section 984(2) of the Corporation Tax Act 2010. They are exempt from capital gains tax under Section 271(3) of the Taxation of Chargeable Gains Act 1992.

7. FIXED ASSETS**Group Assets**

The property from which the Association operates, 18 Smith Square, London SW1 was previously owned by Local Government Association (Properties), a subsidiary company. The Association previously paid rent to that company for its accommodation. The other trading companies that the Association controls operate from the same property. In addition related parties and third parties occupy parts of the accommodation on formal commercial leases.

As a result of the application of FRS 102 for the Financial Year 2021/22 66% (2020/21 66%) of 18 Smith Square cost and depreciation have been accounted for as Tangible Fixed Assets in the Group figures to reflect the area of the building utilised by the Group.

NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2022

7. FIXED ASSETS (continued)

TANGIBLE FIXED ASSETS

CONSOLIDATED	Freehold land and buildings £000	Computer Equipment £000	Fixtures, fittings and equipment £000	Total £000
Cost				
At 1 April 2021	22,144	384	754	23,282
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2022	22,144	384	754	23,282
Depreciation				
At 1 April 2021	5,079	160	201	5,440
Charge for year	520	128	50	698
Disposal in year	-	-	-	-
At 31 March 2022	5,599	288	251	6,138
Net book value				
At 31 March 2022	16,545	96	503	17,144
At 31 March 2021	17,065	224	553	17,842
ASSOCIATION				
Cost				
At 1 April 2021	22,144	384	754	23,282
Additions	-	-	-	-
At 31 March 2022	22,144	384	754	23,282
Depreciation				
At 1 April 2021	5,079	160	201	5,440
Charge for year	520	128	50	698
At 31 March 2022	5,599	288	251	6,138
Net book value				
At 31 March 2022	16,545	96	503	17,144
At 31 March 2021	17,065	224	553	17,842

NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2022

8. INVESTMENT PROPERTIES

CONSOLIDATED	2022	2021
	£000	£000
Brought forward valuation	79,150	81,655
Capital Expenditure	(107)	290
Unrealised gain/(loss) on revaluation	3,787	(2,795)
Carried forward valuation	82,830	79,150
ASSOCIATION	2022	2021
	£000	£000
Brought forward valuation	79,150	80,550
Capital Expenditure	(107)	290
Unrealised gain/(loss) on revaluation	3,787	(1,690)
Carried forward valuation	82,830	79,150

As a result of the requirements of FRS102, in the Group Accounts for the Financial Year 2021/22 34% (2020/21 34%) of 18 Smith Square House valuation have been accounted for as Investment Property Assets to reflect the area of the building available for occupation by 3rd parties.

The freehold land and buildings Layden House and 18 Smith Square, were valued at open market value on a commercial rental use basis. The valuations were performed as at 31 March 2022 by an independent professional valuer, Cushman & Wakefield Chartered Surveyors.

9. INVESTMENTS IN JOINT VENTURES - GROUP

LOCAL PARTNERSHIPS LLP

Balance Sheet	31 March	31 March
	2022	2021
	£000	£000
Current Assets	8,418	7,649
Share of gross assets	8,418	7,649
Liabilities due within one year or less	(1,637)	(970)
Other	-	-
Loans and other Debts due to members	-	-
Share of gross liabilities	(1,637)	(970)
Share of net assets	6,781	6,679

NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2022

9. INVESTMENTS IN JOINT VENTURES – GROUP (continued)

The operating results for Local Partnerships LLP are shown below:

Profit and Loss Summary	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Revenue	9,701	9,848
Operating costs	(9,295)	(9,454)
Interest Receivable	4	15
Operating profit	<u>410</u>	<u>409</u>
Share of operating profit	<u>205</u>	<u>204</u>

The Association formed a joint venture, Local Partnerships LLP, with Partnerships UK plc in July 2009. The joint venture took over part of the business of Public Private Partnerships Programme Ltd, then a related company of the Association. In November 2009 Partnerships UK transferred part of its own business to Local Partnerships LLP. 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. In December 2010 the Association and HM Treasury approved additional investment of £375,000 each in the form of 6% Convertible Loan Stock.

In the Financial Year 2021/22 Local Partnerships LLP paid dividends to both parties of £101,000 in respect of the prior year's results (During 2020/21 £261,000 received in respect of 2019/20 results).

GEOPLACE LLP

Balance Sheet	31 March 2022 £000	31 March 2021 £000
Fixed Assets	-	-
Intangible Assets	10	13
Current Assets	1,909	1,592
Share of gross assets	<u>1,919</u>	<u>1,605</u>
Liabilities due within one year or less	(704)	(392)
Share of gross liabilities	<u>(704)</u>	<u>(392)</u>
Share of net assets	<u>1,215</u>	<u>1,214</u>

NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2022

9. INVESTMENTS IN JOINT VENTURES – GROUP (continued)

The operating results for Geoplace LLP are shown below:

Profit and Loss Summary	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Revenue	19,269	20,753
Operating costs	(6,296)	(7,624)
Interest Receivable and Payable	-	-
Operating profit	<u>12,973</u>	<u>13,129</u>
Share of operating profit	<u>3,243</u>	<u>3,282</u>

Under an agreement dated 17 November 2010, the Secretary of State for Communities & Local Government, acting through Ordnance Survey, entered into an agreement (the LLP Members' Agreement) with Improvement and Development Agency for Local Government (IDeA) and the Local Government Association, for the formation of a new joint venture, the limited liability partnership Geoplace LLP. The purpose of the LLP is to create, manage and, through separate licensing arrangements with Ordnance Survey, commercially exploit a single definitive National Address Gazetteer. Ordnance Survey and IDeA each contributed £1 by way of equity capital. Immediately prior to completion of the joint venture agreement, which took place on 31 March 2012, IDeA and Ordnance Survey made loans to Geoplace LLP of £1.500 million and £4.773 million respectively. These loans have now been repaid. The distributable profits of Geoplace LLP are allocated 25% to IDeA and 75% to Ordnance Survey.

Geoplace LLP commenced trading on 1 April 2011 and has traded profitably in the years to 31 March 2022.

LGA DIGITAL SERVICES

Balance Sheet	31 March 2022 £000	31 March 2021 £000
Fixed Assets	-	-
Intangible Assets	179	30
Current Assets	1	54
Share of gross assets	<u>180</u>	<u>84</u>
Liabilities due within one year or less	<u>(180)</u>	<u>(84)</u>
Share of gross liabilities	<u>(180)</u>	<u>(84)</u>
Share of net assets	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2022

9. INVESTMENTS IN JOINT VENTURES – GROUP (continued)

The operating results for LGA Digital Services are shown below:

Profit and Loss Summary	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Revenue	1,086	1,173
Operating costs	(1,086)	(1,173)
Operating profit	-	-
Share of operating profit	-	-

In July 2015 a new Joint Venture Company limited by guarantee with the London Borough of Brent was created to provide ICT Services to the LGA or the London Borough of Brent. The company has been set up to provide common services to both shareholders within the objective of minimising costs to the shareholders rather than marketing external activity and delivering commercial returns to either of the parties. The LGA service agreement was signed on 29 January 2019.

9. INVESTMENTS – ASSOCIATION

LGA

Investment in UK Municipal Bonds Agency PLC (MBA)	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Opening balance	4	4
Invested in year	-	-
Impairment in year	-	-
Closing Value	4	4

	Equity £000	Debt £000	Total £000
Investment in Local Partnerships LLP			
Year ended 31 March 2021			
Opening balance	800	-	800
Repaid in year	-	-	-
Closing value	800	-	800
Year ended 31 March 2022			
Opening balance	800	-	800
Repaid in year	-	-	-
Closing value	800	-	800

NOTES TO THE FINANCIAL STATEMENTS**As at 31 March 2022****9. INVESTMENTS – ASSOCIATION (Continued)****Investment in LGA Digital Services Limited**

The LGA investment in LGA Digital Services Limited is a 50% shareholding reflecting a £1 ordinary shareholding matched by the London Borough of Brent.

Investment in Improvement and Development Agency for Local Government

Improvement and Development Agency for Local Government is a company limited by guarantee, with the LGA holding that guarantee. Therefore, there is no monetary value of the investment.

Investment in LGA Commercial Services Limited

The LGA investment in LGA Commercial Services Limited is a 100% shareholding reflecting a £1 ordinary shareholding.

10. LONG TERM DEBTORS

In 2021/22 there has been no new intercompany loans. The value of the unsecured loans are now:

- £2.5 million loan (2020/21 £2.5 million) between the LGA and LGA Commercial Services Limited

This loan is due to mature on 31 December 2038 and interest is charged at 3.24% p.a.

The £20 million loan between the LGA and Local Government Association (Properties) was satisfied as part of the transfer agreement executed on 3 December 2021.

The £2.5 million loan capital and associated accrued interest between the LGA and LGA Commercial Services Ltd is fully provided for within the Association's results, but not at the Group level.

An unsecured Convertible Loan Facility of £150,000 was issued by the LGA to the UKMBA on 1 August 2019 (subsequently increased to a Facility of £400,000 on 1 November 2019), repayable on 18 January 2028 with interest charged at 3.24% p.a.. At the year end, £350,000 had been drawn down by the UKMBA in four tranches.

11. DEBTORS

	CONSOLIDATED		ASSOCIATION	
	2022	2021	2022	2021
	£000	£000	£000	£000
Trade debtors	6,041	3,238	1,449	547
Due from related entities	-	15	(1,927)	(2,298)
Other debtors	(573)	(161)	26	241
Prepayments and accrued income	6,170	4,775	3,900	1,932
	11,638	7,867	3,488	422

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2022

12. SHORT TERM INVESTMENTS

Surplus cash balances held by the Association, the companies it controls and related parties are pooled and lent to financial institutions on the Association's approved counterparty list. Investments are typically for periods not exceeding 12 months and as such the loan amount is a reasonable assessment of fair value. The counterparty list is currently restricted to financial institutions that meet agreed credit ratings criteria and subject to the cash limits (per counterparty) as shown in the Association's Investment Strategy. The Association's Investment Strategy strictly applies credit limits for all financial institutions on the approved counterparty list to ensure that investments are diversified. No credit limits were exceeded during the year and the Association does not expect any losses on short term investments

13. CREDITORS

	CONSOLIDATED		ASSOCIATION	
	2022 £000	2021 £000	2022 £000	2021 £000
Amounts falling due within one year				
Accounts payable and accruals	3,758	3,848	1,001	1,558
Income received in advance	6,681	3,835	252	263
Other creditors	2,202	1,870	2,982	1,572
Owed to related entities	-	-	2,345	1,952
	12,641	9,553	6,580	5,345
Amounts falling due beyond one year				
1 to 2 Years	520	586	2,106	520
2 to 5 years	520	1,040	3,000	1,040
More than 5 years	28,477	28,477	39,477	44,477
	29,517	30,103	44,583	46,037

In 2011/12 the Association received a distribution of £2,707,612 from the liquidation of A.D.C. Trustees Ltd, the company that had held the property and assets for the Association of District Councils. The Leadership Board of the Association has determined that funds from this distribution should be applied, to provide support of £217,945 p.a. for ten years to the District Councils Network, a special interest group of the Association; secondly to provide a new additional discount from 1 April 2013 at a rate of 1.5% on the subscriptions of non-metropolitan unitary authorities. In 2019, the rate of repayment to the District Councils Network was adjusted to spread the payments over a longer period of time. Creditors payable after more than one year includes an amount of £65,434 representing the final instalments of the support due for the District Councils Network.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2022

13. CREDITORS (continued)

Included within the consolidated amounts falling due beyond one year are the following loans including a loan to LGA from Westminster City Council:

	2022	2021
	£000	£000
Bank loans	1,040	1,560
Loan from ACC (Properties) Limited	2,000	2,000
Loan from AMA (Properties) Limited	6,200	6,200
Barclays Swap Liability	277	277
Loan from Westminster City Council	19,000	20,000
	<u>28,517</u>	<u>30,037</u>

The loans from ACC (Properties) Ltd and AMA (Properties) Ltd are only repayable in the event of the sale of 18 Smith Square. There is no intention to dispose of the property in the foreseeable future. The loan from ACC (Properties) Ltd bears compound interest at 1.5% above the base rate with payment conditional upon the disposal of the property. The accumulated interest to date on the loan is £3.258 million.

The above Swap agreement liability is the value on the balance sheet as at 31 March 2022 that would be payable if the loan was repaid. There has been no recognition in the current year of the liability reducing, which would be credited to the Statement of Consolidated Income. The Bank Loans and the Barclays Swap Liability are secured against 18 Smith Square partly valued as a Property asset in note 7 at £17.1 million and partly as Investment Property Asset in note 8 at £16.8 million.

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. The Company contributed the net sale proceeds of its former property in Great Smith Street to the purchase of 18 Smith Square by Local Government Association (Properties) Ltd. In recognition of this, authorities in membership of the Local Government Association that were formerly members of the Association of Metropolitan Authorities receive a discount on their membership subscriptions (See Note 5).

On 22 November 2018 the LGA received a loan from Westminster City Council for £20 million bearing an initial interest rate of 3.03% per annum. The loan capital is repayable at a rate of £1 million per year from October 2022, with the remainder due to be repaid in November 2033.

On 1 January 2018, an unsecured loan of £11m was issued from the IDeA bearing interest of 2.94% per annum. This value was increased to £16m on 2 January 2019 where a further unsecured loan of £5m was issued from the IDeA bearing interest of 2.94% per annum. Both loans are repayable on 31 December 2038.

14. PROVISIONS

	CONSOLIDATED		ASSOCIATION	
	2022	2021	2022	2021
	£000	£000	£000	£000
Balance at 1 April	250	250	-	-
Arising during year	500	-	500	-
Utilised during year	-	-	-	-
Balance at 31 March	<u>750</u>	<u>250</u>	<u>500</u>	<u>-</u>

The provision for the year to 31 March 2022 relates to £250,000 for potential redundancy costs and a provision for property costs of £500,000.

NOTES TO THE FINANCIAL STATEMENTS**As at 31 March 2022****15. PENSION COMMITMENTS**

The Local Government Association and companies under the Association's control are admitted bodies to two local government pension funds: the Merseyside Pension Fund, administered by Wirral Metropolitan Borough Council; and the London Borough of Camden Pension Fund. From 1 April 2021, the administration of the IDeA LGPS transferred from the London Borough of Camden Pension Fund to the Merseyside Pension Fund (though the funds have not merged). These 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 2022 as £1.845 million (2021 £1.946 million). The unfunded liabilities are being paid annually over the remaining lives of the pensioners concerned.

The most recent formal actuarial reviews in relation to the funds were at 31 March 2022. 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 actuaries (Mercer Ltd (M) for the Merseyside fund and Hymans Robertson (HR) for the Camden funds in the prior year) are stated below.

Investment returns

The investment returns on the funds used in calculating the year end assets were in the range: 4.0% to 9.7% (2020/21, 17.36% to 34.7%).

NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2022

15. PENSION COMMITMENTS (continued)

Major categories of plan assets as a percentage of total plan assets were in the ranges

	31 March 2022	31 March 2021
Equities	49.5%	52.1% to 80.0%
Bonds (HR)	0.0%	9.0%
Government Bonds (M)	9.8%	1.2%
Other Bonds (M)	3.5%	11.5%
Property	9.6%	8.0% to 8.9%
Cash	1.8%	2.4% to 3.0%
Other (M)	25.8%	23.9%

a) Actuarial assumptions

Full actuarial valuations were carried out at 31 March 2019 and updated to 31 March 2022 by qualified independent actuaries. The next Triennial valuation will be as at 31 March 2022.

The range of assumptions used by the actuaries was:

	31 March 2022 % per annum	31 March 2021 % per annum
Pension increase rate	3.4% to 3.6%	2.8% to 2.9%
Salary increase rate	4.8% to 4.9%	3.2% to 4.2%
Discount rate	2.8%	2.0% to 2.1%
Inflation assumption	3.3% to 3.5%	2.7%

Mortality Rates*	31 March 2022 Years	31 March 2021 Years
Current Pensioners – Male	22.4	22.0 to 22.6
Current Pensioners – Female	25.9	24.3 to 26.0
Future Pensioners – Male	20.9	21.0 to 23.4
Future Pensioners – Female	24.0	24.1 to 26.1

*Mortality rate is the assumption of the life expectancy of a current pensioner aged 65 or of a future pensioner (now aged 45) in 20 years' time.

NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2022

15. PENSION COMMITMENTS (continued)

b) Scheme assets

Balance sheet	31 March 2022 £000	31 March 2021 £000
Fair value of employer assets	382,967	359,155
Present value of funded liabilities	(439,457)	(448,969)
Net underfunding in funded plans	(56,490)	(89,814)
Present value of unfunded liabilities	(11,144)	(12,129)
Net liability	(67,634)	(101,943)
Recognition in the statement of Comprehensive Income	Year to 31 March 2022 £000	Year to 31 March 2021 £000
Current service cost	(235)	(1,353)
Interest cost	5,916	(562)
Expected return on employer assets	-	15
Losses on curtailments and settlements	-	-
Total	5,681	(1,900)
Actual return on plan assets	21,928	24,335
Reconciliation of defined benefit obligation	2022 £000	2021 £000
Opening defined benefit obligation	461,098	383,499
Current service cost	7,493	5,869
Interest cost	9,303	8,902
Contribution by members	1,772	1,745
Actuarial (gains)/losses	(18,062)	74,150
Past service costs	-	-
Losses on curtailments	-	-
Estimated unfunded benefits paid	-	(555)
Estimated benefits paid	(11,003)	(12,512)
Closing defined benefit obligation	450,601	461,098

NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2022

15. PENSION COMMITMENTS (continued)

Reconciliation of fair value of employer assets	2022 £000	2021 £000
Opening fair value of employer assets	359,155	290,384
Expected return on assets	3,387	6,741
Contributions by members	1,772	1,745
Contributions by the employer	7,831	4,232
Contributions in respect of unfunded benefits	-	555
Administrative Expenses	(103)	(45)
Actuarial (losses)/gains	21,928	68,610
Unfunded Benefits paid	-	(413)
Benefits paid	(11,003)	(12,654)
Closing fair value of employer assets	382,967	359,155

Amounts for the current and previous accounting periods

	2022 £000	2021 £000	2020 £000	2019 £000	2018 £000
Fair value of employer assets	382,967	359,155	290,384	307,489	290,931
Present value of defined benefit obligation	(450,601)	(461,098)	(383,499)	(441,337)	(406,431)
Deficit	(67,634)	(101,943)	(93,115)	(133,848)	(115,500)
Experience gains/(losses) on assets	21,928	68,610	(23,076)	(54,797)	(8,102)
Experience gains/(losses) on liabilities	-	-	-	-	-

The total of employer pension contributions estimated to be payable in 2022/23 is £3.667 million (£1.659 million of which relates to the Association).

16. CASHFLOW: RECONCILIATION OF CASH AND CASH EQUIVALENTS

Reconciliation of cash and cash equivalents	2022 £000	2021 £000
Short Term Investments	6,904	3,560
Cash at bank and in hand	4,699	4,701
Cash and cash equivalents	11,603	8,261

NOTES TO THE FINANCIAL STATEMENTS**As at 31 March 2022****17. CONTINGENT LIABILITIES**

LGA Properties has a loan from ACC (Properties) Ltd that bears compound interest at 1.5% above the base rate, with payment conditional on the disposal of the property. The accumulated interest to date on the loan is £3.258 million.

On 18 January 2018, the LGA issued a letter of comfort to the UK Municipal Bonds Agency Plc (UKMBA), effective for 10 years, confirming that the LGA will stand behind the Agency in meeting its commitments and its non-financing related liabilities going forward to ensure that the UKMBA has adequate support to ensure its business continuity.

On 1 April 2021, the administration of the IDeA Local Government Pension Scheme (IDeA LGPS) was transferred from Camden Borough Council to the Merseyside Pension Fund (though the funds were not merged with the LGA LGPS). As part of the admission agreement, the LGA has agreed to guarantee the IDeA deficit.

18. RELATED ENTITIES

The Association exercises control of the following entities, all companies limited by guarantee (except where noted below), by virtue of rights to appoint members of the company and all or a majority of the Board of Directors of the company:

- Improvement and Development Agency for Local Government (IDeA)
- LGA Commercial Services Ltd – limited by shares

The IDeA has a provision in its Memorandum of Association stating that, in the event of dissolution of the company, any surplus of assets over liabilities is to be transferred to the Local Government Association or some other local authority association having similar objects. The provisions relating to LGA Commercial Services Ltd are that any surplus arising on winding up is to be transferred to the Local Government Association.

The Association is a 50% owner (£1 ordinary share) of LGA Digital Services Ltd.

The Association is a member of Local Partnerships LLP, a limited liability partnership, owning 50%. The other members of Local Partnerships LLP are HM Treasury (45%) and the Welsh Local Government Association (5%). The members share profits and losses proportionally.

The Association is a member of The Joint Contracts Tribunal Limited, a company limited by guarantee. There are six other members. In the event of a wind up, the liability is limited to £100 for each member.

Improvement and Development Agency for Local Government is a member of Geoplace LLP, a limited liability partnership. The other member of Geoplace LLP is Ordnance Survey. Both members have equal rights as regards the operation of the LLP and appointments to its Board of Directors, but Improvement & Development Agency for Local Government takes a 25% share of profits and losses, with the balance going to Ordnance Survey.

LGA Commercial Services Ltd is a member of LG Mutual Management Services Limited, a company limited by share, owning 49%. The other member is Regis Mutual Management Ltd. The members share profits and losses proportionally.

19. EXCEPTIONAL ITEM

During 2021/22 there were no exceptional items to report.

20. POST BALANCE SHEET EVENTS

The Board is not aware of any material post balance sheet events.

NOTES TO THE FINANCIAL STATEMENTS**As at 31 March 2022****21. CONTROLLING ENTITY**

The controlling entity of the Local Government Association is the LGA Board and the registered office is 18 Smith Square, London, SW1P 3HZ.

22. MERGER ACCOUNTING – COMPARATIVES

On 3 December 2021 the business, assets and liabilities of Local Government Association (Properties) (LGA(P)) were transferred into the Local Government Association (LGA) via a transfer agreement and accounted for using merger accounting. Under FRS102 the comparative numbers for the Local Government Association presented in the Association only pages of the financial statements are therefore those of the combined entity. The following tables set out the comparative figures for the individual entities.

ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME**Year ended 31 March 2022 – Comparative figures by original entity**

	LGA 2021 £000	LGA(P) 2021 £000	Consol- idation adj's £000	LGA Revised 2021 £000
Income	20,984	3,003	(1,332)	22,655
Administrative expenses	(25,690)	(1,895)	1,341	(26,244)
OPERATING (DEFICIT) / SURPLUS BEFORE INTEREST	(4,706)	1,108	9	(3,589)
Interest receivable and similar income	770	1	(649)	122
Interest payable	-	(671)	648	(23)
Finance discounts allowed	(604)	-	-	(604)
Dividend and profits share from Joint Ventures	261	-	-	261
OPERATING (DEFICIT) / SURPLUS FOR THE FINANCIAL YEAR	(4,279)	438	8	(3,833)
Other Comprehensive Income:				
Actuarial gain/(loss) recognised in respect of the pension fund	(2,051)	-	-	(2,051)
Gain/(Loss) on revaluation of investment property	(1,690)	(3,018)	(171)	(4,879)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(8,020)	(2,580)	(163)	(10,763)

NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2022

22. MERGER ACCOUNTING – COMPARATIVES (Continued)

ASSOCIATION BALANCE SHEET

For the year ended 31 March 2022 – Comparative figures by original entity

	LGA 2021 £000	LGA(P) 2021 £000	Consol- idation Adj's £000	LGA Revised 2021 £000
FIXED ASSETS				
Tangible Assets	224	553	17,065	17,842
Investment Properties	63,000	47,500	(31,350)	79,150
Investments	804	-	-	804
LONG TERM DEBTORS	22,650	-	(20,000)	2,650
CURRENT ASSETS				
Debtors	2,510	276	(2,364)	422
Short term Investments	3,894	645	1	4,540
Cash at bank and in hand	42	10	(1)	51
	6,446	931	(2,364)	5,013
CREDITORS: amounts falling due within one year	(4,823)	(2,887)	2,365	(5,345)
NET CURRENT ASSETS	1,623	(1,956)	1	(332)
TOTAL ASSETS LESS CURRENT LIABILITIES	88,301	46,097	(34,284)	100,114
CREDITORS: amounts falling due after more than one year	(36,000)	(30,037)	20,000	(46,037)
PROVISIONS FOR LIABILITIES				
Provision for Organisation restructuring	-	-	-	-
Pension Fund deficit	(37,994)	-	-	(37,994)
NET LIABILITIES	14,307	16,060	(14,284)	16,083
ACCUMULATED FUNDS				
General Reserve	7,874	2,377	(13,447)	(3,196)
Risk & Contingency Reserve	664	-	(664)	-
Revaluation Reserve	43,763	13,683	(173)	57,273
Pension Deficits Reserve				
- Pension Fund Assets	161,992	-	-	161,992
- less Defined Liabilities	(199,986)	-	-	(199,986)
	14,307	16,060	(14,284)	16,083



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2021/22 Annual report of the Audit Committee

Purpose of report

For decision.

Summary

This report provides an overview of areas reviewed and work undertaken by the Audit Committee in 2021/22, in accordance with the Committee's terms of reference.

Recommendation

That the General Assembly notes the annual report.

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2021/22 Annual report of the Audit Committee

Introduction

1. The responsibilities of the LGA's Audit Committee are to:
 - 1.1. review the financial statements prepared for the LGA and its associated companies
 - 1.2. monitor the processes for managing risks, internal controls and corporate governance arrangements
 - 1.3. oversee the appointments of the external and internal auditors and commission and review their work
 - 1.4. consider issues of probity and conduct
 - 1.5. seek expert advice where necessary to provide independent internal or external assurance on key issues
2. The main focus of the Committee's work in 2021/22 has been to review the audited accounts of the LGA and its associated companies, to agree and review the findings and recommendations of the internal audit programme for the year.

Financial statements and external audit

3. PKF Littlejohn were re-procured as the LGA's external auditors following a mini competition using the Crown Commercial Service (CCS) framework.
4. In June 2022 the LGA's consolidated accounts for 2021/22 and the audited accounts for the two associated companies were reviewed prior to these being adopted by the LGA Board and the relevant company boards.
5. The LGA's consolidated financial statements also disclose the position of the LGA as a standalone entity and include the LGA's income and expenditure accounts and balance sheet.
6. The consolidated accounts show the LGA, and its related bodies made an operating surplus of £2.0m (2020/21 deficit of £3.3m), after interest and tax.
7. Overall income decreased by 7 per cent from £63.5m to £68.0m due to maintaining core government funding, a 2 per cent rise in subscription income, and increased success in securing increased income from other funding sources and investment/joint venture

incomes other than Geoplace.

8. The LGA's Geoplace LLP Joint Venture made another useful contribution to other income during 2021/22, making a dividend payment of £3.0m (£3.25m in 2020/21).
9. The investment properties have been revalued at the year end. Layden House has increased in value by £3.0m, with the redevelopment construction now complete, due to the condition of the Farringdon market, while 18 Smith Square has increased in value by £2.0m reflecting the Westminster rental market position.
10. The overall pension fund deficit reported in the accounts has decreased by £34.3m from £101.9m to £67.3m. The overall Statement of Comprehensive Income for the year shows separately the gains and losses that relate to changes in the actuarial assumptions used to calculate pension scheme assets and liabilities with the ongoing payroll contributions made to reduce historic deficits included within administrative expenses.
11. It is standard practice for issues identified in the course of the external audit to be raised by the auditors with management and for these to be reported to the board members as "Performance Improvement Observations" in what is commonly known as the "Auditor's Report". We received this report from the auditors at its meeting on 6 June 2022 and will monitor progress with the recommendations arising from the 2021/22 external audit.

Internal Audit

12. TIAA are the LGA's internal auditors following a procurement exercise in 2018.
13. The Audit Committee is responsible for agreeing the annual internal audit strategy and programme at the start of each financial year, taking account of the key risks identified in the LGA's Strategic Risk Register.
14. The internal audit strategy and audit programme for 2021/22 was agreed in June 2021. The audit programme was split into two blocks and included a follow up of actions taken by the LGA in response to the recommendations of previous audits. TIAA have completed five audits and full reports were presented to this Committee in November 2021 and June 2022. TIAA's Annual report was presented to the Committee meeting in June 2022.
15. In their annual opinion for the year 2021/22, TIAA's Head of Internal Audit states "TIAA is satisfied that, for the areas reviewed during the year, Local Government Association has reasonable and effective risk management, control and governance processes in place".

16. The 2021/22 audit opinions are summarised below:

Internal audit assignment	Internal audit opinion
Core financial controls	Reasonable assurance
Green credentials	Substantial Assurance
Counter fraud health check	N/A
Cyber security	Substantial Assurance
Member and Staff expenses	Reasonable assurance

17. Overall, the audit results have been positive. The counter fraud report does not have an audit opinion, however they concluded that *“The association has good procedures in place to combat fraud, bribery and corruption, although steps can be taken to strengthen these”*.

18. The Audit Committee has overseen the implementations of any recommendations via the follow up review and conducted by TIAA on an annual basis.

Risk management and internal control

19. The strategic risk register is circulated to Corporate Leadership Team (CLT) quarterly for updating and Strategic Management Team (SMT) to review and ensure the LGA’s strategic and operational risks are identified, and the associated scoring reflect the LGA’s current situation. The Audit Committee had reviewed the strategic risk register during the year, focusing on ensuring that key risks facing the organisation are being effectively managed.

20. The Audit Committee receives an annual report on any instance of fraud occurring and can confirm that there were no proven instances of fraud or corruption in 2021/22.

21. This Audit Committee can confirm that there have been no incidents of probity and conduct issues to be investigated and reported in 2021/22.

Minutes of last General Assembly meeting

Title: General Assembly
Date: Tuesday 6 July 2021
Venue: Zoom Webinar

Item	Decisions and actions	Action
1	Attendance 156 authorities in full LGA membership were represented at the meeting.	
2	Welcome by the Chief Executive of the LGA Mark Lloyd, LGA Chief Executive, welcomed representatives to the meeting and highlighted the role of the General Assembly in electing the political leadership team that would drive the LGA agenda on behalf of all local government over the next 12 months. He also thanked all those members and officers that had played a part in the LGA to help all member councils and the communities they represented. Mark thanked LGA Board members who were stepping down from their roles this year: Cllr Howard Sykes MBE had been an LGA Vice-Chair and had led the LGA's Liberal Democrat group since 2017, Cllr Ruth Dombey had been an LGA Deputy Chair and Deputy Leader of the LGA Liberal Democrat group also since 2017, and Cllr Clive Woodbridge had been an LGA Deputy Chair and Deputy Leader of the Independent Group since 2018. He noted that the LGA would miss their valuable contributions and wished them well as they continued to play a leading role at your councils. Mark also thanked the outgoing LGA President, Lord Kerslake, on behalf of the LGA who was stepping down after six years in the role. The LGA had valued his role in supporting the interests of local government in the Houses of Parliament and invited him to address the General Assembly.	
3	Address by Lord Kerslake, Outgoing LGA President Lord Kerslake delivered his final address to the LGA General Assembly and thanked the LGA and members for their work with him over the past six years.	
4	Election of LGA President The Chief Executive invited that General Assembly to elect a President for 2021/22, under Part 3 - Paragraph 9 of the LGA Articles of Association. There was one nomination for LGA President, Baroness Tanni Grey-	

Thompson.

Baroness Grey-Thompson was proposed by Cllr James Jamieson (Central Bedfordshire Council) and seconded by Cllr Nick Forbes CBE (Newcastle upon Tyne City Council).

Decision

It was moved, seconded and **agreed** by the General Assembly that Baroness Grey-Thompson be elected President of the Association for 2021/22.

Baroness Grey-Thompson took the Chair and delivered an address to thank the General Assembly.

5 Election of LGA Chairman

Baroness Grey-Thompson invited nominations from the General Assembly for Chairman of the Local Government Association (LGA) for 2021/22.

The LGA's Articles of Association (Article 21.1) provided for the General Assembly, at its Annual Meeting, to elect a Chairman from amongst the members representing full member authorities. Under Article 21.2, the largest political group at the point of calculating the political balance would nominate the Chairman of the Association, who under the LGA's Governance Framework also holds the equivalent office on the LGA Board and the Executive Advisory Board. The Conservative Group, which was the largest political group at the point of calculating the LGA's political balance for 2021/22, nominated Cllr James Jamieson (Central Bedfordshire Council) to be the Chairman for 2021/22.

Cllr Jamieson was proposed by Cllr Izzi Seccombe OBE (Warwickshire County Council) and seconded by Cllr Nick Forbes CBE (Newcastle City Council).

Decision

It was moved, seconded and **agreed** by the General Assembly that Cllr James Jamieson (Central Bedfordshire Council) be elected Chairman of the Association for 2021/22.

The Chairman thanked Baroness Grey-Thompson and took the Chair.

6 Address by the Chairman of the LGA

Cllr Jamieson thanked the General Assembly, and all Members who served on LGA governance structures. He stated that he would represent all Members regardless of their party or council, and it was the LGA's cross-party work which made a great difference to communities across the country. He would formally address Members again at the opening of the LGA Annual Conference later that morning.

7 Election of LGA Vice-Chairs

The Chairman invited the General Assembly to elect four Vice-Chairs for 2021/22 under Article 21.1 of the Articles of Association.

Under Article 21.2 of the LGA Articles of Association, each group whose share of the weighted electorate exceeds 5 per cent of the total was entitled to one Vice-Chair. Under the 2021/22 political breakdown four groups – Conservative, Labour, Liberal Democrat and Independent – met the criteria and were entitled to one Vice Chair each.

Decision

It was moved, seconded and **agreed** by the General Assembly that the following four Vice-Chairs of the Association were elected for 2021/22:

Conservative: Cllr Izzi Seccombe OBE (Warwickshire County Council)

Labour: Cllr Nick Forbes CBE (Newcastle upon Tyne City Council)

Liberal Democrat: Cllr Joe Harris (Cotswold District Council)

Independent: Cllr Marianne Overton OBE (Lincolnshire County Council and North Kesteven District Council)

8 Election of LGA Deputy Chairs

The Chairman invited the General Assembly to elect nine Deputy Chairs for 2021/22 under Article 21.1 of the Articles of Association.

Under Article 21.2 of the LGA Articles of Association, the larger political groups were entitled to Deputy Chairs according to proportionality. Under the 2021/22 political breakdown four groups – Conservative, Labour, Liberal Democrat and Independent – met the criteria and were entitled to Deputy Chairs as set out below:

Conservative: 3

Labour: 4

Liberal Democrat: 1

Independent: 1

Decision

It was moved, seconded and **agreed** by the General Assembly that the following nine Deputy Chairs of the Association were elected for 2021/22:

Conservative:

Cllr John Fuller OBE (South Norfolk District Council)

Cllr Robert Alden (Birmingham City Council)

Cllr Teresa O'Neill OBE (Bexley Council)

Labour:

Cllr Michael Payne (Gedling Borough Council)

Cllr Antoinette Bramble (London Borough of Hackney)

Cllr Tudor Evans OBE (Plymouth City Council)

Cllr Georgia Gould (London Borough of Camden)

Liberal Democrat:

Cllr Bridget Smith (South Cambridgeshire District Council)

Independent:

Cllr Hannah Dalton (Epsom and Ewell Borough Council)

9 LGA Vice-Presidents 2021/22

The General Assembly were invited to note the appointments of Vice-Presidents for 2021/22, under Article 9.2 of the LGA Articles of Association.

The Chairman highlighted that following dispatch of the agenda the LGA had received notification that the Earl of Lytton has resigned as an LGA Vice President and would therefore not be appointed for 2021/22. The LGA had written to thank him for his tenure as an LGA Vice-President.

Decision

The General Assembly **noted** the appointment of the following Members of Parliament and Peers as Vice-Presidents for 2021/22:

Conservative

- David Simmonds MP (Ruislip, Northwood and Pinner)
- Sara Britcliffe MP (Hyndburn)
- Fiona Bruce MP (Congleton)
- Mary Robinson MP (Cheadle)
- Tim Loughton MP (East Worthing and Shoreham)
- Neil O'Brien MP (Harborough)
- Mark Pawsey MP (Rugby)
- Charles Walker MP (Broxbourne)
- Bob Blackman MP (Harrow East)
- Simon Clarke MP (Middlesbrough South & East Cleveland)
- Baroness Coultie
- Lord Whitby
- Lord True
- Baroness Eaton
- Lord Farmer

Labour

- Clive Betts MP (Sheffield South East)
- Catherine McKinnell MP (Newcastle upon Tyne North)
- Steve Reed MP (Croydon North)
- Wes Streeting MP (Ilford North)
- Catherine West MP (Hornsey and Wood Green)
- Jim McMahon MP (Oldham West and Royton)
- Preet Kaur Gill MP (Edgbaston, Birmingham)
- Helen Hayes MP (Dulwich and West Norwood)
- Diana Johnson MP (Kingston upon Hull North)
- Mike Amesbury MP (Weaver Vale)
- Abena Opong-Asare (Erith and Thamesmead)
- Florence Eshalomi (Vauxhall)
- Feryal Clark MP (Enfield North)
- Rachel Hopkins MP (Luton South)
- Dan Jarvis MP (Barnsley Central)

- Lord Beecham
- Lord Kennedy of Southwark
- Baroness Smith of Basildon
- Lord Smith of Leigh
- Lord Filkin
- Baroness Wilcox of Newport
- Baroness Blake of Leeds

Liberal Democrats

- Layla Moran MP (Oxford West and Abingdon)
- Sir Ed Davey MP (Kingston and Surbiton)
- Wera Hobhouse MP (Bath)
- Daisy Cooper MP (St Albans)
- Tim Farron MP (Westmorland and Lonsdale)
- Baroness Brinton
- Baroness Bakewell of Hardington Mandeville
- Baroness Janke
- Baroness Scott of Needham Market
- Lord Shipley
- Baroness Pinnock
- Baroness Thornhill
- Lord Storey
- Lord Scriven
- Lord Tope

Independents

- Lord Best (crossbench)
- Lord Kerslake (crossbench)
- Lord Adebawale (crossbench)
- Lord Bird (crossbench)
- Baroness Greengross (crossbench)
- Lord Bichard (crossbench)
- The Lord Bishop of St Albans (crossbench)
- The Lord Bishop Sentamu (crossbench)
- Lord Woolley of Woodford (crossbench)
- Baroness Casey of Blackstock (crossbench)
- Baroness Bennett of Manor Castle (Green)
- Baroness Jones of Moulsecoomb (Green)
- Lord Wigley (Plaid Cymru)
- Liz Saville-Roberts MP (Plaid Cymru, Dwyfor Meirionnydd)
- Ben Lake MP (Plaid Cymru, Ceredigion)

10 Amendments to LGA Articles of Association

The General Assembly were invited to agree amendments to the LGA Articles of Association.

Mark Lloyd, Chief Executive, introduced the report which set out the proposed changes to the Articles of Association which, in light of the increase in virtual and hybrid meetings over the past 16 months, would

enable greater voting flexibility for meetings of the General Assembly in future.

Decision

The General Assembly **approved** by Special Resolution the following amendments to the LGA Articles of Association allowing greater voting flexibility at virtual meetings:

THAT with effect from the conclusion of the meeting the Articles of Association of the Company be amended by inserting

the following new article 13.2.3:

13.2.3 *or, that person has received a postal or electronic ballot in advance of the General Meeting setting out the details of the matters to which the votes are to be cast and how such voting shall be effected.*

And new article number 17.6:

17.6. *Voting may be exercised in advance of the General Meeting by postal or electronic ballot. Where such method of voting is adopted, Member Authorities will receive advance notice setting out the details of the matters to which the votes are to be cast and how such voting shall be effected.*

11 LGA Group Financial Statements for the Year to 31 March 2021

The General Assembly were invited to receive the LGA Group financial statements for the year to 31 March 2021.

Mark Lloyd, Chief Executive, presented the report which set out the LGA's consolidated financial statements for the year ended 31 March 2021. They had been reviewed by the Audit Committee and approved by the LGA Board on 3 June 2020. They have received an unqualified (clean) audit opinion from the external auditors PKF Littlejohn LLP.

Decision

The General Assembly **received** the LGA Group financial statements for the year to 31 March 2021.

12 2021 Annual Report of the Audit Committee

The General Assembly received an overview of areas reviewed and work undertaken by the Audit Committee in 2020/21.

Decision

The General Assembly **noted** the Audit Committee Annual Report for 2020/21.

13 Motion: Local Government contributions towards national climate action in the year of COP26

Cllr Phelim Mac Cafferty, Leader of Brighton and Hove City Council, proposed a Motion on local government contributions towards national climate action in the year of COP26.

In light of:

- *The significant and far reaching steps that councils across the United Kingdom are taking to combat climate change, cut carbon emissions and protect our environment; including such measures as:
 - *Declaring a climate and biodiversity emergency, action now taken by nearly three-quarters of all local councils;*
 - *Announcing extensive commitments often with detailed action plans to reach net-zero carbon by 2030, surpassing the vague government commitments of 2035;*
 - *Implementing broad community level action on climate change, such as climate assemblies, green bonds, warmer homes schemes, sourcing electricity demand from renewables, and developing new parks, open spaces and active travel measures;**
- *The significance of the ‘Conference of the Parties’ (COP26) UN Conference on Climate Change taking place this year in Glasgow, hosted by the UK; and its aims to accelerate action towards the goals of the Paris Agreement and UN Framework Convention on Climate Change;*
- *The response of local councils to the issue of sustainable food, given that food systems account for 1/3 of total greenhouse gas emissions, environmental degradation, food waste and socio-economic and health inequalities; in particular the efforts of councils during the Covid-19 crisis in providing food to local communities, as well as supporting community food growing and assisting food banks;*

The Association therefore agrees to:

1.
 - *Call on national government to ensure the adequate representation of local government at COP26, in order to promote the significant contribution, leadership and efforts of local councils in reducing toxic carbon emissions across the UK, and to champion the innovative and rapid progress being made at a local level to tackle climate change;*
- *Encourage councils to continue their work to address climate change by:
 - *promoting further signatories to the Glasgow Food and Climate Declaration¹. This Declaration confirms the**

¹ <https://www.glasgowdeclaration.org/>

commitment of local and regional authorities to develop sustainable food policy, and calls on national government to put food and farming at the heart of the global response to the climate emergency at COP26; and

2.

- *promoting greater participation from local councils to the UK100²: the network for UK locally elected leaders who have pledged to avoid the worst impacts of climate change, and switch to clean energy as soon as possible.*

Cllr Julian Dean (Shropshire Council) seconded the Motion.

The Chairman opened the debate to the floor, in which the following Members spoke in support of the Motion: *Cllr Izzi Seccombe OBE (Conservative, Warwickshire County Council), Cllr Nick Forbes CBE (Labour, Newcastle upon Tyne City Council), Cllr Pippa Heylings (Liberal Democrat, South Cambridgeshire District Council), and Cllr Marianne Overton MBE (Independent, North Kesteven District Council and Lincolnshire County Council).*

On being put to the vote the Motion was carried.

Cllr James Jamieson (Central Bedfordshire Council), LGA Chairman, responded to the Motion and debate on behalf of the LGA as follows:

I would like to thank Cllr Phélim Mac Cafferty and Cllr Julian Dean for bringing this motion forward and thank all of you who have supported it and contributed to this debate.

The LGA supports the broad aim of this motion. Over 300 councils across the UK have declared a climate emergency and are well placed to support Government to meet its net-zero carbon ambitions by 2050 or sooner.

The position of councils as place-shapers, convenors of communities and businesses, asset-owners, problem solvers and significant purchasers puts them at the forefront of delivering real, tangible changes in the transition to net zero and should be essential partners with government.

This is why we are recommending that Government should work with councils and business to establish a national framework for addressing the climate emergency.

This is also why it will be critical that local government has the appropriate representation at the COP 26 Summit and the LGA is working with national and international partners to ensure this. We are calling for a dedicated local government day in accordance with previous COPs and a dedicated chapter in the official agreement reached at COP 26 that recognises the importance of co-designing and delivering climate action with local government.

A Climate Change Task Group has been established to provide strategic oversight of the LGA's political engagement on net zero and in the lead up

² <https://www.uk100.org/>

to the Summit in November.

In addition to the Glasgow Food and Climate Declaration and UK100 Net Zero pledge, there are a number of climate and environment declarations that councils can sign up to. We support councils to make those decisions locally. Other work related to this motion will be taken up by the Environment, Economy, Housing and Transport (EEHT) Board and we will keep members informed as this work progresses.

Decision

The General Assembly **agreed** the Motion on local government contributions to national climate action in the year of COP26 as set out above.

14 Minutes of the LGA General Assembly held on 30 September 2020

The Chairman closed the meeting and noted that the next meeting Annual Meeting of the General Assembly would be held on Tuesday 28 June 2022 in Harrogate.

