



General Assembly

Agenda

Tuesday, 4 July 2023
11.45 am

Political Group meetings and pre-meetings for Lead Members:

Please contact your political group as outlined below for further details.

Apologies:

Please notify your political group office (see contact telephone numbers below) if you are unable to attend this meeting.

Conservative:	Group Office: 020 7664 3223	email: lgaconservatives@local.gov.uk
Labour:	Group Office: 020 7664 3263	email: labgp@lga.gov.uk
Independent:	Group Office: 020 7664 3224	email: independent.group@lga.local.gov.uk
Liberal Democrat:	Group Office: 020 7664 3235	email: libdem@local.gov.uk

Attendance:

Your attendance will be noted by the clerk at the meeting.

LGA Contact:

David Pealing, Member Services Manager
David.Pealing@local.gov.uk

Agenda

General Assembly

Bournemouth International Centre

Tuesday, 4 July 2023

11.45 am

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1. Welcome by the Chief Executive of the LGA	
2. Address by Cllr James Jamieson, Outgoing Chairman of the Local Government Association	
3. Election of LGA President	
Followed by an address from the LGA President	
4. Election of LGA Chair	
Followed by an address from the LGA Chair	
5. Election of LGA Vice-Chairs and Deputy Chairs	
6. LGA Vice-Presidents 2023/24	1 - 6
7. LGA Group Financial Statements for the Year to 31 March 2023	7 - 62
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9. Minutes of the General Assembly held on 28 June 2022	69 - 74
10. Date of Next Meeting	

The next meeting of the LGA General Assembly will take place on 2 July 2024, at Harrogate Convention Centre.

LGA President and Vice-President Nominations

Purpose of Report

For information.

Summary

This paper outlines the Members of the House of Commons and the House of Lords the LGA Political Group Offices, working with the Public Affairs and Stakeholder Engagement team, will be inviting to be our honorary Vice-Presidents for 2023-24. As per our Articles of Association, each Political Group Office has the flexibility to update their appointments during the year as required..

LGA Plan Theme: Strengthening our Voice

Recommendations

The General Assembly is asked to

- 1. Note the result of the election of LGA President; and**
- 2. note the appointments of Vice-Presidents by the four Political Groups.**

Contact details

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Position: Public Affairs and Communications Manager

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Email: iredia.oboh@local.gov.uk

LGA President and Vice-President Nominations

Background

1. Each year the LGA General Assembly elects the LGA President and, as set out in the LGA Articles of Association, the LGA President may serve in the role for up to eight years. For this year, it is recommended that Baroness Tanni Grey-Thompson be elected LGA President.
2. Every year the LGA also appoints Vice-Presidents to act as advocates on local government issues. Vice-Presidents are appointed throughout the year by the four LGA Political Groups and those appointments are reported annually to the LGA General Assembly.
3. This paper summarises the list of Vice-President appointments from each Political Group Office. Each office has the flexibility to update their appointments during the year as required.

Offer to Vice-Presidents

4. We work with our Vice-Presidents to promote the LGA by highlighting local government priorities in debates, working to table amendments to legislation, tabling parliamentary questions and motions, and by hosting events in Parliament. Their support is vital for protecting and enhancing the reputation of councils and for allowing us to pursue and achieve our objectives. The Vice-Presidents are selected because of their background in local government and their commitment to supporting LGA priorities.
5. In order to assist our Vice-Presidents we offer briefings, the use of LGA facilities, subscription to LGA bulletins and publications, free attendance to our conferences, and speaking opportunities at LGA events.
6. Engagement with the Vice-Presidents focuses around organisational priorities, including those pieces of primary legislation agreed to be a priority for councils by the Executive Advisory Board at the start of each parliamentary session.
7. The Vice-Presidents receive the following benefits from the LGA:
 - Tailored briefings to support LGA policy positions and corporate campaigns.
 - Support in drafting questions, amendments to legislation and parliamentary motions.
 - The use of LGA facilities, including meeting rooms.
 - Free attendance for Vice-Presidents and their staff at LGA conferences and events.

- Opportunities to speak at LGA conferences and events.
- Opportunities to write for LGA publications.
- Complimentary subscription to First magazine.
- A weekly LGA Parliamentary e-bulletin (when Parliament is sitting).
- Opportunity to subscribe to the daily LGA news headlines e-bulletin.
- Invitations to the LGA's parliamentary events.
- Access to LG Inform.

Nominations for 2023/24

Conservative

Natalie Elphicke MP (Dover)

David Simmonds MP (Ruislip, Northwood and Pinner)

Andrew Lewer MP (Northampton South)

Tim Loughton MP (East Worthing and Shoreham)

Mark Pawsey MP (Rugby and Bulkington)

Bob Blackman MP (Harrow East)

Andrew Selous MP (South West Bedfordshire)

Sir Charles Walker MP (Broxbourne)

Sir Bob Neill MP (Bromley and Chislehurst)

Ben Everitt MP (Milton Keynes North)

Anna Firth MP (Southend West)

Lord Farmer

Lord Greenhalgh

Lord Whitby

Lord True

Baroness Eaton

Labour

Paulette Hamilton MP (Birmingham Erdington)

Preet Kaur Gill MP (Birmingham Edgbaston)



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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 Oppong-Asare MP (Erith and Thamesmead)
 Florence Eshalomi MP (Vauxhall)
 Dan Jarvis MP (Barnsley Central)
 Feryal Clark MP (Enfield North)
 Rachel Hopkins MP (Luton South)
 Andrew Western MP (Stretford and Urmston)
 Samantha Dixon MP (City of Chester)
 Stephen Morgan MP (Portsmouth South)
 Luke Pollard MP (Plymouth, Sutton and Devonport)
 Lyn Brown MP (West Ham)
 Simon Lightwood MP (Wakefield)
 Carolyn Harris MP (Swansea East)
 Jessica Morden MP (Newport East)
 Andrew Gwynne MP (Denton and Reddish)
 Lord Kennedy of Southwark
 Baroness Blake of Leeds
 Baroness Smith of Basildon
 Lord Filkin



General Assembly

4 July 2023

Baroness Wilcox of Newport

Baroness Taylor of Stevenage

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)

Helen Morgan MP (North Shropshire)

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)



General Assembly

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Lord Wigley (Plaid Cymru)

Lord Bichard (Crossbench)

Lord Best (Crossbench)

Lord Adebawale (Crossbench)

Bishop of St Albans (Lords Spiritual)

Baroness Jones of Moulsecoomb (Green Party)

Baroness Bennett of Manor Castle (Green Party)

Baroness Young of Hornsey (Crossbench)

Financial Implications

8. There are no financial implications to this paper.

Next steps

9. The President and Vice-President nominations will be put forward to the General Assembly on 4 July 2023.

LGA Group financial statements – year to 31 March 2023

Purpose of Report

For decision.

Summary

The LGA's consolidated financial statements for the year ended 31 March 2023 are included in the attached Report. They were reviewed by the Audit and Risk Assurance Committee on 6 June 2023 and approved by the LGA Board on 7 June 2023. They have received an unqualified (clean) audit opinion from the external auditors PKF Littlejohn LLP.

The core financial results for the LGA remain in line with our long-term financial strategy and we continue to deliver excellent outcomes for the sector.

We continue to have healthy cash reserves. The approved budget for 2022/23 expected a replenishment of our Reserves for our business-as-usual activities, which we have achieved.

In the current year, book valuations under the accounting disclosure rules have improved for the two Pension Scheme deficits, while net building asset values have decreased. As a result, the consolidated financial statements show a headline surplus of £102.780 million (2021/22 £42.847 million surplus driven by improved property and pension scheme valuation adjustments).

LGA Plan Theme: Financially resilient and ambitious

Recommendation

That the General Assembly receives the LGA Group financial statements for the year ended 31 March 2023.

Contact details

Contact officer: Jonathan Gratte

Position: Head of Strategic Finance

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Email: jonathan.gratte@local.gov.uk

A YEAR IN THE LGA

2022
2023

The national voice of local government

Local Government Association

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Local Government Association

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]	
	Baroness Teresa O'Neill OBE [Deputy-chairman]	
Labour	Shaun Davies [Senior Vice-chair]	Appointed 28 June 2022
	Nick Forbes CBE [Senior Vice-chair]	Resigned 5 May 2022
	Michael Payne [Deputy-chair]	
	Tudor Evans OBE [Deputy-chair]	
	Georgia Gould [Deputy-chair]	
	Anntoinette Bramble [Deputy-chair]	Appointed 28 June 2022
	Shabir Pandor [Deputy-chair]	Resigned 28 June 2022
Liberal Democrat	Joseph Harris [Vice-chair]	
	Bridget Smith [Deputy Chair]	
Independent	Marianne Overton MBE [Vice-chair]	
	Hannah Dalton [Deputy-chair]	

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

Local Government Association

Chief Executive's report Year ended 31 March 2023

The Local Government Association (LGA) is the 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.

As the national membership body for local authorities, we provide the bridge between central and local government, and we help councils deliver the best services to their local communities.

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 2022/23 we had 333 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 additional contributions to reduce deficits over the past few years, which has contributed towards a significantly improved surplus position reported in the Triennial

Local Government Association

Chief Executive's report Year ended 31 March 2023

Valuation as at 31 March 2022, leading to additional deficit reduction contributions of £nil annually for the next three years.

Review of the year

Over the past 12 months local government has once again clearly demonstrated its clarity of purpose and unstoppable determination to lead and serve local residents. The LGA has worked to be the strong national voice of councils and also to promote, support and improve local government as you've led your council and community through yet another challenging year.

We've continued to press the merits of local leadership with government as councils and their officer teams steered your communities through COVID-19 recovery, responded to the war in Ukraine, stepping up to welcome thousands of new arrivals into your local areas, and provided opportunities for communities to come together to pay tribute to Her Majesty Queen Elizabeth II.

In a year of significant change across central government, we highlighted councils' priorities, offers and asks to new Ministers as they took up their roles.

In the face of growing cost of living challenges, we made clear that councils are vital to achieving government's goals and should be a priority for investment and support.

Our #SaveLocalServices campaign, calling for council services to be protected, achieved significant national media coverage with many of the LGA's asks reflected in the 2022 Autumn Statement announcement on 17 November.

Overall, over the past year the LGA was featured **23,089** times in national, trade, regional, broadcast and online media, including **1,239** LGA mentions in national newspapers, broadcast and online articles – that's an average of **23** times a week. As well as a number of front-page stories in national newspapers, our lead political spokespeople have been interviewed **85** times on national broadcast media.

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 **37** parliamentary debates. As part of our engagement with select committees and all-party parliamentary groups (APPGs), we provided evidence to inquiries **39** times. In the last financial year, the LGA has been quoted **225** times in the chamber of the Commons and the Lords.

In the past year some 16,000 delegates attended an in-person, hybrid or virtual event from our wide-ranging programme – and in July 2022, over 1,600 people joined us in Harrogate for our first in-person Annual Conference for three years,

Our comprehensive sector support offer, which is partially funded by Government and provides councils with assistance across areas such as finance, governance, leadership, research and data, communications, climate change, cyber, housing planning and more. It includes our One Public Estate, care and health and children's service support offers, as well as our workforce programme – which recently delivered an important agreement on the local government pay award.

Our regional support programme has helped councils to enhance performance and drive improvements through access to peer challenges (including corporate peer challenges) and wide-ranging bespoke support, provided by expert peers and regional teams. This programme has already helped more than 200 councils this financial year.

Our award-winning platform, LG Inform, has been viewed more than four million times and offers current performance data relating to councils, local areas and live issues.

Local Government Association

Chief Executive's report Year ended 31 March 2023

Our climate change programme has been utilised by more than 95 per cent of all councils and features a greenhouse gas accounting tool, which can be used to help calculate your council's emissions. Both LG Inform and the greenhouse gas accounting tool are free to all councils.

In 2022/23 the Improvement and Development Agency for Local Government (IDeA) provided local authorities with support to improve delivery of vital public services. Support included:

- The delivery of 143 peer challenges and remote peer support, including Corporate Peer Challenges.
- Providing more than 40 councils facing significant financial challenges with direct finance support, including intensive support to those councils most in need.
- Providing support through our Climate Change Programme to 99 per cent of all councils.
- Reaching more than 3,000 councillors through training and development opportunities organised via our Leadership team.
- Providing targeted workforce support to 56 councils including HR/employment law support, collective agreements protocols advice, DMA support and workforce planning support.
- Expanding the Equalities, Diversity and Inclusion Hub with more resources, including cost-of-living updates, community engagement resources and equalities case studies.
- The National Graduate Development Programme, which develops leaders in the local government for the future, received over 4,600 applications this year.

Corporate Peer Challenge

In the spirit of continuous improvement, the LGA commissioned a Corporate Peer Challenge in December 2022.

The report, published in March 2023, was very positive, concluding that the LGA remains a "strong organisation" that has continued to improve since its last review in 2015 adding that "If the LGA didn't exist – we'd have to invent it".

The report further highlighted the important role the LGA has played in supporting councils to respond to a number of national crises in recent years.

The LGA's action plan, responding to recommendations and areas for further consideration, is now being delivered following agreement by the LGA Board.

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:

February and March 2023

- The Chancellor delivered the **Spring Budget** which included an **expansion of free childcare** for children over the age of nine months, **reforms to support people into work** and **greater responsibilities for local leaders over local economic growth**, and more than **£60 million of support for public swimming pools** across England.

Local Government Association

Chief Executive's report Year ended 31 March 2023

- **Councils are now allowed to retain 100 per cent of RTB receipts for 2022/23 and 2023/24** and will have five years to spend the money.
- **Existing Local Authority Housing Fund to be increased by £250 million** to help councils source homes to house Afghan refugees. Councils will be given £35 million in new funding to support move on, integration and to minimise homelessness risks, with £2.5 million for the case working process.
- We hosted our **Urban Summit**, in conjunction with Core Cities, Key Cities and London Councils, **Culture, Tourism and Sport Conference** and annual **Public Health Conference** which coincided with the publication of our Annual Public Health report.
- Recommendations in the **Hewitt Review of integrated care systems** included many of the policy messages in the LGA's evidence to the Review.
- Government plans to reform supported accommodation for 16-17-year-olds included £142 million in funding over three years, including **£123 million to support councils** with the reforms.
- Agreement reached within the National Joint Council for Local Authority Fire and Rescue Services on a **two-year pay deal** covering uniformed employees from firefighter to middle managers for 2022 and 2023.
- **Final local government finance settlement** confirmed a 9.4 per cent increase in Core Spending Power (CSP) in 2023/24.
- Following extensive lobbying from the LGA and bus groups, the Government **extended funding by three months for the Bus Recovery Grant** and the £2 bus fares gap until the end of June 2023.
- **£842 million of additional funding allocated to the Household Support Fund** from 1 April 2023 to help the most vulnerable households to pay for energy bills or groceries.
- **£200 million investment to transform the current care system** as part of the Government's children's social care implementation strategy and consultation.
- Councils across England to receive **£421 million** in funding through to 2025 **to combat drug and alcohol misuse**.

December 2022 and January 2023

- A fully subscribed annual **local government finance conference** came together to discuss the 2023/24 Provisional Local Government Finance Settlement.
- We launched the **final report of our independent Commission on Culture and Local Government** into how local cultural services support our places and communities.
- New flexibilities introduced to **Levelling Up and Regeneration Bill** for councils to determine numbers of new homes in their areas, the removal of requirement to maintain a five-year land supply for housing and measures to incentivise developers to build out schemes.
- Government announced **plans to ensure new homes in England are built with gigabit broadband connections**, and for telecommunications firms to be able to get faster broadband to people living in blocks of flats across the UK.
- Approval of local spending plans for the **UK Shared Prosperity Fund** which will see **£2.6 billion** of funding replacing previously available funding through the EU for investments in local areas.
- A **£32.9 million 'Capability Fund'** to support local councils across the country to train and retain local engineers and planners.
- **£8 million** of funding to be made available to **council enforcement teams** to pursue building owners taking too long to start repairs or refusing to begin repairs.
- The Government announced **£200 million** of funding to buy **short-term care placements** to allow people to be discharged safely from hospitals into the community.

Local Government Association

Chief Executive's report Year ended 31 March 2023

- A new lump sum payment of **£15,000** up to the end of February 2023 to accompany the **transfer of each unaccompanied child** from a Home Office-run UASC-designated hotel or the Kent Reception and Safe Care Service.
- A revised package of funding for councils for their work in supporting arrivals from **Ukraine** and their hosts, including an **increase of 'thank you' payments to long term hosts**. A significant number of councils in England will also be able to apply for a share of £500 million of new capital funding to increase housing supply for resettled refugees including those from Ukraine and Afghanistan.
- **£257 million** to be made available to councils to ensure **safe accommodation spaces** such as refuges and shelters can provide vital support for **domestic abuse victims**.

October and November 2022

- The **Autumn Statement** included additional grant funding for adult social care for next year and the year after and a two-year delay to adult social care charging reforms with funding being retained in local authority budgets to meet current pressures.
- The All-Party Parliamentary Group (APPG) for Devolution, which the LGA supports, launched its **Inquiry Report into the Levelling Up White Paper**.
- The Government unveiled a **£500 million adult social care grant** to free up hospital beds, and address care workforce challenges this winter.
- LGA commemorated the 175th anniversary of the role of the directors of public health by **publishing a series of eight interviews with current Directors of Public Health**. The interviews explored a variety of themes, including health in rural areas, the role of culture in health and the role of the DPH over.
- The Government confirmed further **investment in energy efficiency** measures, alongside establishing an **Energy Efficiency Taskforce**, something the LGA had called for.
- National Employers for the local government workforces reached agreements on the **pay awards for 2022-23** covering 1.4 million employees in England, Wales and Northern Ireland.

August and September 2022

- The **Energy Bill Relief Scheme** announced plans to cut energy prices for non-domestic energy customers such as businesses, charities and public sector organisations – including councils and schools.
- We launched our **National Energy Category Strategy for Local Government 2022**, to help local authorities optimise the way they manage and procure energy.
- We published our **Housing our ageing population report**, commissioned by the LGA from the Housing Learning and Improvement Network, which makes recommendations to government on how we can best meet the housing needs of people in later life.
- A **£130 million extension of emergency bus funding** for operators, as passenger numbers still remain below pre pandemic levels.

June and July 2022

- The 2022 **LGA Annual Conference and Exhibition** saw over 1,600 people from the local government family and other public and voluntary sectors join us in Harrogate, which included the launch of our Debate not Hate campaign which aims to tackle the abuse and intimidation our councillors and officers face.
- Publication of the first ever **10-year Women's Health Strategy for England** to tackle the gender health gap, including the expansion of Women's Health Hubs to bring essential women's services together to support women to maintain good health.

Local Government Association

Chief Executive's report Year ended 31 March 2023

- **Changes to the National Transfer Scheme (NTS) for Unaccompanied Asylum Seeking Children (UASC)** with the 10-day transfer deadline reduced to five working days for new arrivals who aren't already in the care of a council, with councils to receive an additional £6,000 for each child transferred from a hotel. The threshold above which a council can no longer be directed to participate in the NTS will be increased from 0.07 per cent to 0.1 per cent of a council's general child population.
- We published a new report, '**Working in partnership: creating an effective rough sleeper strategy**' discussing the findings from our workshops with over 30 councils, highlighting recommendations for the upcoming Rough Sleeping Strategy.
- **New Government Property Strategy** to include £300 million in grant funding to deliver a better, more effective public estate, including through the LGA's One Public Estate (OPE) programme, delivered in partnership with the Cabinet Office and DLUHC.
- **Licensing authorities begin to receive new burdens funding** for year two of the temporary pavement licensing regime introduced by the Business and Planning Act 2020.
- We launched our refreshed **National Procurement Strategy** to support local authorities of all types and sizes to maximise opportunities in their supply chains.
- Our **LGA in Parliament 2021/22** report provided an update on our engagement with MPs and Peers over the past year, including our lobbying activity on the issues impacting councils.
- The **Draft Mental Health Bill** accepted the majority of the recommendations from Sir Simon Wessely's independent review of the Act.

April and May 2022

- We launched **Work Local**, including our employment and skills devolution proposals and set out how more targeted support, coordinated by councils and combined authorities, is needed to match employers with jobseekers, engage those who have left the jobs market, and ensure sufficient skills training is in place to meet necessary demand.
- An independent review into tobacco control led by Dr Javed Khan set out a raft of recommendations to meet the government's smokefree by 2030 ambition, including **£125 million for tobacco control**.
- Our **One Public Estate programme (OPE)** made up to £180 million of capital grant funding available to English councils through their newly launched Brownfield Land Release Fund (BRLF2).
- We launched a **new peer challenge** to support stock-holding councils to improve their management of social housing.
- Approximately **£18 million of new funding for universal infant free school meals** will be allocated to help schools provide for children in reception, Year 1 and Year 2, in recognition of the rising cost of living.
- **Health and Care Act 2022** received Royal Assent and acted on the LGA proposals that the Secretary of State's increased powers must be used in consultation with local government and relevant, local NHS organisations.
- The Government published its prospectus and allocations for the **UK Shared Prosperity Fund (UKSPF)**, the domestic replacement for EU funding.
- The Draft Civil Enforcement of Road Traffic Contraventions Regulations 2022 cleared parliamentary scrutiny meaning highways authorities could apply for **designated powers to enforce against moving traffic offences**.
- The **Fire Reform White Paper** confirmed that government will not make mandatory changes to fire governance and is consulting on a range of governance models for fire and rescue services.

Local Government Association

Chief Executive's report Year ended 31 March 2023

This year the LGA has continued to deliver for local government, and I know we will continue to provide excellent and much valued support to our member councils in the coming year.

A handwritten signature in black ink that reads "Mark Lloyd". The signature is written in a cursive style with a horizontal line underneath the name.

Mark Lloyd CBE
Chief Executive

7 June 2023

Local Government Association

Strategic report Year ended 31 March 2023

The Directors present their strategic report on the Group for the year ended 31 March 2023.

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 23 December 2022, the LGA took on the business, assets and liabilities of its subsidiary LGA Commercial Services Limited.

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 2022, the LGA Board agreed a new 3-year business plan, based on those issues of greatest importance to our member councils.

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 2022/23. 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 9 per cent in 2022/23 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.

As agreed by the LGA Board, the 2022/23 consolidated operating surplus (excluding pension scheme and investment property revaluation adjustments) has replenished the risk and

Local Government Association

Strategic report Year ended 31 March 2023

contingency reserve in our statement of financial position. 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 2022/23.

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 2023/24 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 2024. 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, with more than 80 per cent of members signed up to our Direct Debit collection scheme.

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 active marketing of the two ground floor retail units has begun, 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 2022, 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:

1. A sustainable financial future

High levels of inflation and energy costs and higher than expected forecasts of the National Living Wage mean that councils are facing significant additional cost pressures. Fair and sustainable funding would allow councils to plan and deliver essential, resilient public services beyond the short term.

Local Government Association

Strategic report

Year ended 31 March 2023

2. Stronger local economies, thriving local democracy

Strong local economies help to build a resilient national economy which can unlock economic potential across the country and ensure no community is left behind. Councils already have an important role in [securing private and foreign investment](#) in infrastructure. With more localised powers, greater diversity of elected representatives and high standards of conduct they can help to level up the country.

3. Putting people first

Local government is unique in offering a range of specialised services which impact the direct quality of life that residents of all ages experience on a daily basis. Councils can convene local partners to help everyone live safe, healthy, active, independent lives.

4. Championing climate change and local environments

Everyone wants to live in a green and safe local environment. Councils are actively working to address climate change whilst continuing to consider the broader environmental factors which help to make safer more sustainable communities.

We will support all this work through our four priority campaigns:

- Debate not hate
- Build back local
- The future of adult social care
- Bright futures

Over the period of this business plan we will continue to develop new campaigns that match our priorities.

We will continue to keep the business plan under review and adjust as necessary in the light of changing priorities.

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.

Our principal liabilities other than those arising in ordinary day to day business relate to our combined pension position 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 £1.04 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; £19.0 million from Westminster City Council which we are using to fund the development of our properties; and a liability of less than £0.1 million until 2023 for funding the District Councils' Network (DCN), financed from cash received from the predecessor Local Authority Association.

Local Government Association

Strategic report Year ended 31 March 2023

The valuation of our combined pension surplus was £34.56 million at 31 March 2023 (£67.63 million deficit at 31 March 2022), driven by changes in the actuarial assumptions. In order to pay off the historic 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 2022 showing an overall Scheme surplus, these additional contributions have reduced to £nil per annum for the next three years. Actuarial advice indicates that on reasonable long term assumptions, there will be no deficit over a period of 12 years for the LGA and 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 improved in 2022/23, with only two (compared to five in 2021/22) 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 2021 we carried out a survey of our members which gave us important information about customer satisfaction with 76 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 443 employees in the year ended 31 March 2023 (compared to 432 in the previous year). We continue to monitor employee absence and our average annual number of sick days per employee has remained consistent at 3.9 days, unchanged from March 2022. As an absence rate (1.5 per cent), this remains below national averages for sickness (3 per cent for public sector – Source: Office for National Statistics 2021).

We continue to pay close attention to the collection of outstanding debt. The percentage of debtors over 12 months was 3 per cent of the total trade debtors at March 2023 (2 per cent 2022).

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 2023 to be £45.0 million (2022 £49.5 million) with a net decrease of £4.5 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 fixed asset at the current net book value of £16.3 million.

Layden House is classified as an investment property and has a market value at 31 March 2023 of £62.5 million (2022 £66.0 million), a decrease of £3.5 million reflecting the current volatility of the Farringdon rental market.

Local Government Association

Strategic report Year ended 31 March 2023

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 two years 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 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 wi-fi 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 2023/24. 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.

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

Local Government Association

Strategic report Year ended 31 March 2023

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

7 June 2023

Local Government Association

Directors' report Year ended 31 March 2023

The Directors present their report and the audited financial statements of the Group and Company for the year ended 31 March 2023.

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 2023 were:

Conservative	James Jamieson OBE [Chairman]	
	Izzi Seccombe OBE [Deputy-chairman]	
	John Fuller OBE [Deputy-chairman]	
	Robert Alden [Deputy-chairman]	
	Baroness Teresa O'Neill OBE [Deputy-chairman]	
Labour	Shaun Davies [Senior Vice-chair]	Appointed 28 June 2022
	Nick Forbes CBE [Senior Vice-chair]	Resigned 5 May 2022
	Michael Payne [Deputy-chair]	
	Tudor Evans OBE [Deputy-chair]	
	Georgia Gould [Deputy-chair]	
	Anntoinette Bramble [Deputy-chair]	Appointed 28 June 2022
	Shabir Pandor [Deputy-chair]	Resigned 28 June 2022
Liberal Democrat	Joseph Harris [Vice-chair]	
	Bridget Smith [Deputy Chair]	
Independent	Marianne Overton MBE [Vice-chair]	
	Hannah Dalton [Deputy-chair]	

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.

Local Government Association

Directors' report Year ended 31 March 2023

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

Local Government Association

Directors' report Year ended 31 March 2023

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 launched its 3-year People Plan in February 2023 which is aligned to our Business Plan. It sets out our commitments to ensure that we can attract, recruit, retain and develop an engaged workforce, whilst recognising the contributions that staff make to the success of our organisation. The People Plan includes our commitment to equality, diversity and inclusion with a specific EDI strategy and action plan.

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.

Local Government Association

Directors' report Year ended 31 March 2023

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 7 June 2023 and signed on its behalf.



James Jamieson OBE
LGA Chairman and Chairman of the LGA Board

Local Government Association

Statement of directors' responsibilities

Year ended 31 March 2023

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.

Local Government Association

Independent auditor's report to the members of the local government association Year ended 31 March 2023

Opinion

We have audited the financial statements of the Local Government Association (the 'Association') and its subsidiary (the 'Group') for the year ended 31 March 2023 which comprise the Consolidated and Association Statements of Comprehensive Income, the Consolidated and Association Statements of Financial Position, 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 2023 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 twelve 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,

Local Government Association

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

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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 schemes. We addressed this through review of the actuary reports prepared by management's expert, testing the reasonableness of inputs to their calculation, and challenging assumptions applied in the valuations.
- 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

Local Government Association

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME Year ended 31 March 2023

	Note	2023 £000	2022 £000
Income: Group and share of joint ventures' income		73,989	67,935
Less share of joint ventures' income		(11,783)	(10,211)
Group Income	2	62,206	57,724
Administrative expenses		(67,505)	(62,112)
GROUP OPERATING DEFICIT BEFORE INTEREST AND TAX	4	(5,299)	(4,388)
Interest receivable and similar income		642	261
Interest payable		(612)	(636)
Share of operating surplus of joint ventures	9	4,198	3,447
Dividend and profits share from Joint Ventures		4,347	3,102
Finance discounts allowed	5	(604)	(604)
Share of joint ventures distribution to members		(3,000)	(3,000)
Unrealised (loss)/gain on revaluation in respect of investment property	8	(5,411)	3,787
GROUP OPERATING (DEFICIT) / SURPLUS BEFORE TAX		(5,739)	1,969
Corporation Tax		-	-
GROUP OPERATING (DEFICIT) / SURPLUS FOR THE FINANCIAL YEAR		(5,739)	1,969
Other Comprehensive Income:			
Actuarial gain/(loss) recognised in respect of the pension fund		108,519	40,878
GROUP TOTAL COMPREHENSIVE INCOME FOR THE YEAR		102,780	42,847

All amounts relate to continuing operations.

The accounting policies and notes in pages 32 to 53 form part of these financial statements.

Local Government Association

ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2023

	Note	2023 £000	2022 £000
Income	2	28,335	26,127
Administrative expenses		(25,472)	(28,427)
OPERATING SURPLUS/(DEFICIT) BEFORE INTEREST	4	2,863	(2,300)
Interest receivable and similar income		312	37
Interest payable		(1,083)	(1,106)
Finance discounts allowed	5	(604)	(604)
Dividend and profits share from Joint Ventures	9	1,347	102
Unrealised (loss)/gain on revaluation in respect of investment property	8	(5,411)	3,787
OPERATING (DEFICIT) FOR THE FINANCIAL YEAR		(2,576)	(84)
Other Comprehensive Income:			
Actuarial gain/(loss) recognised in respect of the pension fund		48,338	14,685
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		45,762	14,601

All amounts relate to continuing operations.

The accounting policies and notes in pages 32 to 53 form part of these financial statements.

Local Government Association

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023	Note	2023 £000	2022 £000
FIXED ASSETS			
Tangible assets	7	16,478	17,144
Investment Properties	8	77,800	82,830
Intellectual Copyright Assets		1	1
Investments - MBA	9	4	4
Investments in Joint Ventures:			
Share of gross assets of joint ventures	9	9,536	10,517
Share of gross liabilities of joint ventures	9	(1,991)	(2,521)
		101,828	107,975
LONG TERM DEBTORS	10	400	350
CURRENT ASSETS			
Debtors	11	15,006	11,638
Short term Investments	12	6,897	6,904
Cash at bank and in hand		4,260	4,699
		26,163	23,241
CREDITORS: amounts falling due within one year	13	(13,253)	(12,641)
		12,910	10,600
NET CURRENT ASSETS		115,138	118,925
TOTAL ASSETS LESS CURRENT LIABILITIES		115,138	118,925
CREDITORS: amounts falling due after more than one year	13	(26,789)	(29,517)
PROVISIONS FOR LIABILITIES			
Provisions	14	(750)	(750)
Pension Fund surplus / (deficit)	15	34,555	(67,634)
NET ASSETS		122,154	21,024
ACCUMULATED FUNDS			
General Reserve		19,060	19,060
Revaluation Reserve		55,995	61,406
Risk & Contingency Reserve		12,544	8,192
Pension Deficits Reserve			
- Pension Fund Assets		363,728	382,967
- less Defined Liabilities		(329,173)	(450,601)
		122,154	21,024

These financial statements were approved by the LGA Board on 7 June 2023 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 53 form part of these financial statements.

Local Government Association

ASSOCIATION STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	Note	2023 £000	2022 £000
FIXED ASSETS			
Tangible Assets	7	16,478	17,144
Investment Properties	8	77,800	82,830
Investments	9	804	804
		<u>95,082</u>	<u>100,778</u>
LONG TERM DEBTORS	10	400	350
CURRENT ASSETS			
Debtors	11	8,477	3,274
Short term Investments	12	7,707	3,605
Cash at bank and in hand		30	80
		<u>16,214</u>	<u>6,959</u>
CREDITORS: amounts falling due within one year	13	(11,747)	(6,580)
NET CURRENT ASSETS		<u>4,467</u>	<u>379</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>99,949</u>	<u>101,507</u>
CREDITORS: amounts falling due after more than one year	13	(42,789)	(44,583)
PROVISIONS FOR LIABILITIES			
Provisions	14	(500)	(500)
Pension Fund surplus / (deficit)	15	19,808	(25,718)
NET ASSETS		<u>76,468</u>	<u>30,706</u>
ACCUMULATED FUNDS			
General Reserve		665	(4,636)
Risk & Contingency Reserve		-	-
Revaluation Reserve		55,995	61,060
Pension Deficits Reserve			
- Pension Fund Assets		168,144	176,685
- less Defined Liabilities		(148,336)	(202,403)
		<u>76,468</u>	<u>30,706</u>

These financial statements were approved by the LGA Board on 7 June 2023 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 53 form part of these financial statements.

Local Government Association

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2023

	Risk & Contingency Reserve	Investment Property Reserve	Pensions Deficit Reserve	Retained Earnings	Total
	£000	£000	£000	£000	£000
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 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	3,520	-	-	(3,520)	-
Balance as at 31 March 2022	8,192	61,406	(67,634)	19,060	21,024
Balance at 1 April 2022					
Balance at 1 April 2022	8,192	61,406	(67,634)	19,060	21,024
Changes in equity for 2022/23					
Surplus for the year	-	-	-	(5,739)	(5,739)
Pensions Adjustments in Statement of Comprehensive income	-	-	(6,330)	6,330	-
Actuarial gains (losses) on defined benefit plans	-	-	108,519	-	108,519
Unrealised (loss)/gain on revaluation in respect of investment property	-	(5,411)	-	5,411	-
Total comprehensive income for the year	-	(5,411)	102,189	6,002	102,780
Movement on Joint Venture Reserves	-	-	-	(1,650)	(1,650)
Transfer to Risk and Contingency reserve	4,352	-	-	(4,352)	-
Balance as at 31 March 2023	12,544	55,995	34,555	19,060	122,154

The accounting policies and notes in pages 32 to 53 form part of these financial statements.

Local Government Association

ASSOCIATION STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2023

	Risk & Contingency Reserve	Investment Property Reserve	Pensions Deficit Reserve	Retained Earnings	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2021	-	57,273	(37,994)	(3,174)	16,105
Changes in equity for 2021/22					
Operating Deficit for the year	-	-	-	(3,871)	(3,871)
Pension adjustment included in Operating Surplus / Deficit for the year	-	-	(2,409)	2,409	-
Actuarial gains 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	(1,462)	14,601
Transfer to Risk and Contingency reserve	-	-	-	-	-
Balance as at 31 March 2022	-	61,060	(25,718)	(4,636)	30,706
Balance at 1 April 2022	-	61,060	(25,718)	(4,636)	30,706
Changes in equity for 2022/23					
Operating Deficit for the year	-	346	-	2,489	2,835
Pension adjustment included in Operating Surplus/Deficit for the year	-	-	(2,812)	2,812	-
Actuarial gains/(losses) on defined benefit plans	-	-	48,338	-	48,338
Unrealised gain on revaluation in respect of investment property	-	(5,411)	-	-	(5,411)
Total comprehensive income for the year	-	(5,065)	45,526	5,301	45,762
Transfer to Risk and Contingency reserve	-	-	-	-	-
Balance as at 31 March 2023	-	55,995	19,808	665	76,468

The accounting policies and notes in pages 32 to 53 form part of these financial statements.

Local Government Association

CONSOLIDATED STATEMENT OF CASH FLOWS For the year ended 31 March 2023

	Note	2023 £000	2022 £000
Net cash (outflow)/inflow from operating activities			
(Deficit)/Surplus		(5,739)	1,969
Adjustments for:			
FRS17 Pension adjustments		6,330	5,681
Investment and dividend Income		(4,989)	(3,363)
Revaluation gains on Investment Properties		5,411	(3,787)
Joint Venture Non-Cash Adjustments		(1,199)	(448)
Finance discounts for former members of AMA		604	604
Interest expense		612	636
Depreciation		666	697
Increase in debtors		(3,368)	(3,770)
Increase in creditors		612	3,088
(Decrease)/Increase in provisions		-	500
Decrease in creditors due after one year		(2,728)	(496)
Cash flow (used in) / generated from operations		<u>(3,788)</u>	<u>1,311</u>
Interest paid		(612)	(636)
Net cash (used in) / generated from operating activities		<u>(4,400)</u>	<u>675</u>
Cash flow from investing activities			
Interest received		642	261
Loan to UKMBA		(50)	(200)
Impairment of investment in the UKMBA		-	-
Investment in redevelopment of Property, Plant and Equipment		-	-
Investment in redevelopment of Investment Properties		(381)	107
Distribution from Joint Venture		4,347	3,102
		<u>4,558</u>	<u>3,270</u>
Cash flow from financing activities			
Finance discounts for former members of AMA		(604)	(603)
		<u>(604)</u>	<u>(603)</u>
Cash flow from Taxation activities			
Corporation Tax paid		-	-
		<u>-</u>	<u>-</u>
Net (Decrease)/ Increase in cash		(446)	3,342
Cash and cash equivalents at the start of the year		11,603	8,261
Cash and cash equivalents at the end of the year	16	<u>11,157</u>	<u>11,603</u>

The accounting policies and notes in pages 32 to 53 form part of these financial statements.

Local Government Association

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2023

1. ACCOUNTING POLICIES

On 23 December 2022 the assets, liabilities and business of LGA Commercial Services Limited, transferred to the Local Government Association, an incorporated unlimited company, via a business transfer agreement (see Note 22) 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 surpluses, of £122.2 million as at 31 March 2023 (net assets £21.0 million 2022). 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 of 12 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 long term 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 2024. 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.

Local Government Association

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2023

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 2023. 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 2022/23 66 per cent (2021/22 66 per cent) 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 2022/23 34 per cent (2021/22 34 per cent) 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 3rd 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.

Local Government Association

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2023

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, and Improvement and Development Agency for Local Government.

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.

Local Government Association

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2023

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 Statement of Financial Position.

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	2023	2022
Group	£000	£000
Subscriptions	10,696	10,355
Conferences and seminars	2,840	778
Government Grants	31,831	34,883
Shared Services – external to group	2,436	749
Other income	14,403	10,959
	<u>62,206</u>	<u>57,724</u>
Joint Ventures	11,783	10,211
	<u>73,989</u>	<u>67,935</u>
ASSOCIATION	2023	2022
	£000	£000
Subscriptions	10,690	10,354
Conferences and seminars	1,199	406
Shared Services	7,518	5,695
Other income	8,928	9,672
	<u>28,335</u>	<u>26,127</u>

Local Government Association

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2023

3. EMPLOYEES AND DIRECTORS

Employees

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

	CONSOLIDATED		ASSOCIATION	
	2023	2022	2023	2022
Average number of persons employed	438	415	199	196
Staff costs	£000	£000	£000	£000
Wages and salaries	28,092	25,303	12,483	11,606
Social security costs	3,161	2,726	1,371	1,330
Pension costs – employer payments	3,317	3,542	1,302	1,243
Pension costs – employer deficit payments	34	(95)	-	-
Pension costs – current service costs less contributions	2,444	(235)	66	1,630
<u>Less</u> income from secondments	(626)	(1,077)	(329)	(584)
	36,422	30,164	14,893	15,225
Staff related costs				
Agency, freelance and secondment costs	1,796	883	851	535
Redundancy costs & provision	54	112	3	110
Travel, subsistence and staff expenses	1,623	501	905	252
Recruitment costs	73	84	65	62
Training costs	142	120	66	65
Other personnel costs	245	93	83	55
	3,933	1,793	1,973	1,079
Total staff costs	40,355	31,957	16,866	16,304

Local Government Association

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2023

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 2023 figures include 3 staff (2022: 25 staff) seconded to other organisations, of which 1 was employed by the Association.

CONSOLIDATED	2023	2023	2022	2022
	Remuneration including redundancy	Remuneration excluding redundancy	Remuneration including redundancy	Remuneration excluding redundancy
£50,000 - £54,999	42	42	42	42
£55,000 - £59,999	40	40	16	16
£60,000 - £64,999	6	6	20	20
£65,000 - £69,999	20	20	12	12
£70,000 - £74,999	12	12	23	23
£75,000 - £79,999	31	31	24	24
£80,000 - £84,999	39	39	28	28
£85,000 - £89,999	6	6	12	12
£90,000 - £94,999	8	8	7	7
£95,000 - £99,999	7	7	4	4
£100,000 - £104,999	3	3	3	3
£105,000 - £109,999	4	4	5	5
£110,000 - £114,999	9	9	6	6
£115,000 - £119,999	1	1	2	2
£120,000 - £124,999	2	2	2	2
£125,000 - £129,999	1	1	1	1
£130,000 - £134,999	2	2	2	2
£175,000 - £179,999	1	1	1	1
£215,000 - £219,999	1	1	1	1

ASSOCIATION	2023	2023	2022	2022
	Remuneration including redundancy	Remuneration excluding redundancy	Remuneration including redundancy	Remuneration excluding redundancy
£50,000 - £54,999	18	18	20	20
£55,000 - £59,999	19	19	3	3
£60,000 - £64,999	2	2	7	7
£65,000 - £69,999	5	5	8	8
£70,000 - £74,999	6	6	4	4
£75,000 - £79,999	8	8	9	9
£80,000 - £84,999	19	19	14	14
£85,000 - £89,999	2	2	2	2
£90,000 - £94,999	-	-	3	3
£95,000 - £99,999	3	3	1	1
£100,000 - £104,999	1	1	2	2
£105,000 - £109,999	4	4	2	2
£110,000 - £114,999	4	4	3	3
£115,000 - £119,999	-	-	1	1
£120,000 - £124,999	-	-	-	-
£125,000 - £129,999	-	-	1	1
£130,000 - £134,999	-	-	1	1
£175,000 - £179,999	1	1	1	1
£215,000 - £219,999	1	1	1	1

Local Government Association

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2023

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 2023 £000	Year ended 31 March 2022 £000	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Total emoluments	2,063	1,802	1,946	1,725
Emolument of the chairman and highest paid director	95	85	95	85

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 2023 £000	Year ended 31 March 2022 £000	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Salaries and other short-term benefits	909	890	652	641
Post-employment benefits	96	94	59	58
Total key management compensation	1,005	984	711	699

4. OPERATING DEFICIT

	CONSOLIDATED		ASSOCIATION	
	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Operating deficit is after charging:				
Depreciation and amortisation	666	877	666	698
Loss on disposal of fixed assets	-	-	-	-
Auditor's remuneration				
- audit fee	43	43	19	19
- non audit services	3	3	-	-

Local Government Association

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2023

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 £10,988 with effect from 1 April 2023 for the 2023/24 membership subscriptions, with the next increase due to be recognised in the 2028/29 membership subscriptions.

6. TAXATION

The Association and the companies it controls 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 2022/23 66 per cent (2021/22 66 per cent) 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.

Local Government Association

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2023

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 2022	22,144	384	754	23,282
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2023	22,144	384	754	23,282
Depreciation				
At 1 April 2022	5,599	288	251	6,138
Charge for year	520	96	50	666
Disposal in year	-	-	-	-
At 31 March 2023	6,119	384	301	6,804
Net book value				
At 31 March 2023	16,025	-	452	16,478
At 31 March 2022	16,545	96	503	17,144
ASSOCIATION				
Cost				
At 1 April 2022	22,144	384	754	23,282
Additions	-	-	-	-
At 31 March 2023	22,144	384	754	23,282
Depreciation				
At 1 April 2022	5,599	288	251	6,138
Charge for year	520	96	50	666
At 31 March 2023	6,119	384	301	6,804
Net book value				
At 31 March 2023	16,025	-	452	16,478
At 31 March 2022	16,545	96	503	17,144

Local Government Association

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2023

8. INVESTMENT PROPERTIES

CONSOLIDATED	2023	2022
	£000	£000
Brought forward valuation	82,830	79,150
Capital Expenditure	381	(107)
Unrealised gain/(loss) on revaluation	(5,411)	3,787
Carried forward valuation	77,800	82,830
ASSOCIATION	2023	2022
	£000	£000
Brought forward valuation	82,830	79,150
Capital Expenditure	381	(107)
Unrealised gain/(loss) on revaluation	(5,411)	3,787
Carried forward valuation	77,800	82,830

As a result of the requirements of FRS102, in the Group Accounts for the Financial Year 2022/23 34 per cent (2021/22 34 per cent) 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 2023 by an independent professional valuer, Cushman & Wakefield Chartered Surveyors.

9. INVESTMENTS IN JOINT VENTURES - GROUP

LOCAL PARTNERSHIPS LLP

Balance sheet	31 March	31 March
	2023	2022
	£000	£000
Fixed Assets	122	-
Current Assets	13,926	16,835
Gross Assets	<u>14,048</u>	<u>16,835</u>
Share of gross assets	7,025	8,418
Liabilities due within one year or less	(1,972)	(3,274)
Other	-	-
Loans and other Debts due to members	-	-
Share of gross liabilities	(986)	(1,637)
Share of net assets	6,039	6,781

Local Government Association

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2023

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 2023 £000	Year ended 31 March 2022 £000
Revenue	11,421	9,701
Operating costs	(10,312)	(9,295)
Interest Receivable	71	4
Operating profit	<u>1,180</u>	<u>410</u>
Share of operating profit	<u>590</u>	<u>205</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 per cent 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 per cent 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 per cent Convertible Loan Stock.

In the Financial Year 2022/23 Local Partnerships LLP paid dividends to both parties of £1,347,000 in respect of the prior year's results (During 2021/22 £101,000 received in respect of 2020/21 results).

GEOPLACE LLP

Balance sheet	31 March 2023 £000	31 March 2022 £000
Fixed Assets	-	-
Intangible Assets	40	40
Current Assets	9,441	7,639
Share of gross assets	<u>2,369</u>	<u>1,919</u>
Liabilities due within one year or less	(3,451)	(2,818)
Share of gross liabilities	<u>(863)</u>	<u>(704)</u>
Share of net assets	<u>1,506</u>	<u>1,215</u>

Local Government Association

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2023

9. INVESTMENTS IN JOINT VENTURES – GROUP (continued)

The operating results for Geoplace LLP are shown below:

Profit and loss summary	Year ended	Year ended
	31 March	31 March
	2023	2022
	£000	£000
Revenue	22,623	19,269
Operating costs	(8,186)	(6,296)
Interest Receivable and Payable	-	-
Operating profit	14,437	12,973
Share of operating profit	3,608	3,243

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 per cent to IDeA and 75 per cent to Ordnance Survey.

Geoplace LLP commenced trading on 1 April 2011 and has traded profitably in the years to 31 March 2023.

LGA DIGITAL SERVICES

Balance sheet	31 March	31 March
	2023	2022
	£000	£000
Fixed Assets	-	-
Intangible Assets	89	358
Current Assets	195	2
Share of gross assets	142	180
Liabilities due within one year or less	(284)	(360)
Share of gross liabilities	(142)	(180)
Share of net assets	-	-

Local Government Association

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2023

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 2023 £000	Year ended 31 March 2022 £000
Revenue	831	1,086
Operating costs	(831)	(1,086)
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 2023 £000	Year ended 31 March 2022 £000
Opening balance	4	4
Invested in year	-	-
Impairment in year	-	-
Closing Value	4	4

Investment in Local Partnerships LLP Year ended 31 March 2022	Equity £000	Debt £000	Total £000
Opening balance	800	-	800
Repaid in year	-	-	-
Closing value	800	-	800
Year ended 31 March 2023			
Opening balance	800	-	800
Repaid in year	-	-	-
Closing value	800	-	800

Local Government Association

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2023

9. INVESTMENTS – ASSOCIATION (Continued)

Investment in LGA Digital Services Limited

The LGA investment in LGA Digital Services Limited is a 50 per cent 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.

10. LONG TERM DEBTORS

In 2022/23 there has been no new intercompany loans.

The £2.5 million loan between the LGA and LGA Commercial Services Limited was satisfied as part of the transfer agreement executed on 23 December 2022. The £2.5 million loan capital and associated accrued interest had previously been fully provided for within the Association's results, but not at the Group level. The provision was released in 2022/23.

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 per cent p.a.. At the year end, £400,000 had been drawn down by the UKMBA in five tranches.

11. DEBTORS

	CONSOLIDATED		ASSOCIATION	
	2023 £000	2022 £000	2023 £000	2022 £000
Trade debtors	6,016	6,041	1,573	1,449
Due from related entities	-	-	1,247	569
Other debtors	7	(573)	90	26
Prepayments and accrued income	8,983	6,170	5,567	1,230
	<u>15,006</u>	<u>11,638</u>	<u>8,477</u>	<u>3,274</u>

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 twelve 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.

Local Government Association

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2023

13. CREDITORS

	CONSOLIDATED		ASSOCIATION	
	2023 £000	2022 £000	2023 £000	2022 £000
Amounts falling due within one year				
Accounts payable and accruals	2,808	3,758	1,374	1,001
Income received in advance	6,335	6,681	245	252
Other creditors	4,110	2,202	7,520	2,982
Owed to related entities	-	-	2,608	2,345
	13,253	12,641	11,747	6,580
Amounts falling due beyond one year				
1 to 2 Years	566	520	1,566	2,106
2 to 5 years	3,000	3,520	3,000	3,000
More than 5 years	23,223	25,477	38,223	39,477
	26,789	29,517	42,789	44,583

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 10 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 per cent 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 £46,434 representing the final instalments of the support due for the District Councils Network.

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

	2023 £000	2022 £000
Bank loans	520	1,040
Loan from ACC (Properties) Limited	2,000	2,000
Loan from AMA (Properties) Limited	6,200	6,200
Barclays Swap Liability	23	277
Loan from Westminster City Council	18,000	19,000
	26,743	28,517

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 per cent above the base rate with payment conditional upon the disposal of the property. The accumulated interest to date on the loan is £3.466 million.

Local Government Association

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2023

The above Swap agreement liability is the value on the balance sheet as at 31 March 2023 that would be payable if the loan was repaid. There has been no recognition in the current year of the

13. CREDITORS (continued)

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 £16.3 million and partly as Investment Property Asset in note 8 at £15.3 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 cent 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 £11 million was issued from the IDeA bearing interest of 2.94 per cent per annum. This value was increased to £16 million on 2 January 2019 where a further unsecured loan of £5m was issued from the IDeA bearing interest of 2.94 per cent per annum. Both loans are repayable on 31 December 2038.

14. PROVISIONS

	CONSOLIDATED		ASSOCIATION	
	2023	2022	2023	2022
	£000	£000	£000	£000
Balance at 1 April	750	250	500	-
Arising during year	-	500	-	500
Utilised during year	-	-	-	-
Balance at 31 March	750	750	500	500

The provision for the year to 31 March 2023 relates to £250,000 for potential redundancy costs and a provision for property costs of £500,000.

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 2023 as £1.424 million (2022 £1.845 million). The unfunded liabilities are being paid annually over the remaining lives of the pensioners concerned.

Local Government Association

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2023

The most recent formal actuarial reviews in relation to the funds were at 31 March 2023. The actuarial assumptions that have the most significant effect on the results of the valuation are those relating to the discount rate and the rates of increase in salaries and pensions.

15. PENSION COMMITMENTS (continued)

The assumptions made by the actuaries Mercer Ltd are stated below.

Investment returns

The investment returns on the funds used in calculating the year end assets were (2.52) per cent (2021/22, in the range 4.0 per cent to 9.7 per cent).

Major categories of plan assets as a percentage of total plan assets were:

	31 March 2023	31 March 2022
Equities	48.4%	49.5%
Government Bonds	10.3%	9.8%
Other Bonds	2.8%	3.5%
Property	10.8%	9.6%
Cash	1.9%	1.8%
Other	25.8%	25.8%

a) Actuarial assumptions

Full actuarial valuations were carried out at 31 March 2022 and updated to 31 March 2023 by qualified independent actuaries. The next Triennial valuation will be as at 31 March 2025.

The range of assumptions used by the actuaries was:

	31 March 2023 % per annum	31 March 2022 % per annum
Pension increase rate	2.8%	3.4% to 3.6%
Salary increase rate	4.2%	4.8% to 4.9%
Discount rate	4.8% to 4.9%	2.8%
Inflation assumption	2.7%	3.3% to 3.5%

	31 March 2023 Years	31 March 2022 Years
Mortality Rates*		
Current Pensioners – Male	22.6	22.4
Current Pensioners – Female	25.5	25.9
Future Pensioners – Male	21.2	20.9
Future Pensioners – Female	23.7	24.0

*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.

Local Government Association

NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2023

15. PENSION COMMITMENTS (continued)

b) Scheme assets

Balance sheet	31 March 2023 £000	31 March 2022 £000
Fair value of employer assets	363,728	382,967
Present value of funded liabilities	(319,887)	(439,457)
Net over/(under)funding in funded plans	43,841	(56,490)
Present value of unfunded liabilities	(9,286)	(11,144)
Net asset/(liability)	34,555	(67,634)
	<hr/>	<hr/>
Recognition in the Statement of Comprehensive Income	Year to 31 March 2023 £000	Year to 31 March 2022 £000
Current service cost	4,484	(235)
Interest cost	1,835	5,916
Expected return on employer assets	-	-
Losses on curtailments and settlements	-	-
Total	6,319	5,681
	<hr/>	<hr/>
Actual return on plan assets	(24,496)	21,928
	<hr/>	<hr/>
Reconciliation of defined benefit obligation	2023 £000	2022 £000
Opening defined benefit obligation	450,601	461,098
Current service cost	8,532	7,493
Interest cost	12,484	9,303
Contribution by members	2,089	1,772
Actuarial (gains)/losses	(133,015)	(18,062)
Past service costs	-	-
Losses on curtailments	-	-
Estimated unfunded benefits paid	-	-
Estimated benefits paid	(11,518)	(11,003)
Closing defined benefit obligation	329,173	450,601
	<hr/>	<hr/>

Local Government Association

NOTES TO THE FINANCIAL STATEMENTS
As at 31 March 2023

15. PENSION COMMITMENTS (continued)

Reconciliation of fair value of employer assets	2023 £000	2022 £000
Opening fair value of employer assets	382,967	359,155
Expected return on assets	10,649	3,387
Contributions by members	2,089	1,772
Contributions by the employer	4,158	7,831
Contributions in respect of unfunded benefits	-	-
Administrative Expenses	(121)	(103)
Actuarial (losses)/gains	(24,496)	21,928
Unfunded Benefits paid	-	-
Benefits paid	(11,518)	(11,003)
Closing fair value of employer assets	363,728	382,967

Amounts for the current and previous accounting periods

	2023 £000	2022 £000	2021 £000	2020 £000	2019 £000
Fair value of employer assets	363,728	382,967	359,155	290,384	307,489
Present value of defined benefit obligation	(329,173)	(450,601)	(461,098)	(383,499)	(441,337)
Surplus/(Deficit)	34,555	(67,634)	(101,943)	(93,115)	(133,848)
Experience gains/(losses) on assets	(24,496)	21,928	68,610	(23,076)	10,257
Experience gains/(losses) on liabilities	133,015	18,062	(74,150)	68,126	(26,434)

The total of employer pension contributions estimated to be payable in 2023/24 is £4.353 million (£1.956 million of which relates to the Association).

16. CASHFLOW: RECONCILIATION OF CASH AND CASH EQUIVALENTS

Reconciliation of cash and cash equivalents	2023 £000	2022 £000
Short Term Investments	6,897	6,904
Cash at bank and in hand	4,260	4,699
Cash and cash equivalents	11,157	11,603

Local Government Association

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2023

17. CONTINGENT LIABILITIES

LGA Properties has a loan from ACC (Properties) Ltd that bears compound interest at 1.5 per cent above the base rate, with payment conditional on the disposal of the property. The accumulated interest to date on the loan is £3.466 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)

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

The Association is a member of Local Partnerships LLP, a limited liability partnership, owning 50 per cent. The other members of Local Partnerships LLP are HM Treasury (45 per cent) and the Welsh Local Government Association (5 per cent). 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 per cent share of profits and losses, with the balance going to Ordnance Survey.

19. EXCEPTIONAL ITEM

During 2022/23 there were no exceptional items to report.

20. POST BALANCE SHEET EVENTS

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

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.

Local Government Association

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2023

22. MERGER ACCOUNTING – COMPARATIVES

On 23 December 2022 the business, assets and liabilities of LGA Commercial Services Limited 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 2023 – Comparative figures by original entity

	LGA 2022 £000	LGACS 2022 £000	Consol- idation adj's £000	LGA Revised 2022 £000
Income	26,127	-	-	26,127
Administrative expenses	(25,757)	0	(2,670)	(28,427)
OPERATING SURPLUS BEFORE INTEREST	370	-	(2,670)	(2,300)
Interest receivable and similar income	37	0	0	37
Interest payable	(1,106)	-	-	(1,106)
Finance discounts allowed	(604)	-	-	(604)
Dividend and profits share from Joint Ventures	102	-	-	102
OPERATING (DEFICIT) FOR THE FINANCIAL YEAR	(1,201)	0	(2,670)	(3,871)
Other Comprehensive Income:				
Actuarial gain recognised in respect of the pension fund	14,685	-	-	14,685
Gain on revaluation of investment property	3,787	-	-	3,787
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	17,271	0	(2,670)	14,601

Local Government Association

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2023

22. MERGER ACCOUNTING – COMPARATIVES (Continued)

ASSOCIATION STATEMENT OF FINANCIAL POSITION

As at 31 March 2023 – Comparative figures by original entity

	LGA 2022 £000	LGACS 2022 £000	Consol- idation Adj's £000	LGA Revised 2022 £000
FIXED ASSETS				
Tangible Assets	17,144	-	-	17,144
Investment Properties	82,830	-	-	82,830
Investments	804	-	-	804
LONG TERM DEBTORS	2,850	-	(2,500)	350
CURRENT ASSETS				
Debtors	3,448	-	(174)	3,274
Short term Investments	3,589	16	-	3,605
Cash at bank and in hand	70	10	-	80
	7,107	26	(174)	6,959
CREDITORS: amounts falling due within one year	(6,580)	(174)	174	(6,580)
NET CURRENT ASSETS/(LIABILITIES)	527	(148)	0	379
TOTAL ASSETS LESS CURRENT LIABILITIES	104,155	(148)	(2,500)	101,507
CREDITORS: amounts falling due after more than one year	(44,583)	(2,500)	2,500	(44,583)
PROVISIONS FOR LIABILITIES				
Provision for Organisation restructuring	(500)	-	-	(500)
Pension Fund deficit	(25,718)	-	-	(25,718)
NET ASSETS/(LIABILITIES)	33,354	(2,648)	-	30,706
ACCUMULATED FUNDS				
General Reserve	(1,988)	(2,648)	-	(4,636)
Risk & Contingency Reserve	-	-	-	-
Revaluation Reserve	61,060	-	-	61,060
Pension Deficits Reserve				
- Pension Fund Assets	176,685	-	-	176,685
- less Defined Liabilities	(202,403)	-	-	(202,403)
	33,354	(2,648)	-	30,706



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2022/23 Annual report of the Audit & Risk Assurance Committee

Purpose of Report

For information.

Summary

This report provides an overview of areas reviewed and work undertaken by the Audit & Risk Assurance Committee in 2022/23, in accordance with the Committee's terms of reference.

LGA Plan Theme: Financially resilient and ambitious

Recommendation

That the General Assembly notes the report.

Contact details

Contact: Cllr Daniel Humphreys

Position: Chair of the LGA Audit and Risk Assurance Committee

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2022/23 Annual report of the Audit & Risk Assurance Committee

Background

1. The responsibilities of the LGA's Audit & Risk Assurance Committee (ARAC) 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
 - 1.6. perform 'deep dives' into specific risks and their mitigation strategies.
2. In 2022/23 the focus of ARAC's 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.
3. Following the Corporate Peer Challenge, a recommendation was made to review the governance arrangements for Audit Committee (now known as Audit and Risk Assurance Committee) which was completed in March.

Report of the Audit and Risk Assurance Committee

Financial statements and external audit

4. PKF Littlejohn LLP are the LGA's external auditors for the financial years 2021/22, 2022/23 and 2023/24 following a procurement exercise in early 2022.
5. In June 2023 the LGA's consolidated accounts for 2022/23 and the audited accounts for its subsidiary company IDeA were reviewed prior to these being adopted by the LGA Board and the relevant company board.

6. 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 statement of financial position.
7. The consolidated accounts show the LGA, and its related bodies made an operating deficit of £5.7m (2021/22 surplus of £2.0m), after interest and tax.
8. Overall income increased by 9 per cent from £67.9m to £74.0m due to maintaining core government funding, a 2 per cent rise in subscription income, and increased continued success in securing increased income from other funding sources and investment/joint venture incomes.
9. The LGA's Geoplace LLP Joint Venture made another useful contribution to other income during 2022/23, making a dividend payment of £3.0m (£3.0m in 2021/22).
10. The investment properties have been revalued at the year end. Layden House has decreased in value by £3.5m, due to the condition of the Farringdon market, while 18 Smith Square has decreased in value by £4.5m reflecting the Westminster rental market position.
11. The overall pension fund deficit reported in the accounts last year of £67.3m has become a surplus of £34.6m, a swing of £102m due to changes in actuarial assumptions. 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.
12. 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 2023 and will monitor progress with the recommendations arising from the 2022/23 external audit.

Internal Audit

13. TIAA are the LGA's internal auditors following a procurement exercise in 2022.
14. The Audit & Risk Assurance 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.
15. The internal audit strategy and audit programme for 2022/23 was agreed in October 2022. 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 six audits and full reports were presented to this Committee in January 2022 and June 2023. TIAA's Annual report was presented to the Committee meeting in June 2023.

16. In their annual opinion for the year 2022/23, 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".
17. The 2022/23 audit opinions are summarised below:

Internal audit assignment	Internal audit opinion
Core financial controls	Substantial Assurance
Information governance	Substantial Assurance
HR workforce	Reasonable assurance
Performance reporting	Reasonable assurance
Hybrid working	Reasonable assurance
Core financial controls – new finance system	Reasonable assurance

18. The Audit & Risk Assurance 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. In 2022, the Strategic Management Team (SMT) requested a full review of the corporate risk register, which included the addition of 'umbrella risks' and 'areas of responsibility', to enable risk to be more easily reviewed and managed. ARAC reviewed this new approach in June 2023 and approved for it to be taken forward.
20. 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. ARAC have reviewed the strategic risk register during the year, focusing on ensuring that key risks facing the organisation are being effectively managed.
21. The ARAC receives an annual report on any instance of fraud occurring and can confirm that there were no proven instances of fraud or corruption in 2022/23.
22. ARAC can confirm that there have been no incidents of probity and conduct issues to be investigated and reported in 2022/23.

Audit & Risk Assurance Committee Governance review

23. Following a recommendation from the Corporate Peer Challenge (CPC), a review of the governance and Toor's was completed in March 2023. The following actions/changes were proposed and agreed by the LGA Board:

23.1. The Audit Committee is now known as the Audit and Risk Assurance Committee (ARAC).

23.2. The committee will meet three times per year, October, February and June.

23.3. The Head of Strategic Finance is designated the lead officer for the committee.

23.4. All committee appointments should have relevant experience of audit committees or relevant financial experience.

23.5. The Terms of Reference (TOR) include 'deep dives' into specific risks and their mitigations strategies.

23.6. The Chair of ARAC, is invited to LGA Board as necessary to present committee updates.

Note of last General Assembly meeting

Title:	General Assembly
Date:	Tuesday 28 June 2022
Venue:	Harrogate Conference Centre, Harrogate

Item	Decisions and actions
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1 Welcome

Mark Lloyd, LGA Chief Executive, welcomed representatives to the first in-person General Assembly in three years. He 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 to Nick Forbes, outgoing Leader of the LGA Labour Group and LGA Senior Vice-Chair who stepped down from his roles in local government in May. Mark applauded Nick's outstanding contribution to local government and wished him every success in future endeavours.

2 Election of LGA President

The Chief Executive invited the General Assembly to elect a President for 2022/23, 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 Shaun Davies (Telford and Wrekin Council).

Decision

It was moved, seconded and **agreed** by the General Assembly that Baroness Grey-Thompson be elected President of the Association for 2022/23.

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

3 Election of LGA Chairman

Baroness Grey-Thompson invited nominations from the General Assembly for Chairman of the LGA for 2022/23.

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 2022/23, nominated Cllr James Jamieson (Central Bedfordshire Council) to be the Chairman for 2022/23.

Cllr Jamieson was proposed by Cllr Izzi Seccombe OBE (Warwickshire County Council) and seconded by Cllr Shaun Davies (Telford and Wrekin 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 2022/23.

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

4 Address by the Chairman of the LGA

Cllr Jamieson thanked the General Assembly, and all Members who served on LGA governance structures. He highlighted the LGA's cross-party work which made a great difference to communities across the country. He highlighted the changes that had taken place since the last in-person Conference in 2019, in particular that James Brokenshire MP and Baroness Greengross had been in attendance then, and the Chairman asked for a moment of silence to remember James, Baroness Greengross and all those that served their local communities that were no longer with us.

The Chairman also thanked Nick Forbes for his leadership at the LGA, highlighting his role in raising the profile of local government, and wished him well in the future.

5 Election of LGA Vice-Chairs

The Chairman invited the General Assembly to elect four Vice-Chairs for 2022/23 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 2022/23 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 2022/23:

Conservative: Cllr Izzi Seccombe OBE (Warwickshire County Council)

Labour: Cllr Shaun Davies (Telford and Wrekin Council)

Liberal Democrat: Cllr Joe Harris (Cotswold District Council)

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

6 Election of LGA Deputy Chairs

The Chairman invited the General Assembly to elect nine Deputy Chairs for 2022/23 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 2022/23 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 2022/23:

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 Anntoinette 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)

7 LGA Vice-Presidents 2022/23

The General Assembly were invited to note the appointments of Vice-Presidents for 2022/23, 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 Baroness Greengross had sadly passed away.

Decision

The General Assembly **noted** the appointment of the following Members of Parliament and Peers as Vice-Presidents for 2022/23:

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
 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 Kerslake (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 Bennett of Manor Castle (Green Party)
 Baroness Young of Hornsey (Crossbench)
 Baroness Brown of Cambridge (Crossbench)

8 A Year in the LGA: LGA Group Financial Statements for the Year to 31 March 2022

The General Assembly were invited to receive the LGA Group financial statements for the year to 31 March 2022.

Mark Lloyd, Chief Executive, presented the report which set out the LGA's consolidated financial statements for the year ended 31 March 2022. They had been reviewed by the Audit Committee and approved by the LGA Board. 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 2022

9 2022 Annual Report of the Audit Committee

The General Assembly received an overview of areas reviewed and work undertaken by the Audit Committee in 2021/22.

Decision

The General Assembly **noted** the Audit Committee Annual Report for 2021/22.

10 Minutes of the General Assembly held on 6 July 2021

The Chairman closed the meeting and noted that the next meeting of the General Assembly would be held on Tuesday 4 July 2023.