

LOCAL GOVERNMENT ASSOCIATION

LOCAL GOVERNMENT ASSOCIATION
(a UK Registered unlimited company)
Company Registration No. 11177145

Report and Consolidated Financial Statements
for the year ended 31 March 2024

LOCAL GOVERNMENT ASSOCIATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME Year ended 31 March 2024

	Note	2024 £000	2023 £000
Income: Group and share of joint ventures' income		76,525	73,989
Less share of joint ventures' income		(12,580)	(11,783)
Group Income	2	<u>63,945</u>	<u>62,206</u>
Administrative expenses		(64,774)	(67,335)
GROUP OPERATING DEFICIT BEFORE INTEREST AND TAX	4	(829)	(5,129)
Interest receivable and similar income		819	642
Interest payable		(614)	(612)
Share of operating surplus of joint ventures	9	4,340	4,198
Dividend and profits share from Joint Ventures		3,763	4,347
Finance discounts allowed	5	(747)	(604)
Share of joint ventures distribution to members		(3,250)	(3,000)
Unrealised gain on revaluation in respect of investment property	8	(8,741)	(5,411)
GROUP OPERATING DEFICIT BEFORE TAX		(5,259)	(5,569)
Corporation Tax		-	-
GROUP OPERATING DEFICIT FOR THE FINANCIAL YEAR		(5,259)	(5,569)
Other Comprehensive Income:			
Actuarial gain recognised in respect of the pension fund		17,059	108,519
GROUP TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>11,800</u>	<u>102,950</u>

All amounts relate to continuing operations.

The accounting policies and notes in pages 30 to 49 form part of these financial statements.

LOCAL GOVERNMENT ASSOCIATION

ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2024

	Note	2024 £000	2023 £000
Income	2	30,247	28,335
Administrative expenses		(28,376)	(25,642)
OPERATING SURPLUS BEFORE INTEREST	4	1,871	2,693
Interest receivable and similar income		602	312
Interest payable		(1,090)	(1,083)
Finance discounts allowed	5	(747)	(604)
Dividend and profits share from Joint Ventures	9	513	1,347
Unrealised loss on revaluation in respect of investment property	8	(8,741)	(5,411)
OPERATING (DEFICIT) FOR THE FINANCIAL YEAR		(7,592)	(2,746)
Other Comprehensive Income:			
Actuarial gain recognised in respect of the pension fund		7,719	48,338
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		127	45,592

All amounts relate to continuing operations.

The accounting policies and notes in pages 30 to 49 form part of these financial statements.

LOCAL GOVERNMENT ASSOCIATION

Company Number: 11177145

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024	Note	2024 £000	2023 £000
FIXED ASSETS			
Tangible assets	7	15,908	16,478
Investment Properties	8	69,059	77,800
Intellectual Copyright Assets		1	1
Investments - MBA	9	4	4
Investments in Joint Ventures:			
Share of gross assets of joint ventures	9	9,523	9,536
Share of gross liabilities of joint ventures	9	(1,468)	(1,991)
		<u>93,027</u>	<u>101,828</u>
LONG TERM DEBTORS	10	-	400
CURRENT ASSETS			
Debtors	11	16,483	15,176
Short term Investments	12	7,124	6,897
Cash at bank and in hand		5,187	4,260
		<u>28,794</u>	<u>26,333</u>
CREDITORS: amounts falling due within one year	13	(16,721)	(13,253)
NET CURRENT ASSETS		<u>12,073</u>	<u>13,080</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>105,100</u>	<u>115,308</u>
CREDITORS: amounts falling due after more than one year	13	(25,200)	(26,789)
PROVISIONS FOR LIABILITIES			
Provisions	14	(750)	(750)
Pension Fund surplus / (deficit)	15	54,394	34,555
NET ASSETS		<u>133,544</u>	<u>122,324</u>
ACCUMULATED FUNDS			
General Reserve		19,060	19,060
Revaluation Reserve		46,907	55,648
Risk & Contingency Reserve		13,183	13,061
Pension Deficits Reserve			
- Pension Fund Assets		384,401	363,728
- less Defined Liabilities		(330,007)	(329,173)
		<u>133,544</u>	<u>122,324</u>

These financial statements were approved by the LGA Board on 7 June 2024 and signed on their behalf by

Shaun Davies, LGA Chair and Chair of the LGA Board

The accounting policies and notes in pages 30 to 49 form part of these financial statements.

LOCAL GOVERNMENT ASSOCIATION

Company Number: 11177145

ASSOCIATION STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Note	2024 £000	2023 £000
FIXED ASSETS			
Tangible Assets	7	15,908	16,478
Investment Properties	8	69,059	77,800
Investments	9	804	804
		<u>85,771</u>	<u>95,082</u>
LONG TERM DEBTORS	10	-	400
CURRENT ASSETS			
Debtors	11	9,030	9,091
Short term Investments	12	9,512	7,707
Cash at bank and in hand		32	30
		<u>18,574</u>	<u>16,828</u>
CREDITORS: amounts falling due within one year	13	(15,296)	(12,531)
NET CURRENT ASSETS		<u>3,278</u>	<u>4,297</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>89,049</u>	<u>99,779</u>
CREDITORS: amounts falling due after more than one year	13	(41,200)	(42,789)
PROVISIONS FOR LIABILITIES			
Provisions	14	(500)	(500)
Pension Fund surplus / (deficit)	15	29,076	19,808
		<u>76,425</u>	<u>76,298</u>
NET ASSETS			
ACCUMULATED FUNDS			
General Reserve		441	841
Risk & Contingency Reserve		-	-
Revaluation Reserve		46,908	55,649
Pension Deficits Reserve			
- Pension Fund Assets		177,763	168,144
- less Defined Liabilities		(148,687)	(148,336)
		<u>76,425</u>	<u>76,298</u>

These financial statements were approved by the LGA Board on 7 June 2024 and signed on their behalf by

Shaun Davies, LGA Chair and Chair of the LGA Board

The accounting policies and notes in pages 30 to 49 form part of these financial statements.

LOCAL GOVERNMENT ASSOCIATION

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2024

	Risk & Contingency Reserve	Investment Property Reserve	Pensions Deficit Reserve	Retained Earnings	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2022	8,192	61,406	(67,634)	19,060	21,024
Changes in equity for 2022/23					
Deficit for the year	-	-	-	(5,569)	(5,569)
Pensions Adjustments in Statement of Comprehensive income	-	-	(6,330)	6,330	-
Actuarial gains on defined benefit plans	-	-	108,519	-	108,519
Unrealised gain on revaluation in respect of investment property	-	(5,411)	-	5,411	-
Total comprehensive income for the year	-	(5,411)	102,189	6,172	102,950
Movement on Joint Venture Reserves	-	-	-	(1,650)	(1,650)
Transfer to Risk and Contingency reserve	4,869	(347)	-	(4,522)	-
Balance as at 31 March 2023	13,061	55,648	34,555	19,060	122,324
Balance at 1 April 2023	13,061	55,648	34,555	19,060	122,324
Changes in equity for 2023/24					
Deficit for the year	-	-	-	(5,258)	(5,258)
Pensions Adjustments in Statement of Comprehensive income	-	-	2,780	(2,780)	-
Actuarial gains (losses) on defined benefit plans	-	-	17,059	-	17,059
Unrealised (loss)/gain on revaluation in respect of investment property	-	(8,741)	-	8,741	-
Total comprehensive income for the year	-	(8,741)	19,839	703	11,801
Movement on Joint Venture Reserves	-	-	-	(581)	(581)
Transfer to Risk and Contingency reserve	122	-	-	(122)	-
Balance as at 31 March 2024	13,183	46,907	54,394	19,060	133,544

The accounting policies and notes in pages 30 to 49 form part of these financial statements.

LOCAL GOVERNMENT ASSOCIATION

ASSOCIATION STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2024

	Risk & Contingency Reserve	Investment Property Reserve	Pensions Deficit Reserve	Retained Earnings	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2022	-	61,060	(25,718)	(4,636)	30,706
Changes in equity for 2022/23					
Operating Surplus for the year	-	-	-	2,665	2,665
Pension adjustment included in Operating Surplus / Deficit for the year	-	-	(2,812)	2,812	-
Actuarial gains 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	-	(5,411)	45,526	5,477	45,592
Transfer to Risk and Contingency reserve	-	-	-	-	-
Balance as at 31 March 2023	-	55,649	19,808	841	76,298
Balance at 1 April 2023	-	55,649	19,808	841	76,298
Changes in equity for 2023/24					
Operating Surplus for the year	-	-	-	1,149	1,149
Pension adjustment included in Operating Surplus/Deficit for the year	-	-	1,549	(1,549)	-
Actuarial gains/(losses) on defined benefit plans	-	-	7,719	-	7,719
Unrealised gain on revaluation in respect of investment property	-	(8,741)	-	-	(8,741)
Total comprehensive income for the year	-	(8,741)	9,268	(400)	127
Transfer to Risk and Contingency reserve	-	-	-	-	-
Balance as at 31 March 2024	-	46,908	29,076	441	76,425

The accounting policies and notes in pages 30 to 49 form part of these financial statements.

LOCAL GOVERNMENT ASSOCIATION

CONSOLIDATED STATEMENT OF CASH FLOWS For the year ended 31 March 2024

	Note	2024 £000	2023 £000
Net cash (outflow)/inflow from operating activities			
Group operating deficit before tax		(5,259)	(5,569)
Adjustments for:			
Pension adjustments		(2,780)	6,330
Investment and dividend Income		(4,582)	(4,989)
Revaluation gains on Investment Properties		8,741	5,411
Joint Venture Non-Cash Adjustments		(1,091)	(1,199)
Finance discounts for former members of AMA		747	604
Interest expense		614	612
Depreciation		570	666
Increase in debtors		(1,307)	(3,538)
Increase in creditors		3,468	612
(Decrease)/Increase in provisions		-	-
Decrease in creditors due after one year		(1,589)	(2,728)
Cash flow (used in) / generated from operations		<u>(2,467)</u>	<u>(3,788)</u>
Interest paid		(614)	(612)
Net cash (used in) / generated from operating activities		<u>(3,081)</u>	<u>(4,400)</u>
Cash flow from investing activities			
Interest received		819	642
Loan to UKMBA		-	(50)
Impairment of investment in the UKMBA		400	-
Investment in redevelopment of Property, Plant and Equipment		-	-
Investment in redevelopment of Investment Properties		-	(381)
Distribution from Joint Venture		3,763	4,347
		<u>4,982</u>	<u>4,558</u>
Cash flow from financing activities			
Finance discounts for former members of AMA		(747)	(604)
		<u>(747)</u>	<u>(604)</u>
Cash flow from Taxation activities			
Corporation Tax paid		-	-
		<u>-</u>	<u>-</u>
Net (Decrease)/ Increase in cash		1,154	(446)
Cash and cash equivalents at the start of the year		<u>11,157</u>	<u>11,603</u>
Cash and cash equivalents at the end of the year	16	<u><u>12,311</u></u>	<u><u>11,157</u></u>

The accounting policies and notes in pages 30 to 49 form part of these financial statements.

LOCAL GOVERNMENT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

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 £133.5 million as at 31 March 2024 (net assets £122.2 million 2023). 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 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 2025. 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 2024

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 2024. 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 2023/24 66% (2022/23 - 66%) of 18 Smith Square cost and depreciation will be accounted for as Tangible Fixed Assets to reflect the area of the building utilised by the group.

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

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

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

Investment Property

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

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

In the Group Accounts for the Financial Year 2023/24 34% (2022/23 - 34%) of 18 Smith Square valuation on the above basis will be accounted for as Investment Property Assets to reflect the area of the building available for occupation by 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 2024

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 2024

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	2024	2023
	£000	£000
Group		
Subscriptions	11,103	10,696
Conferences and seminars	502	2,840
Government Grants	25,431	31,831
Shared Services – external to group	2,492	2,436
Other income	24,417	14,403
	<hr/>	<hr/>
	63,945	62,206
Joint Ventures	12,580	11,783
	<hr/>	<hr/>
	76,525	73,989
	<hr/>	<hr/>
ASSOCIATION	2024	2023
	£000	£000
Subscriptions	11,102	10,690
Conferences and seminars	440	1,200
Shared Services	9,725	7,623
Other income	8,980	8,822
	<hr/>	<hr/>
	30,247	28,335
	<hr/>	<hr/>

LOCAL GOVERNMENT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

3. EMPLOYEES AND DIRECTORS

Employees

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

	CONSOLIDATED		ASSOCIATION	
	2024	2023	2024	2023
Average number of persons employed	469	438	205	199
Staff costs	£000	£000	£000	£000
Wages and salaries	31,596	28,092	14,951	12,483
Social security costs	2,100	3,161	156	1,371
Pension costs – employer payments	3,865	3,317	1,627	1,302
Pension costs – employer deficit payments	-	34	-	-
Pension costs – current service costs less contributions	(338)	2,444	121	66
<u>Less</u> income from secondments	(574)	(626)	(302)	(329)
	36,649	36,422	16,553	14,893
Staff related costs				
Agency, freelance and secondment costs	1,845	1,796	717	851
Redundancy costs & provision	66	54	50	3
Travel, subsistence and staff expenses	2,261	1,623	1,344	905
Recruitment costs	267	73	99	65
Training costs	181	142	121	66
Other personnel costs	292	245	131	83
	4,912	3,933	2,462	1,973
Total staff costs	41,561	40,355	19,015	16,866

LOCAL GOVERNMENT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

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 2024 figures include 3 staff (2023: 3 staff) seconded to other organisations, of which 1 was employed by the Association.

CONSOLIDATED	2024	2024	2023	2023
	Remuneration including redundancy	Remuneration excluding redundancy	Remuneration including redundancy	Remuneration excluding redundancy
£50,000 - £54,999	46	46	42	42
£55,000 - £59,999	49	49	40	40
£60,000 - £64,999	17	17	6	6
£65,000 - £69,999	12	12	20	20
£70,000 - £74,999	14	14	12	12
£75,000 - £79,999	16	16	31	31
£80,000 - £84,999	36	36	39	39
£85,000 - £89,999	35	35	6	6
£90,000 - £94,999	5	5	8	8
£95,000 - £99,999	12	12	7	7
£100,000 - £104,999	1	1	3	3
£105,000 - £109,999	1	1	4	4
£110,000 - £114,999	8	8	9	9
£115,000 - £119,999	7	8	1	1
£120,000 - £124,999	-	-	2	2
£125,000 - £129,999	-	-	1	1
£130,000 - £134,999	3	3	2	2
£135,000 - £139,999	2	2	-	-
£150,000 - £154,999	1	1	-	-
£175,000 - £179,999	-	-	1	1
£215,000 - £219,999	-	-	1	1
£525,000 - £529,999	1	-	-	-
ASSOCIATION	2024	2024	2023	2023
	Remuneration including redundancy	Remuneration excluding redundancy	Remuneration including redundancy	Remuneration excluding redundancy
£50,000 - £54,999	18	18	18	18
£55,000 - £59,999	24	24	19	19
£60,000 - £64,999	2	2	2	2
£65,000 - £69,999	6	6	5	5
£70,000 - £74,999	5	5	6	6
£75,000 - £79,999	5	5	8	8
£80,000 - £84,999	10	10	19	19
£85,000 - £89,999	20	20	2	2
£90,000 - £94,999	1	1	-	-
£95,000 - £99,999	3	3	3	3
£100,000 - £104,999	-	-	1	1
£105,000 - £109,999	1	1	4	4
£110,000 - £114,999	3	3	4	4
£115,000 - £119,999	3	4	-	-
£130,000 - £134,999	2	2	-	-
£175,000 - £179,999	-	-	1	1
£215,000 - £219,999	-	-	1	1
£525,000 - £529,999	1	-	-	-

LOCAL GOVERNMENT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

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 2024 £000	Year ended 31 March 2023 £000	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Total emoluments	2,077	2,063	2,015	1,946
Emolument of the chairman and highest paid director	70	95	70	95

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 2024 £000	Year ended 31 March 2023 £000	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Salaries and other short-term benefits	3,315	2,972	2,961	2,597
Post-employment benefits	93	96	56	59
Total key management compensation	3,408	3,068	3,017	2,656

4. OPERATING DEFICIT

	CONSOLIDATED		ASSOCIATION	
	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Operating deficit is after charging:				
Depreciation and amortisation	570	666	570	666
Loss on disposal of fixed assets	-	-	-	-
Auditor's remuneration				
- audit fee	52	43	32	19
- non audit services	3	3	-	-

LOCAL GOVERNMENT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

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 2023/24 66% (2022/23 66%) of 18 Smith Square cost and depreciation have been accounted for as Tangible Fixed Assets in the Group figures to reflect the area of the building utilised by the group.

LOCAL GOVERNMENT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

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 2023	22,144	384	754	23,282
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2024	22,144	384	754	23,282
Depreciation				
At 1 April 2023	6,119	384	301	6,804
Charge for year	520	-	50	570
Disposal in year	-	-	-	-
At 31 March 2024	6,639	384	351	7,374
Net book value				
At 31 March 2024	15,505	-	403	15,908
At 31 March 2023	16,025	-	452	16,478
ASSOCIATION				
Cost				
At 1 April 2023	22,144	384	754	23,282
Additions	-	-	-	-
At 31 March 2024	22,144	384	754	23,282
Depreciation				
At 1 April 2023	6,119	384	301	6,804
Charge for year	520	-	50	570
At 31 March 2024	6,639	384	351	7,374
Net book value				
At 31 March 2024	15,505	-	403	15,908
At 31 March 2023	16,025	-	452	16,478

LOCAL GOVERNMENT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

8. INVESTMENT PROPERTIES

CONSOLIDATED	2024	2023
	£000	£000
Brought forward valuation	77,800	82,830
Capital Expenditure	-	381
Unrealised loss on revaluation	(8,741)	(5,411)
Carried forward valuation	69,059	77,800

ASSOCIATION	2024	2023
	£000	£000
Brought forward valuation	77,800	82,830
Capital Expenditure	-	381
Unrealised loss on revaluation	(8,741)	(5,411)
Carried forward valuation	69,059	77,800

As a result of the requirements of FRS102, in the Group Accounts for the Financial Year 2023/24 34% (2022/23 34%) of 18 Smith Square House valuation have been accounted for as Investment Property Assets to reflect the area of the building available for occupation by 3rd parties.

The freehold land and buildings Layden House and 18 Smith Square, were valued at open market value on a commercial rental use basis. The valuations were performed as at 31 March 2024 by an independent professional valuer, Cushman & Wakefield Chartered Surveyors.

9. INVESTMENTS IN JOINT VENTURES - GROUP

LOCAL PARTNERSHIPS LLP

Balance Sheet	31 March	31 March
	2024	2023
	£000	£000
Fixed Assets	85	122
Current Assets	13,821	13,926
Gross Assets	13,906	14,048
Share of gross assets	6,955	7,025
Liabilities due within one year or less	(1,902)	(1,972)
Other	-	-
Loans and other Debts due to members	-	-
Share of gross liabilities	(951)	(986)
Share of net assets	6,004	6,039

LOCAL GOVERNMENT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

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 2024 £000	Year ended 31 March 2023 £000
Revenue	11,152	11,421
Operating costs	(10,838)	(10,312)
Interest Receivable	204	71
Operating profit	<u>518</u>	<u>1,180</u>
Share of operating profit	<u>259</u>	<u>590</u>

The Association formed a joint venture, Local Partnerships LLP, with Partnerships UK plc in July 2009. The joint venture took over part of the business of Public Private Partnerships Programme Ltd, then a related company of the Association. In November 2009 Partnerships UK transferred part of its own business to Local Partnerships LLP. The Association's investment in Local Partnerships LLP originally consisted of Equity of £500,000 and £500,000 of 6% Convertible Loan Stock, repayable at par on 31 March 2029. An identical investment was made by Partnerships UK plc.

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

On 1 August 2010, Partnerships UK plc transferred the whole of its interest in Local Partnerships LLP to HM Treasury. In December 2010 the Association and HM Treasury approved additional investment of £375,000 each in the form of 6% Convertible Loan Stock.

In the Financial Year 2023/24 Local Partnerships LLP paid dividends to both parties of £295,000 in respect of the prior year's results (During 2022/23 £1,347,000 received in respect of 2021/22 results).

GEOPLACE LLP

Balance Sheet	31 March 2024 £000	31 March 2023 £000
Fixed Assets	-	-
Intangible Assets	56	40
Current Assets	9,257	9,441
Share of gross assets	<u>2,327</u>	<u>2,369</u>
Liabilities due within one year or less	(1,103)	(3,451)
Share of gross liabilities	<u>(276)</u>	<u>(863)</u>
Share of net assets	<u>2,051</u>	<u>1,506</u>

LOCAL GOVERNMENT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

9. INVESTMENTS IN JOINT VENTURES – GROUP (continued)

The operating results for Geoplace LLP are shown below:

Profit and Loss Summary	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Revenue	25,065	22,623
Operating costs	(8,738)	(8,186)
Interest Receivable and Payable	-	-
Operating profit	<u>16,327</u>	<u>14,437</u>
Share of operating profit	<u>4,082</u>	<u>3,608</u>

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

Geoplace LLP commenced trading on 1 April 2011 and has traded profitably in the years to 31 March 2024.

Investment in Land Data Community Interest Company

The IDeA investment in Land Data Community Interest Company is a 16.67% shareholding reflecting a £1 ordinary shareholding.

LGA DIGITAL SERVICES

Balance Sheet	31 March 2024 £000	31 March 2023 £000
Fixed Assets	-	-
Intangible Assets	90	89
Current Assets	392	195
Share of gross assets	<u>241</u>	<u>142</u>
Liabilities due within one year or less	<u>(482)</u>	<u>(284)</u>
Share of gross liabilities	<u>(241)</u>	<u>(142)</u>
Share of net assets	<u>-</u>	<u>-</u>

LOCAL GOVERNMENT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

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 2024 £000	Year ended 31 March 2023 £000
Revenue	1,476	831
Operating costs	(1,476)	(831)
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 2024 £000	Year ended 31 March 2023 £000
Opening balance	4	4
Invested in year	-	-
Impairment in year	-	-
Closing Value	4	4

	Equity £000	Debt £000	Total £000
Investment in Local Partnerships LLP			
Year ended 31 March 2023			
Opening balance	800	-	800
Repaid in year	-	-	-
Closing value	800	-	800
Year ended 31 March 2024			
Opening balance	800	-	800
Repaid in year	-	-	-
Closing value	800	-	800

LOCAL GOVERNMENT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

9. INVESTMENTS – ASSOCIATION (Continued)

Investment in LGA Digital Services Limited

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

Investment in Improvement and Development Agency for Local Government

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

10. LONG TERM DEBTORS

In 2023/24 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% p.a.. At the year end, £400,000 had been drawn down by the UKMBA in five tranches. At the year end, the loan was fully provided for via an impairment provision to reflect the material uncertainty in the UKMBA's financial standing.

11. DEBTORS

	CONSOLIDATED		ASSOCIATION	
	2024 £000	2023 £000	2024 £000	2023 £000
Trade debtors	5,581	6,016	1,138	2,187
Due from related entities	-	-	1,258	1,247
Other debtors	12	7	59	90
Prepayments and accrued income	10,890	8,983	6,575	5,567
	16,483	15,006	9,030	9,091

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 2024

13. CREDITORS

	CONSOLIDATED		ASSOCIATION	
	2024 £000	2023 £000	2024 £000	2023 £000
Amounts falling due within one year				
Accounts payable and accruals	3,999	2,808	1,911	2,158
Income received in advance	7,869	6,335	467	245
Other creditors	4,853	4,110	9,802	7,520
Owed to related entities	-	-	3,116	2,608
	16,721	13,253	15,296	12,531
Amounts falling due beyond one year				
1 to 2 Years	-	566	1,000	1,566
2 to 5 years	3,000	3,000	3,000	3,000
More than 5 years	22,200	23,223	37,200	38,223
	25,200	26,789	41,200	42,789

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 determined that funds from this distribution should be applied to provide support of £217,945 p.a. for ten years to the District Councils Network, a special interest group of the Association; secondly to provide a new additional discount from 1 April 2013 at a rate of 1.5% on the subscriptions of non-metropolitan unitary authorities. In 2019, the rate of repayment to the District Councils Network was adjusted to spread the payments over a longer period of time. The final instalments of the support due for the District Councils Network was paid during 2023/24.

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

	2024 £000	2023 £000
Bank loans	-	520
Loan from ACC (Properties) Limited	2,000	2,000
Loan from AMA (Properties) Limited	6,200	6,200
Barclays Swap Liability	-	23
Loan from Westminster City Council	17,000	18,000
	25,200	26,743

The Bank loan and Swap agreement liability were fully repaid during 2023/24.

The loans from ACC (Properties) Ltd and AMA (Properties) Ltd are only repayable in the event of the sale of 18 Smith Square. There is no intention to dispose of the property in the foreseeable future. The loan from ACC (Properties) Ltd bears compound interest at 1.5% above the base rate with payment conditional upon the disposal of the property. The accumulated interest to date on the loan is £3.836 million.

LOCAL GOVERNMENT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

13. CREDITORS (continued)

Under an agreement dated 22 January 1998 made between Association of Metropolitan Authorities (Properties) Ltd, Local Government Association (Properties) Ltd and the Association, the AMA property. The Company contributed the net sale proceeds of its former property in Great Smith Street to the purchase of 18 Smith Square by Local Government Association (Properties) Ltd. In recognition of this, authorities in membership of the Local Government Association that were formerly members of the Association of Metropolitan Authorities receive a discount on their membership subscriptions (See Note 5).

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

On 1 January 2018, an unsecured loan of £11 million was issued from the IDeA bearing interest of 2.94% 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 annum. Both loans are repayable on 31 December 2038.

14. PROVISIONS

	CONSOLIDATED		ASSOCIATION	
	2024	2023	2024	2023
	£000	£000	£000	£000
Balance at 1 April	750	750	500	500
Arising during year	-	-	-	-
Utilised during year	-	-	-	-
Balance at 31 March	750	750	500	500

The provision for the year to 31 March 2024 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 2024 as £1.328 million (2023 £1.424 million). The unfunded liabilities are being paid annually over the remaining lives of the pensioners concerned.

The most recent formal actuarial reviews in relation to the funds were at 31 March 2024. 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.

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 7.1% (2022/23 (2.52)%).

LOCAL GOVERNMENT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

15. PENSION COMMITMENTS (continued)

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

	31 March 2024	31 March 2023
Equities	51.0%	48.4%
Government Bonds	5.4%	10.3%
Other Bonds	1.6%	2.8%
Property	12.0%	10.8%
Cash	1.0%	1.9%
Other	29.0%	25.8%

a) Actuarial assumptions

Full actuarial valuations were carried out at 31 March 2022 and updated to 31 March 2024 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 2024 % per annum	31 March 2023 % per annum
Pension increase rate	2.8%	2.8%
Salary increase rate	4.2%	4.2%
Discount rate	4.9%	4.8% to 4.9%
Inflation assumption	2.7%	2.7%

Mortality Rates*	31 March 2024 Years	31 March 2023 Years
Current Pensioners – Male	22.2	22.6
Current Pensioners – Female	25.2	25.5
Future Pensioners – Male	20.9	21.2
Future Pensioners – Female	23.4	23.7

*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 2024

15. PENSION COMMITMENTS (continued)

b) Scheme assets

Balance sheet	31 March 2024 £000	31 March 2023 £000
Fair value of employer assets	384,401	363,728
Present value of funded liabilities	(321,336)	(319,887)
Net over/(under)funding in funded plans	63,065	43,841
Present value of unfunded liabilities	(8,671)	(9,286)
Net asset/(liability)	54,394	34,555
Recognition in the Statement of Comprehensive Income	Year to 31 March 2024 £000	Year to 31 March 2023 £000
Current service cost	(1,314)	4,484
Interest cost	(1,778)	1,835
Expected return on employer assets	-	-
Past service cost/(gain)	306	-
Losses on curtailments and settlements	-	-
Total	(2,786)	6,319
Actual return on plan assets	9,919	(24,496)
Reconciliation of defined benefit obligation	2024 £000	2023 £000
Opening defined benefit obligation	329,173	450,601
Current service cost	3,605	8,532
Interest cost	15,527	12,484
Contribution by members	2,277	2,089
Actuarial (gains)/losses	(7,140)	(133,015)
Past service costs	306	-
Losses on curtailments	-	-
Estimated unfunded benefits paid	-	-
Estimated benefits paid	(13,741)	(11,518)
Closing defined benefit obligation	330,007	329,173

LOCAL GOVERNMENT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

15. PENSION COMMITMENTS (continued)

Reconciliation of fair value of employer assets	2024 £000	2023 £000
Opening fair value of employer assets	363,728	382,967
Expected return on assets	17,305	10,649
Contributions by members	2,277	2,089
Contributions by the employer	5,047	4,158
Contributions in respect of unfunded benefits	-	-
Administrative Expenses	(134)	(121)
Actuarial (losses)/gains	9,919	(24,496)
Unfunded Benefits paid	-	-
Benefits paid	(13,741)	(11,518)
Closing fair value of employer assets	384,401	363,728

Amounts for the current and previous accounting periods

	2024 £000	2023 £000	2022 £000	2021 £000	2020 £000
Fair value of employer assets	384,401	363,728	382,967	359,155	290,384
Present value of defined benefit obligation	(330,007)	(329,173)	(450,601)	(461,098)	(383,499)
Surplus/(Deficit)	54,394	34,555	(67,634)	(101,943)	(93,115)
Experience gains/(losses) on assets	9,919	(24,496)	21,928	68,610	(23,076)
Experience gains/(losses) on liabilities	7,140	133,015	18,062	(74,150)	68,126

The total of employer pension contributions estimated to be payable in 2024/25 is £4.745 million (£2.078 million of which relates to the Association).

16. CASHFLOW: RECONCILIATION OF CASH AND CASH EQUIVALENTS

Reconciliation of cash and cash equivalents	2024 £000	2023 £000
Short Term Investments	7,124	6,897
Cash at bank and in hand	5,187	4,260
Cash and cash equivalents	12,311	11,157

LOCAL GOVERNMENT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

17. CONTINGENT LIABILITIES

LGA Properties has a loan from ACC (Properties) Ltd that bears compound interest at 1.5% above the base rate, with payment conditional on the disposal of the property. The accumulated interest to date on the loan is £3.466 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% owner (£1 ordinary share) of LGA Digital Services Ltd.

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

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

Improvement and Development Agency for Local Government is a member (£1 ordinary share) of Land Data Community Interest Company, a company limited by shares. There are six members.

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

19. EXCEPTIONAL ITEM

During 2023/24 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.