

# Annual Financial Report

London Borough of Camden

2023/24







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# Foreword



# Narrative Report



**Jon Rowney**  
Executive Director Corporate Services  
and Chief Financial Officer

I am pleased to present the Council's 2023/24 Annual Financial Report. This foreword provides a guide to the most significant matters reported in the Council's accounts. Camden's financial statements for 2023/24 have been prepared in accordance with the standard format for local authority accounts as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) for the Statement of Accounts in 2023/24 as prescribed by the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, which, in turn, is based on International Financial Reporting Standards.

To aid interpretation of the Council's accounts, the foreword provides;

- Introduction to Camden and We Make Camden, which sets out the Council's key priorities
- Overview of the financial context the Council operates in and summary of the Council's Medium-Term Financial Strategy
- Commentary and review of the Council's key achievements during 2023/24
- Summary of financial performance for various elements of the council's financial structure – General Fund, Capital, Housing Revenue Account, Collection Fund and Pension Fund
- Trend in staffing numbers over recent years
- Explanation of the key financial statements

## Introduction to Camden

### We Make Camden

In Camden our politics, our people, and our resources are what make us different. In March 2022, we published We Make Camden – our refreshed vision for the future of Camden. It sets out what we want to collectively achieve and lead together and was developed following conversations with residents, partners and community leaders. We Make Camden is our shared vision for the future of the borough. This sets out a desire where;

“We want to make Camden a better borough - By working together, some amazing things have been achieved by people across Camden and we want to build on this approach to make Camden a better, fairer place. Everyone has the power to make a difference and even a small action can make a big difference.

For We Make Camden to succeed, it must be a call to action that inspires a new way of working and encourages courageous leadership and a culture of challenging the status quo. It must build on the success of previous work to help us find solutions to some of our biggest challenges. For example, when our housing tenants rejected the government's suggestion to transfer our housing stock to an arm's-length management organisation, we listened and stood up for our tenants, continuing to manage it ourselves. This was evidence of Camden's community solidarity, activism and radicalism.

In Camden, child poverty is high with two in five children living in poverty after housing costs, and the gap in healthy life expectancy between the poorest and richest parts of the borough is wide – poorer citizens are expected to die almost 13.5 years earlier for men and 9 years early for women than those who are better off. We also face challenges with access to jobs, the availability of

affordable high quality homes, keeping citizens safe and the impact of the climate emergency.

But Camden has one of the most dynamic economies in the UK and is home to global businesses and academic and public institutions that can help us tackle these challenges. So a key action for us will be to bring the collective creativity of these organisations together to make sure all citizens can access and take advantage of the wealth and opportunity they bring to the borough.

We are a council with a strong track record of managing finances and consistently delivering our core services well. This has helped us achieve many positive outcomes like consistently sustaining a low rate of looked-after children and effectively managing risk in the community. But despite this, we face a significant financial challenge as a result of more than a decade of funding reductions from central government, combined with increasing pressure on our services and the long-term impact created by Brexit and the Covid-19 crisis and the cost-of-living crisis.

This means achieving our vision is beyond our reach as a single organisation – we need to continue to work with partner organisations, citizens, members and our workforce, with the drive and pace needed to make positive change happen.

We know that it is vital to have a true understanding of Camden and this goes hand-in-hand with understanding the people who live, work and study in the borough. The mutual trust and relationships we have with our citizens and communities are Camden's most valuable resource.

To achieve this Camden has adopted a Missions approach to service delivery. Camden Missions are the long-term goals for the future of our borough that were developed in collaboration with people across Camden. Camden has identified ten big issues

facing the borough, which include four Camden Missions and six Camden Challenges.

The Missions evolved from the work of Camden's Renewal Commission. While the Renewal Commission came to an end in 2021, we embraced its recommendations to progress these Missions so they remain at the heart of our work as we look to the future. They are long-term goals which help to break down and tackle big, complex issues across Camden.

The Camden Renewal Commission has been set up by Camden Council and UCL's Institute for Innovation and Public Purpose (IIPP) to develop practical solutions to help achieve a fair, sustainable economy and address the inequalities we have in Camden.

Through conversations and collaborative work across the borough, we've created four core missions, covering food poverty and sustainability, diversity in positions of power, health and sustainability of estates, and opportunities for young people.

The Four Missions that the Council has adopted are;

**Diversity Mission:** By 2030, those holding positions of power in Camden are as diverse as our community – and the next generation is ready to follow.

**Young People:** By 2025, every young person has access to economic opportunity that enables them to be safe and secure.

**Food Mission:** By 2030, everyone eats well every day with nutritious, affordable, sustainable food.

**Estates and Neighbourhoods:** By 2030, Camden's estates and their neighbourhoods are healthy, sustainable and unlock creativity.

The Council has achieved some significant achievements over the past year. Our amazing tenant engagement programme which aims to open up new conversations with people living on estates is continuing. We've knocked on over 5,000 doors so far, and plan to knock on a further 17,000 this year.

Our £2m cost of living crisis fund continues to support residents and families with essential everyday costs such as energy, food or rent. This year we have implemented a self-referral system, income maximisation advice and a tell us once approach for longer term, sustainable outcomes. Briefings are underway for all frontline workers to share information about support and how to access it.

Led by Feast with Us, the Camden Food Partnership includes more than 50 voluntary and community sector partners, who collectively respond to the issue of food poverty, supporting approximately 5,000 residents suffering from food insecurity and food poverty. These organisations are central to our We Make Camden food mission of ensuring that by 2030, everyone eats well every day with nutritious, affordable, sustainable food. VCS partners from the Camden Food Partnership and Camden Advice Network are increasingly collaborating to support residents to access advice and support through community food projects.

Tackling the climate emergency remains front and centre of our ambitions and we're clear that everyone who has a stake in our borough has a role to play.

The restoration and improvement of the much-loved Town Hall was completed on 14 April 2023 with the first full Council Meeting on 26 April 2023. Following the works, the building provides a modern standard space while also securing a 59% reduction in CO2 emissions. Since reopening the Town Hall many events have been held successfully, from weddings to community meetings. Our Claudia Jones room offers a large community room on the ground

floor for residents, voluntary and community groups to hire throughout the year.

More information is available at: [We Make Camden](#).

## Financial context

Like the rest of local government and the wider public sector, the Council is currently facing an unprecedented crisis following the lasting impact of the global coronavirus pandemic that has affected the lives of so many people.

The Covid pandemic, Brexit, the war in Ukraine and other national and international factors have all contributed to the highest inflation rates for over 30 years. Camden along with other local authorities is in the frontline of the supporting households and businesses through what is now widely acknowledged as a cost of living emergency.

Prior to the outbreak, the Council was already addressing the challenge of cumulative annual real term cuts to Government funding, which alongside other spending pressures such as rises in the cost of living and an ageing population, have left the council with substantial budget pressures.

Since 2010, austerity has significantly reduced our funding levels while we have seen significant growth in demand for our services, particularly in health and social care. As a result, we will have had to make savings of c £200m between 2010 and 2022/23. The cumulative impact of those savings should not be underestimated. In January 2023, Cabinet agreed a Medium-Term Financial strategy (MTFS) that sought to provide the financial framework for the three years from 2023/24 to 2025/26. The programme, developed through an outcome based budgeted approach, was developed to

address a projected deficit of c£40m by 2025/26. The significant inflationary and demographic pressures facing the Council our MTFS was developed in line with the principles and values set out in We Make Camden and The Way We Work. Opportunities and business cases have been identified and developed across three broad categories:

- Outcome Focused Change – building on our ambitions set out in We Make Camden to focus our resources and investment in areas that are important to our communities and create the most impact on the challenges that face us.
- Creating a Council for the Future – ensuring our services are as resilient and sustainable as possible, and our organisational structures are aligned with our priorities and values.
- Best Value and Best Services – making savings in ways that seek to create the most efficient and effective services for our communities

The Medium Term Finance Strategy is a key element of the Council's work to remain financially resilient and to ensure resources are in place to deliver the outcomes of We Make Camden.



## Summary of Financial Performance

### General Fund

The General Fund is the main revenue fund from which the Cost of Services is met. It is separate from the Housing Revenue Account, Pension Fund and Collection Fund.

The Council's actual spend compared with its updated budget for 2023/24 is set out below:

	Net Budget	Outturn	Variance to Budget
	£m	£m	£m
<i>Directorates</i>			
Children & Learning	78.9	83.6	4.7
Supporting Communities	88.5	100.0	11.5
Corporate Services	30.3	31.7	1.4
Adults and Health	152.5	149.3	(3.2)
<i>Cross-Cutting Budgets:</i>			
Government Grants	(81.5)	(82.9)	(1.4)
Pensions	13.0	15.2	2.2
Financing and Interest	(19.1)	(35.5)	(16.4)
Housing benefit	(0.1)	(0.5)	(0.4)
Other Items and Adjustments	44.7	46.1	1.4
<b>Total</b>	<b>307.2</b>	<b>307.0</b>	<b>(0.2)</b>

The Council had a net revenue budget of £307.2m in 2023/24 and delivered a final outturn underspend after agreed transfer from reserves of £0.2m. The small underspend is indicating that the Council continues to be efficient in using its resources.

Gross expenditure was funded from a variety of sources, including

- Government grants – £711m. This includes grants for specific functions, such as Dedicated Support Grant, as well as non-specific grant income.
- Rents, fees and other income - £500m
- Council tax - £133m
- Retained business rates - £105m

### Capital

The Council has a large capital programme with planned expenditure running through to 2029/30. The programme consists of a number of major initiatives to enhance or replace assets alongside large programmes to deal with backlog maintenance. The funding for the programme comes from a variety of sources, but remains heavily dependent on capital receipts from the sale of fixed assets. Actual capital spend in the year was £230m. The main areas of investment were as follows:

- Property Management spent £142.3m making improvements to the council's existing buildings, a large proportion of the spend relates to the Better Homes programme, fire safety works and making improvements to existing schools.
- Development spent £64.4m on the Community Investment Programme and Estate Regeneration projects, which are helping to provide improved housing and school facilities for residents of Camden.
- Environment & Sustainability division spent £19.2m helping to improve transportation links across the borough with numerous traffic flow improvement schemes, and major investments for sustainability improvements relating to our energy use, and our public spaces.

The total capital spend of £230m in 2023/24 was financed from a number of sources including:

- £25.9m from capital receipts
- £20.4m from Section 106, Community Infrastructure Levy and other contributions
- £68.7m from capital grants
- £4.6m from General Fund prudential borrowing
- £9m from revenue contributions (General Fund)
- £40.4m from HRA reserves; and
- £61.3m from HRA prudential borrowing

## Key achievements from our capital investment

### Community Investment Programme

The Community Investment Programme (CIP) is now one of the largest and most successful municipal housebuilding programmes in London and across the country. Through CIP we are investing to ensure that Camden is a place for everyone. We've built the first council homes in a generation in Camden – and for the first time since the introduction of the right to buy, we have increased the number of social homes in the Borough. The CIP has built housing of all types and tenures, alongside new and improved schools, and community spaces where our vibrant communities can thrive.

In September 2022, the Council's Cabinet agreed to extend the programme's scale and ambition with a new target of 4,850 homes, including over 1,800 social rented homes being set. By the end of 2023 the Community Investment Programme had directly built 1,520 new council homes helping to house people in new, bigger, safer, warmer homes. This means that of the 4,850 new homes that we set out to deliver as part CIP, we have now built almost a third of our goal – marking an important milestone in our journey to

reducing housing waiting lists, tackling the housing crisis, and meeting the needs of our community.

In 2023 we have entered into contract and started on site on 376 new homes, including 194 genuinely affordable homes for Camden residents and 89 new temporary homes for families in need.

In July 2023 the Council completed the Maitland Park Estate Project with 51 new council homes delivered in this 119-home redevelopment. The new homes have replaced a poorly built 1960s block and drawn on underutilised land, improving the quality of homes, whilst also increasing the number of social homes by 15 on this estate. The project has provided a new community hall that will give two local TRAs (Maitland Park and West Kentish Town Estate) free access to meeting space for up to eight hours per week. New gym equipment, a table tennis table, and other environmental improvements have been delivered as part of the re-development. The homes will be served by a renewable energy source, air source heat pumps. This source of energy will reduce CO2 emissions by approximately 44% when compared to a similar size development.

Over the lifetime of the Community Investment Programme We invested £165m into Camden's schools which includes new primary school buildings for Kingsgate, Netley and Edith Neville and the refurbishment of Parliament Hill and William Ellis.

Whilst CIP investment in building schools is now largely complete, we are still bringing forward a significant amount of community facilities and other non-residential buildings that will benefit Camden by enabling communities to come together in safe, attractive and warm spaces as well as increasing and enhancing employment opportunities and skills throughout the borough.

October 2023 saw the completion of the Euson Skills Centre through the regeneration of the former Maria Fidelis School site on

Starcross Street. It is a purpose-designed space including workshops and classrooms, providing a new home for the delivery of courses for young people to develop their skills, provide training and offer employment opportunities as well as supporting apprentices.

In addition 2023/24 has seen the continuation of the Council's Temporary Accommodation Purchase Programme with the Council buying back ex-Right to Buy properties to use as Temporary Accommodation, reducing the cost of expensive nightly purchased temporary accommodation and providing good quality accommodation in the borough for homeless families. During 2023/24 the Council purchased 16 additional properties to use as temporary accommodation.

### **Housing Revenue Account**

The Housing Revenue Account (HRA) is a ring-fenced landlord account for the running of the Council's housing stock. The Council is the main provider of social rented accommodation in Camden with 22,954 units at 31 March 2024. In 2023/24 average council rents (excluding service charges) were £125.91 per week.

In 2023/24, the HRA had a net deficit of £1.62m, which when taken to the existing HRA reserve alongside other planned movements in earmarked HRA reserves, resulted in £30m being carried forward as at 31 March 2024.

The cost pressures that the Council experienced in 2023/24 are likely to remain over the medium term as inflation remains high. The expected inflationary impacts on budgets were factored into the Council's Medium Term Financial Strategy and help to inform the level of savings needed in both the General Fund and the Housing Revenue Account in order to close the expected medium term budget gap.

### **Collection Fund**

The Collection Fund accounts for all transactions on council tax and business rates and the redistribution of some of that money to the Greater London Authority (GLA) and central government.

Local taxation through council tax and business rates are two of the most important sources of General Fund funding besides grants from the government. The impact of the Covid pandemic had a significant impact on the collection of local taxes with many residents and businesses struggling to meet their tax liabilities due to the economic consequences of the pandemic.

In 2023/24, we collected £175.1m from council tax, with a collection rate of 94.08% by the end of the financial year. In 2023/24, Camden's element of band D council tax was £1,466.02.

The amount of business rates Camden collects is one of the highest in the country. The amount collected in relation to 2023/24 was £559.9m, with a collection rate of 96.65%. The total amount collectable, less certain reliefs and deductions, is distributed between the Government, Greater London Authority and the Council. Between 2018/19 and 2020/21 Camden participated in a London-wide pilot scheme to pool and retain any growth over and above the business rates baseline across the capital. Given the current level of uncertainty regarding both the valuation of businesses and the tax base for business rates the Leaders Committee of London Councils took the decision to request a pause in the participation in the pilot scheme in 2021/22.

The Collection Fund closing position was £64.65m deficit – made up of £70.22m business rate deficit (to be distributed between Government, GLA and Camden), a £0.87m surplus for Business Rates Supplement and £4.7m council tax surplus.



## Pension Fund

The Pension Fund Account reports the contributions received, payments to pensioners and the value of net assets invested in the Local Government Pension Scheme on behalf of Council employees. All employees become contributors on appointment with Camden or a scheduled or admitted body. The Fund's income is derived from employees, contributions from employing authorities and income from investments.

In 2023/24 total contributions paid in were £79.9m, of which

- employers contributed £64.7m and
- employees contributed £15.2m.

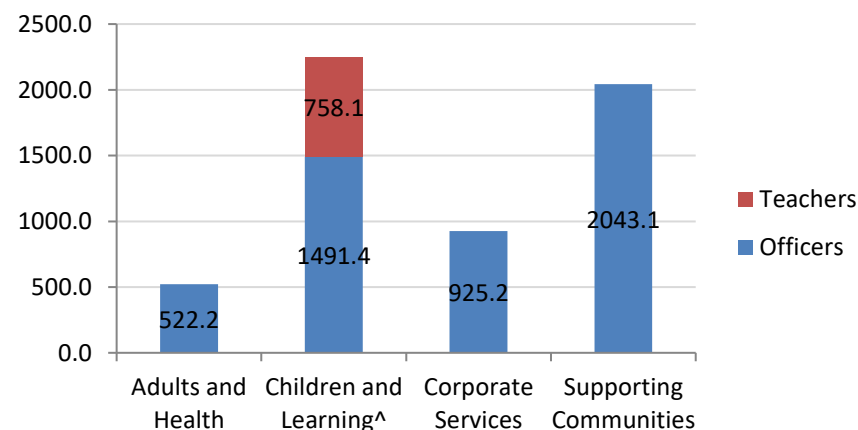
Total Benefits paid out were £70.1m, this comprised of

- £60.1m monthly pension payments,
- £8.6m of lump sum retirement grants and
- £1.4m in death grants

The value of investment assets increased by 9% in the 2023/24 financial year to £2.1bn, as set out in the accounts. The Fund is assessed to be 113% funded as at the date of the last triennial actuarial valuation on 31 March 2022. Camden is one of the largest of the London Borough funds in terms of assets, and with over 23,000 members, 19 admitted bodies and 6 scheduled bodies.

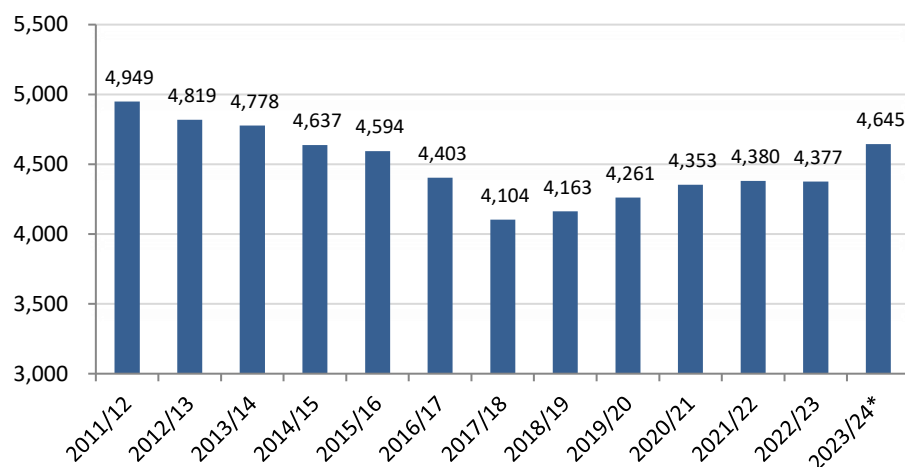
## Staffing trends over recent years

The graph below shows Camden's staff numbers in 2023/24 for each directorate, expressed in terms of the number of full-time equivalents in post in each category of employment at 31 March 2024. The figures include staff providing services to housing tenants and include community schools but exclude voluntary aided schools.



The graph below shows how Camden staff numbers (excluding teachers and voluntary aided schools' teachers and staff) have changed over recent years. Total staffing has decreased by 304 (6.1%) over the period 2011/12 to 2023/24 but has increased by 541 (11%) from the low point of 2017/18.

The increase in staff in 2023/24 compared with the previous year is largely driven by Public Health staff being brought 'in-house' after the ending of the joint public health working teams between Camden and Islington Councils.



## Outlook

The current economic situation, including the cost of living emergency and the impact of inflation on both the Council and on local residents and business is a major risk to the Council's ability to control its costs and collect income from local taxes and fees & charges. Against this the Council has a strong track record of living within our means and of delivering savings through successive Medium Term Financial Strategies.

Part of the Council's response to the more challenging medium term outlook that the Council is facing is to look to increase the general reserve balances held.

In support of the Council's financial resilience Members agreed to increase the Council's general reserve balance by £1m a year over the medium term.

## Explanation of the key financial statements

The Statement of Accounts presents the Council's income and expenditure for the year, and its financial position at 31 March 2024. It shows the primary statements as well as notes to the statements. The format and content of the financial statements is prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, which in turn is underpinned by International Financial Reporting Standards.

**Comprehensive Income and Expenditure Statement** - This statement, as set out on page 20, shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

**Movement in Reserves Statement** - This Statement, as set out on page 22, shows the movement in the year on the different reserves held by Camden, analysed into 'usable reserves' (i.e. those that can be applied to fund planned and unplanned expenditure) and other reserves. The 'Surplus or (deficit) on the provision of services' line shows the true economic cost of providing Camden's services, more details of which are shown in the Comprehensive Income and Expenditure Summary (CIES). These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes. The 'Net increase/decrease before transfers to Earmarked Reserves' line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by Camden.

The holding of reserves is a key element of the Council's Financial Strategy and supports the Council's financial resilience.

In 2023/24 there are proposals for a net contribution to earmarked reserves of £37m. £34m of this is to support the known collection fund deficits payments for subsequent years, whereby support funding has been received. Other end of year contributions are driven by a combination of service specific requests, to manage other funding received with statutory conditions, and to mitigate future corporate risks.

In accordance with CIPFA guidance, we have a number of both general balances and earmarked reserves. General balances are held as a wider financial contingency against unexpected financial shocks while the latter are held for several specific purposes. This includes, but is not limited to, the support to the delivery of our key strategic outcomes within Our Camden Plan, to contribute to our Capital Programme, to mitigate future known financial risks (such as insurance liability or a decline in business rates) and to provide investment and pump prime initiatives that will deliver future financial benefit and longer-term savings as we head into the next round of our three-year savings plan. In managing our reserves over the medium term, we have recognised that they are a one-off resource and not a sustainable solution to the financial challenges that we face over the medium term.

As shown on page 23 of the accounts at the end of the financial year our General Fund general balance stands at £16.9m or roughly 4.8% of our net budgeted expenditure and earmarked general fund reserves totalled £196m or 56% of net expenditure.

This is at the lower end of the acceptable range, but this historic approach has been based on the Council's confidence in our ability to deliver MTFs savings and strong track record of living within our means. The impact of the Cost-of-Living crisis and high inflation

along with significant increases in demand for the Council's services, and uncertainty around government funding, means both of those things are now in doubt over the medium term and we will be operating with a substantial reduction in our financial flexibility. This position will need to be closely monitored moving forwards to ensure that reserve levels remain at an appropriate level to provide a strong level of resilience and flexibility to respond to any emerging financial shocks.

In support of the Council's financial resilience Members agreed to increase the Council's general reserve balance by £1m a year over the medium term. This means that the general reserve balance is forecast to increase to £19.9m by 2027 which is estimated to be 5.5% of net service expenditure. The need to increase general reserve balances to support the Council's financial resilience has been driven by a number of compounding issues:

- As a sector, local government has seen significant cuts to its funding over the past fourteen years. This leads to additional pressure and if the Council doesn't build up resilience this could impact its ability to serve its residents and communities.
- The financial outlook also remains uncertain due to central government agreeing a one-year settlement for 2024/25 and the outcome of local government funding reforms still being unknown.
- The long-term impact of Covid-19, Brexit and the war in Ukraine means the Council remain to experience an unprecedented level of uncertainty over the medium term.

**Balance Sheet** - The Balance Sheet, as set out on page 25, shows the value as at the Balance Sheet date of Camden's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable



reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

**Cash Flow Statement** - The Cash Flow Statement as set out on page 27 shows the changes in cash and cash equivalents of

Camden during the reporting period. The statement shows how Camden generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of Camden are funded by way of taxation and grant income or from the recipients of services provided by Camden. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to Camden's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

**Independent auditor's report to the Members of London Borough of Camden**  
Report on the financial statements

Opinion on the financial statements of London Borough of Camden

# Statement of responsibilities for the Statement of Accounts

## The Council's responsibilities

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers (the Chief Financial Officer) has the responsibility for the administration of those affairs. In this council, that officer is the Executive Director Corporate Services and Chief Financial Officer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts.

## The Chief Financial Officer's responsibilities

The Chief Financial Officer is responsible for the preparation of the Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Council Accounting in the United Kingdom ('the Code') and of its pension fund statement

of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

In preparing this Statement of Accounts, the Chief Financial Officer has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code;
- Kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities; and
- Maintained such internal control as they determine is necessary to enable the preparation of financial statements that

are free from material misstatement, whether due to fraud or error.

I confirm that the Statement of Accounts gives a true and fair view of the financial position of the Authority at 31 March 2024 and of its income and expenditure for the year then ended.

*Jon Rowney*

Jon Rowney, CPFA  
Executive Director Corporate Services and  
Chief Financial Officer



# Committee Approval of Statement of Accounts

At its meeting on dd mm yy, the Audit and Corporate Governance Committee of the London Borough of Camden approved the Annual Financial Report and authorised the Chair to sign the Statement of Accounts accordingly.

Chair, Audit and Corporate Governance  
Committee



The  
Shaw  
Theatre

# 2 Primary Financial Statements

# Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement (CIES) summarises the income the Council has generated during the year, such as from grants, fees and charges and taxation; the expenditure that the Council has incurred in providing services, and other gains and losses arising from changes in the value of assets and liabilities.

The Cost of Services is split according to the Council's hierarchical departmental structure and service area, with other operating income and expenditure not attributable to departments reported below.

Due to an organisational restructure in 2023/24 the prior year comparator figures have been restated from 2022/23 Statement of Accounts to reflect the new departmental structure.

## Comprehensive Income and Expenditure Statement

2022/23 Restated				2023/24		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
191,896	(62,163)	129,733	Adults and Health	210,189	(64,062)	146,127
148,821	(82,180)	66,641	Children & Learning	204,070	(116,838)	87,232
301,079	(291,536)	9,543	Corporate Services	300,813	(314,280)	(13,467)
1,388	(752)	636	Chief Executive	1,835	(343)	1,492
241,721	(68,939)	172,782	Supporting Communities	295,108	(162,587)	132,521
251,247	(221,868)	29,379	Housing Revenue Account	252,780	(263,383)	(10,603)
172,253	(178,307)	(6,054)	Dedicated Schools Grant	184,084	(187,172)	(3,088)
<b>1,308,405</b>	<b>(905,745)</b>	<b>402,660</b>	<b>Cost Of Services</b>	<b>1,448,879</b>	<b>(1,108,153)</b>	<b>340,214</b>
		(34,811)	Other Operating Expenditure (Note 9)			(8,078)
		26,170	Financing and Investment Income and Expenditure (Note 10)			(47,469)
		(330,046)	Taxation and Non-Specific Grant Income (Note 11)			(421,813)
		<b>63,973</b>	<b>(Surplus) or Deficit on Provision of Services</b>			<b>(137,146)</b>
		(58,752)	(Surplus) or deficit on revaluation of Property, Plant and Equipment			(174,232)
		(627,366)	Remeasurements of the net defined benefit liability/asset			(132,196)
		<b>(686,118)</b>	<b>Other Comprehensive (Income) and Expenditure</b>			<b>(306,428)</b>
		<b>(622,143)</b>	<b>Total Comprehensive (Income) and Expenditure</b>			<b>(443,574)</b>



# Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the authority, analysed into 'usable reserves', (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves.

The surplus or deficit on the provision of services line shows the true economic cost of providing the Council's services, more details of which are shown in the comprehensive income and expenditure statement.

These are different from the statutory amounts required to be charged to the general fund balance and the housing revenue account for council tax setting and dwellings rent setting purposes.

## Movement in Reserves Statement

2023/24	General Fund Balance	Housing Revenue Account	Earmarked Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31 March 2023 brought forward</b>	<b>(15,858)</b>	<b>(12,009)</b>	<b>(187,849)</b>	<b>(94,802)</b>	<b>(3,190)</b>	<b>(14,883)</b>	<b>(328,591)</b>	<b>(4,103,677)</b>	<b>(4,432,268)</b>
(Surplus)/Deficit on provision of services	(37,285)	(99,861)	0	0	0	0	(137,146)	0	(137,146)
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	(306,428)	(306,428)
<b>Total Comprehensive Income and Expenditure</b>	<b>(37,285)</b>	<b>(99,861)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(137,146)</b>	<b>(306,428)</b>	<b>(443,574)</b>
Adjustments between accounting basis & funding under regulations ( <i>Note 7</i> )	(7,983)	105,677	0	2,782	(5,025)	(5,354)	90,097	(90,097)	0
<b>Net (increase)/decrease before Transfers to Earmarked Reserves</b>	<b>(45,268)</b>	<b>5,816</b>	<b>0</b>	<b>2,782</b>	<b>(5,025)</b>	<b>(5,354)</b>	<b>(47,049)</b>	<b>(396,525)</b>	<b>(443,574)</b>
Transfer to or from Earmarked reserves	44,271	(7,196)	(37,075)	0	0	0	0	0	0
<b>(Increase)/Decrease in Year</b>	<b>(997)</b>	<b>(1,380)</b>	<b>(37,075)</b>	<b>2,782</b>	<b>(5,025)</b>	<b>(5,354)</b>	<b>(47,049)</b>	<b>(396,525)</b>	<b>(443,574)</b>
<b>Balance at 31 March 2024 carried forward</b>	<b>(16,855)</b>	<b>(13,389)</b>	<b>(224,924)</b>	<b>(92,020)</b>	<b>(8,215)</b>	<b>(20,237)</b>	<b>(375,641)</b>	<b>(4,500,202)</b>	<b>(4,875,843)</b>

## Movement in Reserves Statement

2022/23	General Fund Balance £'000	Housing Revenue Account £'000	Earmarked Reserves £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Authority Reserves £'000
<b>Balance at 31 March 2022 brought forward</b>	<b>(14,858)</b>	<b>(3,003)</b>	<b>(251,031)</b>	<b>(68,347)</b>	<b>(3,391)</b>	<b>(13,596)</b>	<b>(354,226)</b>	<b>(3,455,898)</b>	<b>(3,810,124)</b>
(Surplus)/Deficit on provision of services	98,341	(34,366)		0	0	0	63,974	0	63,974
Other Comprehensive Income and Expenditure	0	0		0	0	0	0	(686,118)	(686,118)
<b>Total Comprehensive Income and Expenditure</b>	<b>98,341</b>	<b>(34,366)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>63,974</b>	<b>(686,118)</b>	<b>(622,143)</b>
Adjustments between accounting basis & funding under regulations ( <i>Note 7</i> )	(22,624)	11,825		(26,456)	201	(1,286)	(38,339)	38,339	0
<b>Net (increase)/decrease before Transfers to Earmarked Reserves</b>	<b>75,717</b>	<b>(22,541)</b>	<b>0</b>	<b>(26,456)</b>	<b>201</b>	<b>(1,286)</b>	<b>25,635</b>	<b>(647,778)</b>	<b>(622,143)</b>
Transfer to or from Earmarked reserves	(76,717)	13,535	63,182	0	0	0	0	0	0
<b>(Increase)/Decrease in Year</b>	<b>(1,000)</b>	<b>(9,006)</b>	<b>63,182</b>	<b>(26,456)</b>	<b>201</b>	<b>(1,286)</b>	<b>25,635</b>	<b>(647,778)</b>	<b>(622,143)</b>
<b>Balance at 31 March 2023 carried forward</b>	<b>(15,858)</b>	<b>(12,009)</b>	<b>(187,849)</b>	<b>(94,802)</b>	<b>(3,190)</b>	<b>(14,883)</b>	<b>(328,591)</b>	<b>(4,103,677)</b>	<b>(4,432,268)</b>

# Balance Sheet

The Balance Sheet shows the value, as at the Balance Sheet date, of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority. Reserves are reported in two categories.

The first category of reserves are usable reserves, i.e. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts reserve that may only be used to fund capital expenditure or repay debt).

The second category of reserves are those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets were sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'



## Balance Sheet

31-Mar-23		Note	31-Mar-24
£'000			£'000
4,589,592	Property, Plant & Equipment	12	4,828,602
841	Heritage Assets	13	882
136,439	Investment Property	14	210,921
909	Intangible Assets	15	520
3,932	Long Term Investments	16	3,932
27,632	Long Term Debtors	16	13,063
<b>4,759,345</b>	<b>Long Term Assets</b>		<b>5,057,920</b>
335,004	Short Term Investments	16	243,964
18,300	Assets held for sale	19	4,149
440	Inventories		410
112,225	Short Term Debtors	17	143,040
94,683	Cash and Cash Equivalents	18	65,446
<b>560,652</b>	<b>Current Assets</b>		<b>457,009</b>
(10,892)	Short Term Borrowing	16	(23,110)
(341,672)	Short Term Creditors	20	(240,237)
(49,340)	Short Term Grants Received in Advance - Capital	34	(59,593)
(24,745)	Short Term Provisions	21	(14,736)
<b>(426,649)</b>	<b>Current Liabilities</b>		<b>(337,676)</b>
(11,699)	Long Term Provisions	21	(14,699)
(314,965)	Long Term Borrowing	16	(294,203)
(43,209)	Other Long Term Liabilities	16	(42,615)
(75,271)	Long Term Grants Receipts in Advance - Capital	34	(84,818)
(15,936)	Net Pensions Liability	41	134,925
<b>(461,080)</b>	<b>Long Term Liabilities</b>		<b>(301,410)</b>
<b>4,432,268</b>	<b>Net Assets</b>		<b>4,875,843</b>
(328,591)	<b>Usable Reserves</b>	8	(375,641)
(4,103,677)	<b>Unusable Reserves</b>	22	(4,500,202)
<b>(4,432,268)</b>	<b>Total Reserves</b>		<b>(4,875,843)</b>

# Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery.

Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the authority.

<b>2022/23</b>		<b>2023/24</b>
<b>£'000</b>		<b>£'000</b>
(63,974)	Net surplus or (deficit) on the provision of services	137,147
427,505	Adjustment to surplus or deficit on the provision of services for non-cash movements (note 24)	(25,731)
(158,664)	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(157,282)
<b>204,867</b>	<b>Net Cash flows from operating activities</b>	<b>(45,867)</b>
(295,637)	Net Cash flows from Investing Activities (note 25)	25,435
(8,419)	Net Cash flows from Financing Activities (note 26)	(8,805)
<b>(99,187)</b>	<b>Net increase or decrease in cash and cash equivalents</b>	<b>(29,237)</b>
193,870	Cash and cash equivalents at the beginning of the reporting period	94,683
<b>94,683</b>	<b>Cash and cash equivalents at the end of the reporting period (note 18)</b>	<b>65,446</b>



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# Note 1 Accounting Policies

## 1. CONCEPTS AND PRINCIPLES

### 1.1. General Principles

The Statement of Accounts summarises the Council's transactions for the 2023/24 financial year and its position at the year ending 31 March 2024. The Statement of Accounts has been prepared in accordance with the Accounts and Audit Regulations 2015. These regulations require the accounts to be prepared in accordance with 'proper accounting practice'. These practices are set out in the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, based on International Financial Reporting Standards and statutory guidance.

The accounting convention adopted in the Statement of Accounts is principally historical costs, modified by the revaluation of certain categories of non-current assets and financial instruments.

### 1.2. Recognition of Income and Expenditure

In line with the Code the accruals basis of accounting is used, meaning activity is

accounted for in the year that it takes place rather than when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Goods and services are recorded as expenditure when they are consumed rather than purchased.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

### 1.3. Government Grants and Contributions

Government grants and contributions, including those from non-government organisations, shall be recognised when there is reasonable assurance that the Council will comply with the conditions attached to them, and that the grants or contributions will be received.

If there are outstanding conditions the grants and contributions must be shown as liabilities on the balance sheet until the conditions are met. Once all conditions have been met, grants and contributions must be credited to the Comprehensive Income and Expenditure Statement and cannot be deferred.

### 1.4. Debtors and Creditors

Both debtors and creditors are recognised and measured at amortised cost.

The Authority recognises an allowance for expected credit losses on debtors and the amount of expected credit losses are updated at each reporting date to reflect changes in credit risk since initial recognition of the respective debtor.

### 1.5. Charges to Revenue for Non-Current Assets

Services are debited with the following charges to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service;
- Revaluation and impairment losses on assets used by the service where

there are no accumulated gains in the Revaluation Reserve against which the losses can be written off; and

- Amortisation of intangible fixed assets attributable to the service.

The Council is not required to use Council Tax to fund depreciation, revaluation and impairment losses or amortisation of non-current assets. However, it is required to make an annual contribution from revenue towards provision for the reduction in its overall borrowing requirement calculated on a prudent basis as determined by the Council in accordance with statutory guidance.

### 1.6. Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. There is no net charge against Council Tax for the expenditure.

The category of unusable reserves includes those reserves which are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement, and employee

benefits and do not represent usable resources for the Council. These reserves are explained in the relevant notes.

### 1.7. Council Tax and National Non-Domestic Rates (NDR)

Billing authorities act as agents, collecting Council Tax and Non-Domestic Rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting Council Tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund for the collection and distribution of amounts due in respect of Council tax and NDR (i.e. the Collection Fund) and calculate a separate surplus and deficit on each. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of Council Tax or NDR could be less or more than predicted.

#### *Accounting for Council Tax and NDR*

The Council Tax and NDR income included in the Comprehensive Income and Expenditure Statement (CIES) is the Council's share of accrued income for the year. However, regulations determine the amount of Council Tax and NDR that must be included in the Council's General Fund. Therefore, the difference between the

income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the Council's share of the end of year balances in respect of Council Tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due (fixed or determinable) under the statutory arrangements will not be made, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

### 1.8. Fair Value Measurement

Where applicable, the Council measures its assets and liabilities and provides disclosures in accordance with IFRS 13 Fair Value Measurement. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an

orderly transaction between market participants at the measurement date.

The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset, or
- In the absence of a principal market, in the most advantageous market for the asset.

The Council measures the fair value of an asset using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which

fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for the asset or liability.

#### 1.9. Events After the Balance Sheet Date

These are events that occur between the end of the reporting period and the date when the Financial Statements are authorised for issue. Two types of event can be identified:

- **Adjusting events** – those which provide evidence of conditions that existed at the end of the reporting period. Where material, the financial statements and notes will be adjusted to include the impact within the figures in the accounts.
- **Non-adjusting events** – those that are indicative of conditions that arose at the end of the reporting period. The accounts are not amended but if the

event is material a disclosure is made in the notes to the accounts.

#### 1.10. Cash and Cash Equivalents

Cash comprises cash in hand and demand deposits and cash equivalents which are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### 1.11. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

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

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

period as if the new policy had always been applied.

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

## **2. Non-Current Assets**

### **2.1. Property, Plant & Equipment**

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment (PPE).

All expenditure on the acquisition, creation or enhancement of PPE above the Council's de-minimis of £10,000 is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

PPE are initially measured and subsequently valued on the basis required by CIPFA and in accordance with the Statement of Asset Valuation Principles and Guidance Notes issued by the Royal Institute of Chartered Surveyors (RICS). PPE are classified in the groupings required by the Code of Practice.

#### *Measurement after Recognition*

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction – depreciated historical cost
- Dwellings – current value, determined using the basis of existing use value for social housing (existing use value for social housing – EUV-SH)
- All other assets except surplus assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)
- Surplus assets – fair value, in accordance with IFRS 13.

Infrastructure assets include carriageways, footways, cycleways, structures such as bridges, street lighting, street furniture, traffic management systems, electric

vehicle charging points and land which form as single integrated network of assets. They are measured at a modified form of historical cost basis. Opening balances for infrastructure assets are measured on a depreciated historical cost basis. The accounting rules that applied before 1 April 1994 mean that the carrying amount only reliably includes expenditure of acquisition and enhancement incurred after this date. Expenditure incurred before this date is only included to the extent that it had not been financed before the end of the 1993/94 financial year.

Under commercial accounting practice, depreciated historical cost would represent the amount of capital expenditure on infrastructure assets that has yet to be financed. For the Council, this is managed instead through the consolidated arrangements for reducing the Capital Financing Requirement through Minimum Revenue Provision.

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value. Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.



Revaluations of PPE are planned on a five-year cycle with a proportion of the asset base being revalued each year. Material changes to asset valuations resulting from works or similar investment outside of the agreed revaluation of assets cycle will be adjusted in the period as they occur.

### *Impairment*

Impairment reviews on groups of assets are undertaken each year. Impairment is recognised where the asset's carrying value is greater than its net recoverable value in use or through sale, and the loss is specific to the asset, or group of assets. Losses not specific to the assets or group of assets, such as a general fall in the market prices will be treated as revaluation losses.

Impairment losses are recognised against historical cost and revalued net book value. Losses for revalued assets will be recognised against the revaluation reserve to the limit of the credit balance for that asset in the revaluation reserve, and thereafter in surplus or deficit on the provision of services in the CIES. Losses for assets which have not been revalued will be recognised in the surplus or deficit on provision of services in the CIES.

The impairment review includes an annual assessment of whether there is an indication that the recoverable value of any impaired assets has increased, reversing part or all of the impairment.

## **2.2. Depreciation and Amortisation**

Depreciation is provided for on all PPE equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain community assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Buildings – straight-line allocation over the useful life of the property as estimated by a qualified valuer.
- HRA dwellings are depreciated based on advice of our external valuation firm.
- Vehicles, plant, and equipment – allocation over 10-20 years unless otherwise advised by a responsible qualified officer.
- Information technology assets – allocation over 5 years unless otherwise advised by an appropriate

person with knowledge of information technology.

- Infrastructure – straight-line allocation over 15 - 50 years, according to asset type.

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

Componentisation will not be applied retrospectively. Where Property, Plant or Equipment has been revalued or there has been significant enhancing expenditure it will be considered for componentisation where:

- The total cost of the component is significant both in terms of gross value and as a percentage of the overall value of the asset
- The pattern of depreciation or overall depreciable life of the component is significantly different to the useful economic life of the main asset.

The Council does not charge depreciation in the year of acquisition of an asset but does charge a full year's depreciation in the year of disposal (i.e. depreciation on opening balances).

Where assets are revalued the accumulated depreciation at the beginning

of the year is written down to the revaluations reserve.

Amortisation is the measurement of the cost or revalued amount of the economic benefits of the intangible non-current assets that have been consumed during the financial year.

Consumption includes the wearing out, using up or other reduction in the useful economic life of a non-current asset, whether arising from use, passing of time or obsolescence through either changes in technology or demand for the goods and services produced by the asset.

Infrastructure assets comprise a single network comprised of many components. The Council has determined that infrastructure components are replaced on average, at the end of their useful lives when they are fully depreciated. Therefore, no amounts are deducted from the carrying value of infrastructure for replacement of parts of the network.

Where infrastructure components are derecognised otherwise, the carrying amounts are not charged against Council Tax.

### **2.3. Lease and Lease Type Transactions**

The Council has acquired some assets by means of a lease. The Council assesses whether or not the leases need to be disclosed on the balance sheet in line with IAS17. Where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the PPE from the lessor to the lessee, it is classified as a finance lease. All other leases (not reported on the Balance Sheet) are classified as operating leases.

### **2.4. The Council as Lessee**

#### *Finance Leases*

Finance leases are initially recognised on the Balance Sheet with assets and liabilities at their fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). Where a contract does not detail an interest rate for a specific asset, or provide sufficient information for its calculation, the interest rate implicit in the lease in the first instance is estimated based on interest rates for other assets within the lease. If there is no interest rate detailed in the lease then a suitable interest rate is applied.

PPE held under finance leases are depreciated over the lease term if this is shorter than the asset's estimated useful life.

Repayments of finance leases and interest payments are calculated using the actuarial method (allocating interest to the related period) and assumes that a single payment is made at the end of the contract year. Where a contract starts part way through a single financial year, payments will be apportioned to that financial year based on the number of days of the contract year within the reported financial year.

#### *Operating Leases*

Rentals paid under operating leases are charged to revenue as an expense in the year in which they are paid, and no provision is made for outstanding lease commitments.

### **2.5. The Council as Lessor**

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the

Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet. Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the property - applied to write down the lease debtor (together with any premia received), and
- Finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to

the Deferred Capital Receipts Reserve in the Movement in Reserves Statement.

When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

## **2.6. Service Concession Arrangements**

Service concession arrangements (formerly classed as Private Finance Initiative (PFI) and similar contracts) are contractual arrangements between the Council and an operator where responsibility for providing public services, using assets provided either by the operator or the Council, passes to the operator for a specified period of time. These arrangements are accounted for under IFRIC 12, the Code of Practice and the additional provisions of IPSAS 32

Service Concession arrangements (grantor).

Where the PFI operator's right to third party income is recognised in deductions to the unitary payment, a proportion of the finance lease creditor is re-allocated to a deferred income balance based on the proportion of fixed payments from the Council and expected third party payments. The deferred income balance is amortised to the CIES on a straight-line basis over the life of the PFI scheme.

The Council's ongoing liabilities for these service concessions are recognised on the balance sheet. This has been done by recognising a finance lease creditor and writing it down accordingly.

The assets acquired with these service concessions will be depreciated over the estimated useful life of the assets.

Lifecycle costs will be capitalised in line with the directions of the Code of Practice on capitalising expenditure for these service concessions.

## **2.7. Investment Properties**

Investment properties are properties used solely to earn rentals or capital for appreciation or both. The Council evaluates the costs of an investment

property when they are incurred, including acquisition costs and costs incurred to add to, replace part of, or service an investment property, but not including minor repairs and maintenance.

Investment property is initially measured at cost, i.e. purchase price, transaction costs and directly attributable expenditure. After initial recognition the property is measured at fair value, and not depreciated. The fair value of investment property shall reflect market conditions at the end of the reporting period, i.e. open market value.

## 2.8. Intangible Assets

Expenditure on non-monetary assets without physical substance is capitalised when future economic benefits or service potential are created and expected to flow from the intangible asset to the Council. Intangible assets shall be measured initially at cost and held at historic cost. They are not revalued in a revaluation cycle.

### *Amortisation*

The depreciable amount of an intangible asset is amortised over its useful life (5 years unless otherwise advised by a qualified professional), on a straight-line basis.

## 2.9. Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account reverses out the amounts charged so that there is no impact on the level of Council Tax.

## 2.10. Income from Sale of Property, Plant and Equipment

Proceeds from the disposal of PPE are capital receipts. Any income which has not been reserved and not been used to finance capital expenditure in the period is shown in the balance sheet as capital receipts unapplied.

The treatment of HRA capital receipts is determined by the Local Government Act 2003 as amended from 1 April 2012 in order to make new provision for the pooling of housing receipts by:

- The Local Authorities (Capital Finance and Accounting) (England)(Amendment)(No.2) Regulations 2012 (SI2012/711); and
- The Local Authorities (Capital Finance and Accounting) (England)(Amendment)(No.3) Regulations 2013 (SI2013/476).

These amendments allow local authorities to retain the receipts generated by Right to Buy sales for replacement housing provided they can sign up to an agreement with the Government that they will limit the use of the net Right to Buy receipts to 40% of the cost of the replacement homes within a 5 year period from the point of receipt.

The written-off value of disposals is not a charge against Council Tax, as the cost of PPE is fully provided for under separate arrangements for capital financing.

## 2.11. Heritage Assets

Heritage assets are defined as a tangible asset with historical, artistic, scientific, technological, geophysical, or environmental qualities that is held and maintained principally for their contribution to knowledge and culture; or an intangible asset with cultural, environmental, or historical significance. The Council's Heritage Assets which comprise Mayoral

Regalia and Silverware and Art Collections are reported in the balance sheet at valuation rather than fair value, reflecting the fact that exchanges of heritage assets are uncommon.

The Council's valuations are based on a current insurance valuation (based on market values) supplemented by auctioneer's valuation where obtained. Revaluations are carried out as and when the insurance is updated.

### **3. Employee Benefits**

#### **3.1. Benefits Payable During Employment**

Benefits payable during employment include:

##### *Short-term employee benefits*

Those that are due to be settled within 12 months after the year-end in which the employee rendered the services, include:

- wages, salaries, and social security contributions.
- short-term compensated absences
- bonuses and similar payments
- non-monetary benefits

Wages and salaries will be based on actuals, other benefits will be estimated at cost to the Council.

##### *Other long-term employee benefits*

Those that do not fall due wholly within 12 months after the end of the period in which the employee rendered the services, include:

- long term compensated absences (long service or sabbatical leave)
- long-service benefits
- long-term disability benefits
- bonuses payable
- deferred compensation paid

All gains and losses and past service costs will be recognised in the Surplus or Deficit on the Provision of Services.

#### **3.2. Termination Benefits**

Termination benefits are amounts payable due to a decision made by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits. Termination benefits are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the Council can no longer withdraw the offer of the

benefits or when the Council recognises costs for a restructuring. Disclosures in respect of employee exit packages following termination are made in the year of notification, not the year of payment.

#### **3.3. Post-Employment Benefits**

Employees of the Council can belong to three separate pension schemes:

- The Teachers' Pension Scheme – administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE). The employer's pension cost charged to the accounts is fixed by the contribution rate set by the DfE on the basis of a notional fund. This is unchanged from last year.
- Ex-ILEA (Inner London Education Authority) – This is a funded scheme administered by the London Pensions Fund Authority (LPFA), part of the Local Government Pension Scheme. The amount paid to LPFA is fixed by the contribution rate set by their actuaries in accordance with the Local Government Pension Scheme.
- Other Employees – Other employees, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme. The amounts paid to the Camden Pension Fund are fixed by a rate set by the



Council's actuary at the triennial valuation.

All schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council. However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot be identified to the Council. The scheme is therefore accounted for as if it were a defined contributions scheme – no liability for future payments of benefits is recognised in the Balance Sheet and the education service revenue account is charged with the employer's contributions payable to Teachers' Pensions in the year.

### 3.4. The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme: the liabilities of the Camden pension scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of projected earnings for current employees.

Liabilities are discounted to their value at current prices, using a range of financial assumptions as determined by the actuaries of the Camden Pension Fund and of the LPFA.

The assets of the Camden Pension Fund and the LPFA attributable to the Council are included in the Balance Sheet at their fair value:

- Quoted securities – current bid price
- Unquoted securities – professional estimate
- Unitised securities – current bid price
- Property – market value.

The change in the net pension liability is analysed into the following components:

#### *Service cost, comprising*

- Current service cost - the increase in liabilities as a result of years of service earned this year and is allocated in the Comprehensive Income and Expenditure Statement to the revenue accounts of services for which the employees worked.
- Past service cost - the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years. This is debited to the Cost of

Services in the Comprehensive Income and Expenditure Statement.

- Net interest on the net defined liability, i.e. net interest expense for the authority – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

#### *Remeasurement*

These are changes in the net pensions liability that arise through changes in asset values, updates to actuarial assumptions or other experience not reflected in assumptions at the last actuarial valuation. Any increase in the net liability is debited to the Pensions Reserve and any decrease is credited to the Pensions Reserve.

#### *Discretionary Benefits*

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) and are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

## **4. Financial Instruments**

### **4.1. Financial Instruments**

#### *Financial Liabilities*

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument. These are initially measured at fair value and are carried at their amortised cost, although it is a requirement of the Code of Practice to show the fair values in the Financial Instrument note.

Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments

over the life of the instrument to the amount at which it was originally recognised. For most of the Council's borrowings this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest). Interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

#### *Financial Assets*

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. The Council may hold three main classes of financial assets measured at:

- Amortised cost, and
- Fair value through profit or loss (FVPL)
- Fair value through other comprehensive income (FVOCI)

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

#### *Expected Credit Losses*

The Council recognises expected credit losses on all of its financial assets held at amortised cost either on a 12-month or lifetime basis, where material. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

### **4.2. Provisions and Contingent Liabilities**

#### *Provisions*

The Code defines a provision as "a liability of uncertain timing or amount". A provision can only be established in the accounts if it meets the following criteria as listed in the Code:

- The authority has a present obligation as a result of a past event, i.e. an event has taken place that either binds the authority to transfer economic benefits as a result of legislation, a contract or other operation of law or creates a valid expectation by another party that the authority will transfer economic benefits as a result of it accepting certain responsibilities, arising from the Council's actions.
- It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and
- A reliable estimate can be made of the amount of the obligation.

If the above conditions are not met a provision must not be recognised in the financial statements. Provisions are charged to the relevant service account in the Comprehensive Income and Expenditure Statement in the year the Council becomes aware of the obligation. When the obligation is settled the costs are charged to the provision set up in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year, where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made); the provision is reversed and credited back to the relevant service.

The provisions contained within the balance sheet are split between short (Current Liabilities) and long-term provisions (non-current liabilities).

#### *Contingent Liabilities*

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. A contingent liability can also be a present obligation that arises from past events but is not recognised because it is not probable that an outflow of economic benefits or service potential will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the Balance Sheet but are disclosed in a note to the accounts.

#### *Contingent Assets*

A contingent asset is when there is a possible transfer of economic benefit to the Council from past events and their existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council.

If it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the financial statements of the year in which the change occurs. A material contingent asset should be disclosed in the narrative notes to the accounts if the inflow of economic benefits is probable.

## **5. Group Accounts**

### **5.1. Interests in Companies and Other Entities**

The Council has fully reviewed the various IFRS standards relating to group relationships and after consideration of all the criteria the Council has determined that the consolidation of all related organisations would not have a material effect on the Council's financial position. Consequently, no group accounts have been prepared.

The Code of Practice on Local Authority Accounting in the United Kingdom confirms that the balance of control for local authority-maintained schools lies with the local authority. The Code also stipulates that those schools' assets, liabilities, reserves, and cash flows are recognised in the local authority financial statements (and not in Group Accounts). Therefore, schools' transactions, cash flows and balances are recognised in each

of the financial statements of the authority as if they were the transactions, cash flows and balances of the authority.

The Council has one wholly owned subsidiary, Camden Living, and owns just under 20% of another company Camden Learning.

## Note 2 Accounting Standards issued but not yet adopted

Under the Code of Practice on Local Authority Accounting there is a requirement to disclose the impact of accounting standards issued but not yet adopted.

At the balance sheet date, the following new standards and amendments to existing standards have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the United Kingdom:

- a) IFRS 16 Leases (but only for those local authorities that have not decided to voluntarily implement IFRS 16 in the 2023/24 year).
- b) Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020.
- c) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022.  
issued in February 2021.
- d) Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022.
- e) International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023.

The authority is implementing IFRS 16 from 2024/25, whereby a right-of-use asset will be recognised on the Balance Sheet for all leases where the Council is the lessee. When lease payments are made, they will be applied partly to write down the liability and partly charged as interest on the outstanding liability. The cost of the right-of-use asset will be reflected in depreciation charges in the Comprehensive Income and Expenditure Statement.

None of the remaining amendments are anticipated to have a material or significant impact on the Council's financial performance or financial position.



# Note 3 Critical judgements in applying accounting policies

In applying the accounting policies set out in Note 1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

## Leases

Critical judgement has been applied to the assessment of leases to determine whether they are finance or operating leases. Accounting Standard IAS 17 (Leases) describes five primary and three secondary tests of the lease's characteristics, with the over-riding consideration that ownership rests with the party bearing substantially all of the risks and rewards of the underlying asset. The standard acknowledges that it is possible for the eight tests to return differing opinions on whether the lease falls to be classified as a finance lease and advises that accountants must use their professional judgement to assess the substance of the lease. Leases have therefore been judged in the light of their terms and the effect on the council's ultimate ownership of the assets involved. Further details of the council's leasing arrangements can be found in the Leases Note 37.

## Grants and Contributions

The appropriate accounting treatment of Grants and Contributions is a result of critical judgements made about whether any attached terms are deemed as restrictions or conditions and whether any conditions have been met, see Accounting Policy 1.3 Government Grants and Contributions.

If conditions are met, then the income must be shown in the Comprehensive Income and Expenditure Statement. Treatment is the same if there are no conditions or just restrictions. However, if there are conditions and they have not been met they must be shown in the Balance Sheet under Creditors. Details of grants recognised during the year can be found in Note 34.

## Investment Properties

The council is required to judge whether or not it is holding property on an investment basis. The Code requires that, for an investment to be present, the property should only be held: a) for capital appreciation or b) to produce rental income, and for no other reason e.g. other operational reasons. See Note 14 for details of the council's investment properties.

## Note 4 Assumptions made about the future and other major sources of estimation uncertainty

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

Item	Uncertainty	Affect if actual results differ from assumptions
<b>Pensions Liability</b>	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. The total net liability arising from defined benefit obligations is £134.9m at 31 March 2024 (£15.9m at 31 March 2023). A firm of actuaries has been engaged to provide the Authority with expert advice about the assumptions to be applied for both the:</p> <p>London Borough of Camden Pension Fund, and</p> <p>London Borough of Camden pension element of the London Pension Fund Authority</p>	<p>See note 41 for the details of the Pensions liability.</p>
<b>Property, Plant and Equipment (Depreciation)</b>	<p>Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. Although the council has a capital programme that is well managed, proactively monitored and reported to management, the current economic climate makes it uncertain that the council will be able to sustain its current spending on repairs and</p>	<p>The total depreciation charge for PPE and Infrastructure for 2023/24 is £91.2m (£88.4m in 2022/23) on assets with total net book value of £4.8bn.</p> <p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the asset falls.</p> <p>It should be recognised that:</p>

Item	Uncertainty	Affect if actual results differ from assumptions
	maintenance over the medium term, thus bringing into doubt the useful lives assigned to assets.	<ul style="list-style-type: none"> <li>• The margin of error in a change in depreciation due to a change in useful lives is not considered to be material.</li> <li>• There are a range of other factors that might also result in a change in the estimate for depreciation such as new acquisitions, enhancements and improvements and revaluation of the assets.</li> </ul>
<b>Grant claims yet to be certified (Housing Benefit)</b>	Over any given year the council receives a number of grants from central government. Most of these grants are awarded based on an agreed amount and are then subject to audit certification. However, Housing Benefit (subsidy) is paid on account, in that an estimate is made at the start of the year of the amount of benefit that will be awarded during the financial year and then the council receives funding in relation to that estimate. At the end of the financial year, the actual amount due is then calculated and an amount is calculated that is owed to the council by government or vice versa.	During 2023/24, the total claim for subsidy was for £141.2m (£139.2m; 2022/23). The subsidy received for the year was £134.1m, and an accrual was made for £5.7m which is the amount due to be paid to Camden Council by Central Government.
<b>Valuation of Land and Buildings</b>	The Council's external valuers provide valuations for a proportion of Land and Buildings each year on a rolling annual basis. The valuations are based on the market conditions prevailing at the valuation date and relevant adjustments made following an Impairment Review.	A reduction in the estimated valuations would result in reductions to the Revaluation Reserve and / or a loss recorded as appropriate in the Comprehensive Income and Expenditure Statement. An increase in estimated valuations would result in increases to the Revaluation Reserve and / or reversals of previous negative revaluations to the Comprehensive Income and Expenditure Statement and / or gains being recorded as appropriate in the Comprehensive Income and Expenditure Statement.

# Note 5a Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices.

2022/23 <i>Restated</i>			2023/24			
Net Expenditure Chargeable to the General Fund and HRA	Adjustments Between Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund and HRA	Adjustments Between Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
183,178	(11,390)	171,788	Adults and Health	148,413	(2,287)	146,127
97,404	75,352	172,756	Children & Learning	83,556	3,676	87,232
24,578	10	24,588	Corporate Services	29,693	(43,160)	(13,467)
(64,027)	93,379	29,352	Chief Executive	1,513	(21)	1,492
642	(7)	635	Supporting Communities	100,599	31,922	132,521
(35,594)	45,191	9,597	Housing Revenue Account	(67,371)	56,768	(10,603)
(6,054)	0	(6,054)	Dedicated Schools Grant	(3,088)	0	(3,088)
<b>200,127</b>	<b>202,534</b>	<b>402,661</b>	<b>Net Cost of Services</b>	<b>293,315</b>	<b>46,898</b>	<b>340,214</b>
(146,951)	(191,736)	(338,687)	Other Income and Expenditure	(332,767)	(144,593)	(477,360)
<b>53,176</b>	<b>10,798</b>	<b>63,974</b>	<b>(Surplus) or Deficit</b>	<b>(39,452)</b>	<b>(97,695)</b>	<b>(137,146)</b>
<b>(268,892)</b>			<b>Opening General Fund and HRA Balance</b>	<b>(215,716)</b>		
53,176			Less/Plus (Surplus) or Deficit on General Fund and HRA Balance in Year	(39,452)		
<b>(215,716)</b>			<b>Closing General Fund and HRA Balance at 31 March</b>	<b>(255,168)</b>		

Please see note 27 for further details. Due to an organisational restructure in 2023/24 the prior year comparator figures have been restated from 2022/23 Statement of Accounts to reflect the new departmental structure.

## Note 5b Expenditure and Income analysed by Nature

The Authority income and expenditure is analysed as follows:

2022/23		2023/24
£'000	Nature of Expenditure or Income	£'000
88,127	Depreciation, amortisation, and impairment	91,212
451,939	Employee benefit expenses	469,329
(36,333)	(Gain) or loss on disposal on non-current assets	(8,898)
85,716	Interest payments and other financing charges	30,029
613,724	Other service expenses	711,777
0	Payments to Housing Capital Receipts Pool	0
1,522	Precepts and levies	820
92,817	Revaluation	16,880
<b>1,297,512</b>	<b>Expenditure Total</b>	<b>1,311,149</b>
(331,181)	Fees charges and other service income	(422,145)
(661,146)	Government grants and contributions	(711,036)
(173,162)	Income from council tax and non-domestic rates	(237,594)
(67,428)	Interest and investment income	(77,498)
(622)	Recharges to external Bodies	(23)
<b>(1,233,539)</b>	<b>Income Total</b>	<b>(1,448,296)</b>
<b>63,973</b>	<b>(Surplus) or deficit on provision of Services</b>	<b>(137,147)</b>



## Note 6 Events after the Balance Sheet Date

The Annual Financial Report, incorporating the Statement of Accounts, was authorised for issue by the Executive Director Corporate Services on 8 January 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place prior to this date about conditions existing as of 31st March 2024, the figures in the financial statements and notes have been adjusted in all material aspects to reflect the impact of this information. There is one event that took place after the reporting period that warrants disclosure.

In June 2023, a judgement was handed down in the High Court in the case of Virgin Media Vs NTL Pension Trustees II Limited that could have implications for defined benefit (DB) pension schemes going forward. The ruling was that certain pension scheme rule amendments were invalid if they were not accompanied by correct actuarial confirmation. Virgin Media appealed this review, however the Court of Appeal has unanimously upheld the judgement of the High Court on the 25th of July 2024.

PwC is the consulting actuary of the National Audit Office (NAO) and has highlighted this ruling to auditors, noting that the ruling which now stands (was being appealed at the time) will form part of case law and is expected to apply across other schemes.

For public sector schemes (regulated by Public Service Pensions Act 2013) covered by PwC's report, the latest position is follows:

1. Police and Fire schemes: The judgement has no impact after the Government Actuary Department (GAD) review.
2. Local Government Pension Schemes (LGPS): GAD is currently reviewing the historical rule amendment and the applicability within LGPS and therefore it is too uncertain to recognise the impact, if any, to the LGPS.

The Council has liaised with its actuaries, Hyman's Robertson, who have confirmed that no additional allowance has been made for the June 2023 legal case and that the ruling above at this stage only applies to Virgin Media. They are not aware of any LGPS employer currently making any additional allowance within the accounts for this ruling.

# Note 7 Movement in Reserves Statement – adjustments between accounting basis and funding basis under regulation

This note details the adjustments that are made to the total Comprehensive Income and Expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

The following sets out a description of the reserves that the adjustments are made against.

## General Fund Balance

The General Fund is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities of the authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year. However, it should be noted that as the Council is a housing authority, the balance is not available to be applied to funding HRA services.

## Housing Revenue Account Balance

The Housing Revenue Account Balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

## Major Repairs Reserve

The Authority is required to maintain the Major Repairs Reserve. An amount equivalent to depreciation on HRA PPE is transferred to the Major Repairs Reserve. The Major Repairs Reserve is restricted to being applied to new capital investment in HRA assets or the financing of historical capital expenditure by the HRA.

### Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

### Capital Grants Unapplied

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

2023/24	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Movement in Unusable Reserves £'000	Relevant Unusable Reserve
<b>Reversal of items debited or credited to the CIES</b>							
Depreciation, Amortisation and Impairments	(47,919)	(43,293)	0	0	0	91,212	<b>Capital Adjustment Account</b>
Revaluation gains on property, plant and equipment	(10,765)	(6,115)	0	0	0	16,880	
Movements in the market value of Investment Properties	7,038	10,347	0	0	0	(17,385)	
Revenue expenditure funded from capital under statute	(4,976)	(2,620)	0	0	0	7,596	
Non-current assets written out on disposal	(10)	(9,429)	0	0	0	9,439	
Grant income transferred to Capital Grants Unapplied	10,102	0	0	0	(10,102)	0	
<b>Transfers between revenue and capital resources</b>							
Transfer of sale proceeds from revenue to the Capital Receipts Reserve	(527)	36,097	(35,570)	0	0	0	<b>Capital Adjustment Account</b>
Administrative costs of non-current asset disposals	(123)	(971)	1,094	0	0	0	
Transfer to/from the major repairs reserve	0	43,293	0	(43,293)	0	0	
Minimum Revenue Provision	7,795	294	0	0	0	(8,089)	
Capital expenditure charged to revenue balances	8,285	0	0	0	0	(8,285)	
<b>Adjustments to capital resources</b>							
Use of Capital Receipts to finance capital expenditure	0	0	37,258	0	0	(37,258)	<b>Capital Adjustment Account</b>
Use of Major Repairs Reserve to finance capital expenditure	0	0	0	38,268	0	(38,268)	
Application of capital grants and other contributions to finance capital expenditure	37,723	73,888	0	0	4,748	(116,359)	
<b>Adjustments between accounting and funding basis under regulations</b>							
Statutory adjustments in respect of employers pension contributions	15,081	3,584	0	0	0	(18,665)	<b>Pensions Reserve</b>
Statutory adjustments in respect of financial instruments	78	0	0	0	0	(78)	<b>Financial Instrument Adjustment Account</b>
Council Tax and NNDR	(31,388)	0	0	0	0	31,388	<b>Collection Fund Adjustment Account</b>
Holiday Pay	1,623	602	0	0	0	(2,225)	<b>Accumulated Absences Account</b>
<b>Total Adjustments</b>	<b>(7,983)</b>	<b>105,677</b>	<b>2,782</b>	<b>(5,025)</b>	<b>(5,354)</b>	<b>(90,097)</b>	

2022/23 Restated	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Movement in Unusable Reserves £'000	Relevant Unusable Reserve
<b>Reversal of items debited or credited to the CIES</b>							
Depreciation, Amortisation and Impairments	(46,866)	(41,262)	0	0	0	88,128	<b>Capital Adjustment Account</b>
Revaluation gains on property, plant and equipment	(25,769)	(59,378)	0	0	0	85,147	
Movements in the market value of Investment Properties	(7,883)	(17)	0	0	0	7,900	
Revenue expenditure funded from capital under statute	(346)	(2,315)	0	0	0	2,661	
Non-current assets written out on disposal	(7,466)	(27,227)	0	0	0	34,693	
Grant income transferred to Capital Grants Unapplied	8,134	0	0	0	(8,134)	0	
<b>Transfers between revenue and capital resources</b>							
Transfer of sale proceeds from revenue to the Capital Receipts Reserve	21,341	49,960	(71,301)	0	0	0	<b>Capital Adjustment Account</b>
Administrative costs of non-current asset disposals	0	(275)	275	0	0	0	
Transfer to/from the major repairs reserve	0	41,762	0	(41,762)	0	0	
Minimum Revenue Provision	6,751	201	0	0	0	(6,952)	<b>Capital Adjustment Account</b>
Capital expenditure charged to revenue balances	8,227	0	0	0	0	(8,227)	
<b>Adjustments to capital resources</b>							
Use of Capital Receipts to finance capital expenditure	0	0	44,570	0	0	(44,570)	<b>Capital Adjustment Account</b>
Use of Major Repairs Reserve to finance capital expenditure				41,963		(41,963)	
Application of capital grants and other contributions to finance capital expenditure	20,057	58,671	0	0	6,848	(85,576)	
<b>Adjustments between accounting and funding basis under regulations</b>							
Statutory adjustments in respect of employers pension contributions	(34,941)	(8,475)		0	0	43,415	<b>Pensions Reserve</b>
Statutory adjustments in respect of financial instruments	75	0	0	0	0	(75)	<b>Financial Instrument Adjustment Account</b>
Council Tax and NNDR	36,188	0	0	0	0	(36,188)	<b>Collection Fund Adjustment Account</b>
Holiday Pay	(126)	180		0	0	(54)	<b>Accumulated Absences Account</b>
<b>Total Adjustments</b>	<b>(22,624)</b>	<b>11,825</b>	<b>(26,456)</b>	<b>201</b>	<b>(1,286)</b>	<b>38,339</b>	



## Note 8 Movement in Reserves Statement – Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund balance in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2022/23.

	Balance at 31 March 2023 £'000	Balance at 31 March 2024 £'000					
<b>General fund &amp; HRA Reserves</b>							
Earmarked Reserves	(187,849)	(224,925)					
General Fund Balance	(15,858)	(16,858)					
HRA Balance	(12,009)	(13,387)					
Usable Capital Reserves	(112,875)	(120,471)					
<b>Total General Fund &amp; HRA Reserves</b>	<b>(328,591)</b>	<b>(375,641)</b>					
	Balance at 31 March 2022 £'000	Transfers In £'000	Transfers Out £'000	Balance at 31 March 2023 £'000	Transfers In £'000	Transfers Out £'000	Balance at 31 March 2024 £'000
<b>General Reserve Balances</b>							
General Fund Balances	(14,858)	(1,000)	0	(15,858)	(1,000)	0	(16,858)
	<b>(14,858)</b>	<b>(1,000)</b>	<b>0</b>	<b>(15,858)</b>	<b>(1,000)</b>	<b>0</b>	<b>(16,858)</b>
<b>Housing Revenue Account Balance</b>							
Housing Revenue Account Balance	(3,003)	(22,000)	12,994	(12,009)	(3,000)	1,622	(13,387)
	<b>(3,003)</b>	<b>(22,000)</b>	<b>12,994</b>	<b>(12,009)</b>	<b>(3,000)</b>	<b>1,622</b>	<b>(13,387)</b>

	Balance at 31 March 2022 £'000	Transfers In £'000	Transfers out £'000	Balance at 31 March 2023 £'000	Transfers In £'000	Transfers out £'000	Balance at 31 March 2024 £'000	Purpose of Reserves
<b>Reserves to support on-going revenue activity</b>								
Dedicated Schools Grant	(13,203)	(6,054)	0	(19,257)	(3,088)	0	(22,345)	A
Schools Budgets (delegated)	(17,471)	(30)	0	(17,501)	(3,488)	0	(20,989)	B
Multi Year Budget Reserve	(65,506)	(11,915)	17,858	(59,563)	(19,136)	2,259	(76,440)	C
Education Commission	(13)	0	13	0	0	0	0	D
Grant for various initiatives	(811)	0	811	0	0	0	0	E
	<b>(97,004)</b>	<b>(17,999)</b>	<b>18,682</b>	<b>(96,321)</b>	<b>(25,712)</b>	<b>2,259</b>	<b>(119,774)</b>	
<b>Reserves to support the council's service remodelling programme</b>								
Workforce Remodelling/ Cost of Change	(3,889)	0	2,892	(997)	(1,114)	1,760	(351)	F
Camden Plan	(1,616)	(1,000)	262	(2,354)	(1,046)	361	(3,039)	G
	<b>(5,505)</b>	<b>(1,000)</b>	<b>3,154</b>	<b>(3,351)</b>	<b>(2,160)</b>	<b>2,121</b>	<b>(3,390)</b>	
<b>Reserves to support on-going capital activity and asset management</b>								
Future Capital Schemes	(16,984)	(15,576)	11,642	(20,918)	(7,200)	17,067	(11,051)	H
Commercial and other property	0	0	0	0	0	0	0	I
Haverstock School PFI Reserve	(1,109)	0	130	(979)	0	130	(849)	J
Schools PFI Equalisation Reserve	(3,167)	(726)	0	(3,893)	(781)	0	(4,674)	K
Building Schools for the Future	(814)	0	0	(814)	0	714	(100)	L
Accommodation Strategy	(6,643)	(1,120)	38	(7,725)	(46)	698	(7,073)	M
	<b>(28,717)</b>	<b>(17,422)</b>	<b>11,810</b>	<b>(34,329)</b>	<b>(8,027)</b>	<b>18,609</b>	<b>(23,747)</b>	

	Balance at 31 March 2022 £'000	Transfers In £'000	Transfers out £'000	Balance at 31 March 2023 £'000	Transfers In £'000	Transfers out £'000	Balance at 31 March 2024 £'000	Purpose of Reserves
<b>HRA Earmarked Reserves</b>								
Future Cost Reserve HRA	(17,463)	0	0	(17,463)	0	7,074	(10,389)	R
HRA EMR DMC	(239)	(139)	0	(378)	(133)	66	(445)	S
HRA EMR Feasibility	(1,780)	0	405	(1,375)	0	188	(1,187)	S
HRA EMR Cost of Change	(131)	0	124	(7)	0	0	(7)	S
HRA EMR Lease Ends	(1,300)	0	0	(1,300)	0	0	(1,300)	S
HRA EMR Insurance	(2,500)	(500)	0	(3,000)	0	0	(3,000)	S
HRA EMR Heating Pool Surplus	(3,418)	(439)	3,857	0	0	0	0	S
	<b>(26,831)</b>	<b>(1,078)</b>	<b>4,386</b>	<b>(23,523)</b>	<b>(133)</b>	<b>7,328</b>	<b>(16,328)</b>	
<b>Reserves to mitigate future service risk</b>								
Self-Insurance Reserve	(2,500)	(500)	0	(3,000)	0	0	(3,000)	N
Business Rates Safety Net Reserve	(68,400)	(8,623)	66,343	(10,680)	(40,605)	6,800	(44,485)	O
Future Cost Reserve GF	(22,062)	(430)	5,859	(16,633)	0	2,444	(14,189)	P
	<b>(92,974)</b>	<b>(9,553)</b>	<b>72,202</b>	<b>(30,313)</b>	<b>(40,605)</b>	<b>9,244</b>	<b>(61,674)</b>	
<b>Reserves to support charitable activity</b>								
Mayor's Charity Reserve	(12)	0	0	(12)	0	0	(12)	Q
	<b>(12)</b>	<b>0</b>	<b>0</b>	<b>(12)</b>	<b>0</b>	<b>0</b>	<b>(12)</b>	
<b>Total Earmarked Reserves</b>	<b>(251,031)</b>	<b>(47,052)</b>	<b>110,234</b>	<b>(187,849)</b>	<b>(76,637)</b>	<b>39,561</b>	<b>(224,925)</b>	

<b>Capital Usable Reserves</b>							
Capital Receipts Reserve	<b>(68,347)</b>	(118,194)	91,739	<b>(94,802)</b>	(36,741)	39,523	<b>(92,020)</b>
Capital Grants Unapplied	<b>(13,596)</b>	(14,846)	13,559	<b>(14,883)</b>	(10,102)	4,748	<b>(20,237)</b>
Major Repairs Reserve	<b>(3,391)</b>	(121,724)	121,925	<b>(3,190)</b>	(43,293)	38,269	<b>(8,214)</b>
	<b>(85,334)</b>	<b>(254,764)</b>	<b>227,223</b>	<b>(112,875)</b>	<b>(90,136)</b>	<b>82,540</b>	<b>(120,471)</b>

#### Purpose of Reserve

A	Dedicated Schools Grant	To hold unspent Dedicated Schools Grant which is reserved for the schools budget and which may be carried forward over to future years.
B	Schools Budgets (delegated)	Reserve budgets held by the council on behalf of its schools.
C	Multi Year Budget Reserve	To fund allocations in future years as part of multi-year budgeting.
D	Education Commission	To provide funding to help implement proposals to guide education in the borough
E	Grant for various initiatives	To hold various unspent grant monies that do not have conditions on their use.
F	Workforce Remodelling / Cost of Change	To fund costs that may arise from workforce remodelling and efficiency projects in order to address the budget deficit which has arisen as a result of the reduction in government funding,
G	Camden Plan	To provide funding to implement projects that support the plan's key priorities.
H	Future Capital Schemes	To provide funding to support the council's costs associated with various capital schemes.
I	Commercial and other property	To provide funding to meet the cost associated with dilapidations and other payments in respect of commercial and other property.
J	Haverstock School PFI Reserve	To hold the balance of funding in respect of the Haverstock School PFI project.
K	Schools PFI Equalisation Reserve	To equalise costs over the life of the PFI contract so the General Fund does not have to bear the deficit in latter years.
L	Building Schools for the Future	To provide funding for the preparatory work on the Building Schools for the Future Programme

**Purpose of Reserve - continued**

M	Accommodation Strategy	To provide funding to facilitate the Council's accommodation strategy.
N	Self-Insurance Reserve	To provide funding to cover insurance risks, which keeps insurance costs to a minimum.
O	Business Rates Safety Net	To provide funding to cover reduction in retained business rates
P	Future Costs Reserve GF	To provide funding to deal with future years cost pressures within the General Fund
Q	Mayors Charity Reserve	To hold donations to the Mayor's Charity.
R	Future Costs Reserve HRA	To provide funding to deal with future years cost pressures within the Housing Revenue Account (HRA)
S	Housing Revenue Account Earmarked (EMR) Reserves	To provide funding to support specific activities, depending on the name of the Earmarked Reserve within the ringfenced HRA account for the running of the Council's housing stock.



## Note 9 Other operating expenditure.

2022/23		2023/24
£'000		£'000
1,523	Levies	820
(36,333)	(Gains)/losses on the disposal of non-current assets	(8,880)
0	Other income	(18)
<b>(34,810)</b>	<b>Total</b>	<b>(8,078)</b>

## Note 10 Financing and Investment Income and Expenditure

2022/23		2023/24
£'000		£'000
17,147	Interest payable and similar charges	30,065
16,280	Net interest on the defined benefit liability	(36)
(9,811)	Interest receivable and similar income	(38,165)
2,555	Income and expenditure in relation to investment properties and changes in their fair value	(39,333)
<b>25,941</b>	<b>Total</b>	<b>(47,469)</b>

## Note 11 Taxation and Non-Specific Grant Income

2022/23		2023/24
£'000		£'000
(121,807)	Council Tax Income (Precept & Prior Year Collection Fund (surplus)/deficit)	(133,073)
(51,355)	Non Domestic Rates	(104,521)
(69,521)	Non-ring-fenced government grants	(62,507)
(87,363)	Capital grants and contributions	(121,712)
<b>(330,046)</b>	<b>Total</b>	<b>(421,813)</b>

## Note 12 Property, Plant and Equipment

In accordance with the temporary relief offered by the Update to the Code on infrastructure assets, this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The authority has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

The authority has determined in accordance with Regulation 30M of the Local Authorities (Capital Finance and Accounting) (England/Wales) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

**Movement on Balances 2023/24**

	Council Dwellings	Other Land and Buildings	Vehicles, Plant and Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total PPE except infrastructure
<b>Cost or Valuation - Gross Book Value</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>At 1 April 2023</b>	<b>2,842,615</b>	<b>1,252,394</b>	<b>32,919</b>	<b>37,400</b>	<b>0</b>	<b>187,080</b>	<b>4,352,408</b>
Additions	136,692	8,302	1,341	2,916	1,073	54,841	205,165
Accumulated depreciation / impairment written off on revaluation to gross book value	(36,837)	(10,811)	0	0	0	0	(47,648)
Revaluation increases/(decreases) recognised in the revaluation reserve	114,982	59,218	0	0	0	0	174,200
Revaluation increases/(decreases) recognised in the surplus/(deficit) on the provision of services	3,087	(20,007)	0	0	0	0	(16,920)
Derecognition (disposal)	(7,831)	(1,245)	(1,373)	0	0	0	(10,449)
Derecognition (other)	0	(112)	0	0	0	0	(112)
Assets reclassified (to)/from Held for Sale	(144)	(345)	0	(10)	(1,073)	(884)	(2,456)
Assets reclassified (to)/from Investment Property	0	10,267	0	0	0	(51,335)	(41,068)
Other movements in cost or valuation	(18,205)	73,414	0	0	0	(55,210)	(1)
<b>At 31 March 2024</b>	<b>3,034,359</b>	<b>1,371,075</b>	<b>32,887</b>	<b>40,306</b>	<b>0</b>	<b>134,492</b>	<b>4,613,119</b>

	Council Dwellings	Other Land and Buildings	Vehicles, Plant and Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total PPE except infrastructure
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Accumulated Depreciation and Impairment</b>							
<b>At 1 April 2023</b>	<b>(1,017)</b>	<b>(16,817)</b>	<b>(15,409)</b>	<b>(3,660)</b>	<b>0</b>	<b>(2,077)</b>	<b>(38,980)</b>
Depreciation charge	(38,848)	(20,282)	(3,707)	(799)	0	(83)	(63,719)
Accumulated depreciation written off on revaluation to gross book value	36,837	10,647	0	0	0	0	47,484
Accumulated impairment written off on revaluation to gross book value	0	164	0	0	0	0	164
Derecognition (disposal)	123	100	1,373	0	0	0	1,596
Assets reclassified (to)/from Assets Held for Sale	0	0	0	0	0	0	0
Assets reclassified (to)/from Investment Property	0	0	0	0	0	1,051	1,051
Other movements in depreciation or impairment	204	(909)	0	0	0	705	0
<b>At 31 March 2024</b>	<b>(2,701)</b>	<b>(27,097)</b>	<b>(17,743)</b>	<b>(4,459)</b>	<b>0</b>	<b>(404)</b>	<b>(52,404)</b>

	Council Dwellings	Other Land and Buildings	Vehicles, Plant and Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total PPE except infrastructure
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Net Book Value</b>							
<b>At 1 April 2023</b>	<b>2,841,598</b>	<b>1,235,577</b>	<b>17,510</b>	<b>33,740</b>	<b>0</b>	<b>185,003</b>	<b>4,313,428</b>
<b>At 31 March 2024</b>	<b>3,031,658</b>	<b>1,343,978</b>	<b>15,144</b>	<b>35,847</b>	<b>0</b>	<b>134,088</b>	<b>4,560,715</b>

**Comparative Movement on Balances 2022/23**

	Council Dwellings	Other Land and Buildings	Vehicles, Plant and Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total PPE except infrastructure
Cost or Valuation - Gross Book Value	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 April 2022</b>	<b>2,807,703</b>	<b>1,247,976</b>	<b>40,755</b>	<b>33,644</b>	<b>0</b>	<b>185,690</b>	<b>4,315,768</b>
Additions	110,998	9,254	3,022	4,382	52	69,601	197,309
Accumulated depreciation / impairment written off on revaluation to gross book value	(37,428)	(50,439)	0	0	0	0	(87,867)
Revaluation increases/(decreases) recognised in the revaluation reserve	4,524	54,679	0	2	0	0	59,205
Revaluation increases/(decreases) recognised in the surplus/(deficit) on the provision of services	(49,040)	(36,235)	0	114	0	0	(85,161)
Derecognition (disposal)	(3,926)	(1,074)	(10,858)	0	0	(2,868)	(18,726)
Derecognition (other)	0	(619)	0	(114)	0	0	(733)
Assets reclassified (to)/from Held for Sale	(1,356)	(250)	0	(628)	(52)	(24,894)	(27,180)
Assets reclassified (to)/from Investment Property	0	(207)	0	0	0	0	(207)
Other movements in cost or valuation	11,140	29,309	0	0	0	(40,449)	0
<b>At 31 March 2023</b>	<b>2,842,615</b>	<b>1,252,394</b>	<b>32,919</b>	<b>37,400</b>	<b>0</b>	<b>187,080</b>	<b>4,352,408</b>



	Council Dwellings	Other Land and Buildings	Vehicles, Plant and Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total PPE except infrastructure
Accumulated Depreciation and Impairment	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 April 2022</b>	<b>(884)</b>	<b>(47,231)</b>	<b>(23,104)</b>	<b>(3,024)</b>	<b>(389)</b>	<b>(2,632)</b>	<b>(77,264)</b>
Depreciation charge	(37,918)	(19,661)	(3,163)	(636)	0	(1)	(61,379)
Accumulated depreciation written off on revaluation to gross book value	37,428	49,805	0	0	0	0	87,233
Accumulated impairment written off on revaluation to gross book value	0	335	0	0	0	0	335
Derecognition (disposal)	51	88	10,858	0	0	554	11,551
Assets reclassified (to)/from Assets Held for Sale	143	13	0	0	389	0	545
Assets reclassified (to)/from Investment Property	0	0	0	0	0	0	0
Other movements in depreciation or impairment	163	(166)	0	0	0	2	(1)
<b>At 31 March 2023</b>	<b>(1,017)</b>	<b>(16,817)</b>	<b>(15,409)</b>	<b>(3,660)</b>	<b>0</b>	<b>(2,077)</b>	<b>(38,980)</b>

Net Book Value	Council Dwellings	Other Land and Buildings	Vehicles, Plant and Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total PPE except infrastructure
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 April 2022</b>	<b>2,806,819</b>	<b>1,200,745</b>	<b>17,651</b>	<b>30,620</b>	<b>(389)</b>	<b>183,058</b>	<b>4,238,504</b>
<b>At 31 March 2023</b>	<b>2,841,598</b>	<b>1,235,577</b>	<b>17,510</b>	<b>33,740</b>	<b>0</b>	<b>185,003</b>	<b>4,313,428</b>

<b>Infrastructure Assets</b>		
	<b>2022/23</b>	<b>2023/24</b>
<b>Modified Historical Cost</b>	<b>£'000</b>	<b>£'000</b>
<b>Net Book Value at 1 April</b>	<b>281,230</b>	<b>276,164</b>
Additions	20,820	18,819
Derecognition	0	0
Depreciation	(25,886)	(27,103)
Impairment	0	0
Other Movements in Cost	0	0
<b>Net Book Value at 31 March</b>	<b>276,164</b>	<b>267,880</b>

The Council does not have any infrastructure assets held under Private Finance Initiative (PFI) or other service concession arrangements.

<b>Total Property, Plant and Equipment</b>		
	<b>31 March 2023</b>	<b>31 March 2024</b>
<b>Net Book Value</b>	<b>£'000</b>	<b>£'000</b>
Infrastructure assets	276,164	267,880
Other PPE assets	4,313,428	4,560,715
<b>Total PPE assets</b>	<b>4,589,592</b>	<b>4,828,595</b>

## Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Council Dwellings: 50 years
- Other Land and Buildings: 10 - 60 years
- Infrastructure: 15 - 50 years
- Vehicles, Plant and Equipment: 3 - 15 years

## Capital Commitments

At 31 March 2024, the Council has entered a number of contracts for the construction or enhancement of property, plant and equipment which will need to be paid in future years. The major commitments amounting to £1m or more are as follows:

Scheme	£'000
Chalcots Estate Fire Safety	12,872
Agar Grove Estate Redevelopment Phase 2	12,797
Abbey Road Estate Redevelopment Phase 3	8,040
Charlie Ratchford Court	2,909
Highgate Library Decarbonisation Works	2,846
Maitland Park Infills	2,678
Parliament Hill Secondary School	2,455
Acland Burghley Secondary School	2,411
Regents Park HS2	2,281
Edith Neville School Project	2,083
School Autism Spectrum Disorder/Moderate Learning Difficulties Units	1,892
Highgate Centre Redevelopment	1,742
Central Somers Town Planning Obligations	1,617
Rhyl School Works	1,282
Chester Road Hostel Accommodation	1,264
Agar Grove Estate Redevelopment Phase 1	1,015
Carlton / Rhyl Primary School Merger Works	1,003
<b>Total</b>	<b>61,187</b>

## Revaluations

The Council carries out a rolling programme of valuations that ensures that all property, plant and equipment held under the valuation model rather than historic cost is revalued at least every five years. In 2023/24 valuations were carried by Royal Institution of Chartered Surveyors (RICS) qualified valuers from an external firm, Lamberth Smith Hampton (LSH).

The significant assumptions applied in estimating the valuations are:

- Operational Properties: valuations have been prepared on the basis of existing use value (EUV) in accordance with the RICS standards, unless there is insufficient market evidence in which case depreciated replacement cost (DRC) has been used.
- Non-Operational Properties: valuations have been prepared on the basis of fair value (FV) in accordance with the RICS standards.
- The valuations are based on the market conditions prevailing at the valuation date and relevant adjustments to values have been made following an Impairment Review. No further adjustments have been made for any fall in value, which may have taken place since this date or for the prospects of future growth.
- The valuation of the Council's land and buildings as at 31 March 2024 may have been affected by the Covid-19 pandemic. The outbreak of Covid-19 had a significant impact on property markets and therefore those property, plant and equipment assets valued as at 31 March 2020 and yet to be revalued within the five-year cycle are subject to greater uncertainty. Valuations prior to the pandemic may also be subject to greater uncertainty due to the changes in the market caused subsequently by the pandemic.
- No formal title investigations have been carried out as part of these valuations and it has been assumed that there are no onerous conditions or restrictions, which might adversely affect the valuations. No structural surveys have been undertaken or provided and assumption has been made as to the general condition of the properties. No investigation of contaminated land, use or presence of deleterious materials and construction techniques has been undertaken.

The following table sets out the Council's property, plant and equipment and which year it was last revalued (if not valued at historic cost) to the period ended 31 March 2024.

These values are stated at Gross Book Value (and do not include depreciation). Infrastructure assets are all held at depreciated historic cost and but are not included above in line with the Update to the Code of Practice regarding disclosures on Gross Book Value.

		<b>Council Dwellings</b>	<b>Other Land and Buildings</b>	<b>Vehicles, Plant and Equipment</b>	<b>Community</b>	<b>Surplus</b>	<b>Assets Under Construction</b>	<b>Total PPE except Infrastructure</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Carried at historical cost</b>		12,768	6,705	32,887	40,191	0	134,492	227,043
<b>Valued at current value as at 31 March</b>	<b>2024</b>	6,038	44,168	0	0	0	0	50,206
	<b>2023</b>	6,700	110,338	0	0	0	0	117,038
	<b>2022</b>	38,532	292,670	0	0	0	0	331,202
	<b>2021</b>	32,645	644,661	0	116	0	0	677,422
	<b>2020</b>	2,937,676	272,533	0	0	0	0	3,210,209
<b>Total</b>		<b>3,034,359</b>	<b>1,371,075</b>	<b>32,887</b>	<b>40,307</b>	<b>0</b>	<b>134,492</b>	<b>4,613,120</b>



## Note 13 Heritage Assets

Heritage assets are held at historic cost and are not depreciated. There were no additions, disposals or transfers to or from the heritage assets portfolio during 2023/24, but the historic building held by the Council was revalued by the Council's external valuers, Lambert Smith Hampton.

Movement on Balances 2023/24					
Net Book Value	Heritage Buildings	Mayoral Regalia and Silverware	Art Collection	Public Sculptures	Total Heritage Assets
Historic Cost or Valuation	£'000	£'000	£'000	£'000	£'000
1 April 2023	16	382	423	20	841
Revaluations	40	0	0	0	40
31 March 2024	56	382	423	20	881

Comparative Movement on Balances 2022/23					
Net Book Value	Heritage Buildings	Mayoral Regalia and Silverware	Art Collection	Public Sculptures	Total Heritage Assets
Historic Cost or Valuation	£'000	£'000	£'000	£'000	£'000
1 April 2022	16	382	423	20	841
31 March 2023	16	382	423	20	841

### Heritage Buildings

The only building that the Council owns that is classed as a heritage asset is the Toll Gate House, Hampstead. This is a Grade II listed building and marks the spot where the road entered the Bishop of London's estate; it has previously won a Civic Trust Award.

More details can be found at:

<https://historicengland.org.uk/advice/heritage-at-risk/search-register/list-entry/48100>.

## Art Collection

The Council has an extensive art collection, but only parts of it are on display at any given time. The collection totals around 1,000 pieces and includes various paintings, drawings, prints, sculptures and other art objects. Further information can be found at: <https://www.camden.gov.uk/public-art-camden>

The collection has come together over many years, mainly from the amalgamation of the collections held by the predecessor councils which formed the London Borough of Camden or from donations. The collection includes a small number of substantial items.

The works were catalogued and valued by Sotheby's in 1986. A further valuation was undertaken by Sotheby's in October 2010 of 18 more valuable pieces, that gave a total valuation of £334,690. In March 2012 Bonham's carried out valuation of the collection which came to £423,499 – the minimum value achievable at auction. This

valuation has been applied to the financial accounts. For illustrative purposes, detailed below are those items where their estimated value is over £10,000.

## Mayoral Regalia and Silverware

The Council has a substantial collection of mayoral regalia and silverware. This collection has been accumulated from regalia held by the councils that, following the reorganisation of local government in the 1960s, came together to form the London Borough of Camden. This is in addition to other regalia and silverware that the Council has itself accumulated since then.

The regalia and silverware was reviewed and valued in 2011 for insurance purposes, the total valuation was £382,000. Some of the collection is displayed in the Mayor's Parlour and is used occasionally in the performance of official ceremonies. The rest of the collection is kept in the Mayor's vault.

Title	Artist	Description of Asset	Value (£)
Yellow Movement	Sir Terry Frost	Oil on board; 1952	100,000
Head of a Greek Sailor	John Caxton	Oil on board; 1946	80,000
Black and White Ochre	Adrian Heath	Oil on canvas; 1951	50,000
Manhole I	Prunella Clough	Oil on board	50,000
Washbowl	John Bratby	Oil on board; 1965	25,000
Still Life with Cucumber	Robert MacBryde	Oil on canvas; 1969	25,000
Abstract	Sandra Blow	Oil on board; 1965	18,000
Composition	Sandra Blow	Oil	15,000

# Note 14 Investment Property

The following items of income and expense have been accounted for in the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement:

	2022/23 £'000	2023/24 £'000
Rental income from investment property	(6,855)	(8,199)
Direct operating expenses arising from investment property	1,526	2,407
<b>Net (surplus)/deficit</b>	<b>(5,329)</b>	<b>(5,792)</b>

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The authority has no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance, or enhancement.

The following table summarises the movement in fair value of investment properties during 2023/24 and 2022/23 for comparison.

	2022/23 £'000	2023/24 £'000
<b>Balance at 1 April</b>	<b>143,010</b>	<b>136,439</b>
Opening balance adjustment	0	0
Acquisitions	0	0
Enhancements	1,262	923
Disposals	0	0
Net gains/(losses) from fair value adjustments	(8,040)	17,385
Transfers (to)/from Assets Held for Sale	0	16,157
Transfers (to)/from Property Plant and Equipment	207	40,017
Other movements	0	0
<b>Balance at 31 March</b>	<b>136,439</b>	<b>210,921</b>

## Fair Value Measurement

There has been no change in the valuation techniques used by the Council's external Royal Institution of Chartered Surveyors (RICS) qualified valuer, Lambert Smith Hampton, to assess the fair value of the Council's investment properties.

All investment properties have been categorised by the valuer as falling within Level 2 of the fair value hierarchy based on the valuation techniques used, as the measurement techniques use significant observable inputs from active markets such as sales prices and rental incomes for similar properties to determine the fair value measurements. There have been no transfers between levels of the fair value hierarchy.

For more information on valuation techniques, fair value measurement and the fair value hierarchy see Note 1, Accounting Policies.

# Note 15 Intangible Assets

Intangible assets are identifiable non-monetary assets without physical form and the only type of intangible asset the Council currently accounts for is software. None of this software has been developed by the Council itself, also known as being 'internally generated'.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. Intangible assets are amortised on a straight-line basis across their useful life.

No individual intangible assets are material to the authority's financial statements and there are no material contractual commitments for the acquisition of intangible assets.

The movement on carrying values for intangible assets are set out as follows with the prior year's values included for comparison.

	2022/23 £'000	2023/24 £'000
<b>Balance at start of year</b>		
Gross carrying amounts	4,780	2,025
Accumulated amortisation	(3,009)	(1,116)
<b>Net carrying amount at start of year</b>	<b>1,771</b>	<b>909</b>
Amortisation for the period	(862)	(389)
<b>Net carrying amount at end of year</b>	<b>909</b>	<b>520</b>
<b>Balances at end of year</b>		
Gross carrying amounts	2,025	1,393
Accumulated amortisation	(1,116)	(873)

## Note 16 Financial Instruments

	Non-current		Current	
	31-Mar-23 £'000	31-Mar-24 £'000	31-Mar-23 £'000	31-Mar-24 £'000
<b>Investments</b>				
Loans and receivables	3,932	3,932	335,004	243,964
<b>Total Investments</b>	<b>3,932</b>	<b>3,932</b>	<b>335,004</b>	<b>243,964</b>
<b>Debtors</b>				
Loans and receivables	27,632	13,063	0	0
Financial assets carried at contract amounts	0	0	48,023	86,446
<b>Total debtors</b>	<b>27,632</b>	<b>13,063</b>	<b>48,023</b>	<b>86,446</b>
<b>Borrowing</b>				
Financial liabilities at amortised cost	(314,965)	(294,203)	(10,892)	(23,106)
Financial liabilities at fair value through profit and loss	0	0	0	0
Other borrowing	0	0	0	0
<b>Total borrowing</b>	<b>(314,965)</b>	<b>(294,203)</b>	<b>(10,892)</b>	<b>(23,106)</b>
<b>Other Liabilities</b>				
PFI and finance lease liabilities	(42,747)	(40,422)	2,255	(2,325)
Other Long-Term liabilities	(462)	(524)	0	0
<b>Total other long-term liabilities</b>	<b>(43,209)</b>	<b>(40,946)</b>	<b>2,255</b>	<b>(2,325)</b>
<b>Creditors</b>				

Financial liabilities at amortised cost	0	0	0	0
Financial liabilities carried at contract amount	0	0	(131,557)	(137,213)
<b>Total creditors</b>	<b>0</b>	<b>0</b>	<b>(131,557)</b>	<b>(137,213)</b>

### Financial Assets

	Non-Current				Current			
	Investments		Debtors		Investments		Debtors	
	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Amortised Cost	3,932	3,932	27,632	13,063	335,004	243,964	48,023	86,446
<b>Total financial assets</b>	<b>3,932</b>	<b>3,932</b>	<b>27,632</b>	<b>13,063</b>	<b>335,004</b>	<b>243,964</b>	<b>48,023</b>	<b>86,446</b>
Non-financial assets	0	0	0	0	0	0	64,202	56,594
<b>Total</b>	<b>3,932</b>	<b>3,932</b>	<b>27,632</b>	<b>13,063</b>	<b>335,004</b>	<b>243,964</b>	<b>112,225</b>	<b>143,040</b>

### Financial Liabilities

	Non-Current				Current			
	Borrowings		Creditors		Borrowings		Creditors	
	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Amortised Cost	(314,965)	(294,203)	(42,747)	(40,422)	(10,892)	(23,106)	(131,557)	(137,213)
<b>Total financial liabilities</b>	<b>(314,965)</b>	<b>(294,203)</b>	<b>(42,747)</b>	<b>(40,422)</b>	<b>(10,892)</b>	<b>(23,106)</b>	<b>(131,987)</b>	<b>(137,213)</b>
Non-financial liabilities	0	0	(462)	(524)	0	0	(210,115)	(103,023)
<b>Total</b>	<b>(314,965)</b>	<b>(294,203)</b>	<b>(43,209)</b>	<b>(40,946)</b>	<b>(10,892)</b>	<b>(23,106)</b>	<b>(341,672)</b>	<b>(240,236)</b>



## Soft loans made by the authority

The Council has carried out an assessment of its soft loans (car loans, cycle loans and season ticket loans) and based on estimates using a range of different effective interest rates to assess the impact, the estimated loss from these soft loans is not material.

## Income, Expense, Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

2023/24	Financial Liabilities measured at amortised cost £'000	Financial Assets: Loans and receivables £'000	Total £'000
Interest expense	(30,065)	0	(30,065)
Interest income	0	38,165	38,165
Gains on derecognition	0	0	0
<b>Net gain/(loss) for the year</b>	<b>(30,065)</b>	<b>38,165</b>	<b>8,100</b>

## Comparative figures for 2022/23

Interest expense	(17,147)	0	(17,147)
Interest income	0	9,811	9,811
Gains on derecognition	0	0	0
<b>Net gain/(loss) for the year</b>	<b>(17,147)</b>	<b>9,811</b>	<b>(7,336)</b>

## Fair Value of Assets and Liabilities

Financial liabilities and financial assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost.

Fair Values of Financial Assets and Financial Liabilities that are not measured at Fair Value (but for which Fair Value Disclosures are required)

Except for the financial assets carried at fair value, all other financial liabilities and financial assets are represented by loans and receivables and long term debtors and creditors are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments (Level 2), using the following assumptions:

- For PWLB loans payable, new borrowing rates from the PWLB have been applied to provide the fair value;
- For non-PWLB loans payable, prevailing market rates have been applied to provide the fair value;
- Since the carrying value included in the balance sheet includes accrued interest, this is also included in the fair value calculations;
- No early repayment or impairment is recognised.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values are calculated as follows;

31-Mar-23		31-Mar-24		
Carrying amount	Fair value	Carrying amount	Fair value	
£'000	£'000	£'000	£'000	
(198,238)	(196,906)	PWLB – maturity	(189,965)	(178,452)
(125,000)	(123,510)	LOBOs	(125,000)	(114,166)
<b>(323,238)</b>	<b>(320,416)</b>	<b>Financial liabilities</b>	<b>(314,965)</b>	<b>(292,618)</b>
<b>(47,543)</b>	<b>(47,543)</b>	<b>Long-term creditors</b>	<b>(40,946)</b>	<b>(40,946)</b>

The fair value is higher than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans at the Balance Sheet date.

The fair value of PWLB loans measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date, which has been assumed to be the PWLB Certainty Rate. The difference between the carrying amount and the fair value measures the additional interest that the authority will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates.

The authority has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets. However, if the authority were to seek to avoid the projected loss by repaying the loans to the PWLB, the PWLB would raise a penalty charge based on premature repayment rates in addition to charging a premium for the additional interest that will not now be paid.

31-Mar-23			31-Mar-24	
Carrying amount	Fair value		Carrying amount	Fair value
£'000	£'000		£'000	£'000
94,863	94,863	Cash & Cash Equivalents	89,709	89,709
335,004	335,004	Investments	256,079	256,079
<b>429,867</b>	<b>429,867</b>	<b>Financial assets</b>	<b>345,788</b>	<b>345,788</b>
<b>27,632</b>	<b>27,632</b>	<b>Long-term debtors</b>	<b>13,063</b>	<b>13,063</b>

The fair value of the assets is the same as the carrying amount at the balance sheet date. Short term debtors and creditors are carried at cost as this is a fair approximation of their value.

# Note 17 Short-Term Debtors

31-Mar-23 £'000		31-Mar-24 £'000
<b>Government and Public Bodies</b>		
14,061	Central Government Bodies	18,830
4,875	Other Local Authorities	10,314
25,705	NHS Bodies	18,603
<b>44,641</b>	<b>Government and Public Bodies Total</b>	<b>47,747</b>
<b>Other Entities and Individuals</b>		
22,627	Rent Arrears	19,498
24,765	Council Taxpayers	27,227
19,302	NNDR Debtors	10,353
71,128	Other Entities and Individuals	108,664
(75,601)	Less Impairment Allowance	(77,137)
<b>62,221</b>	<b>Other Entities and Individuals Total</b>	<b>88,605</b>
<b>106,862</b>	<b>Total Debtors</b>	<b>136,352</b>
5,363	Payments in Advance	6,688
<b>112,225</b>	<b>Total Short-Term Debtors</b>	<b>143,040</b>

Council tax Debtor	Aged debt analysis			
	2023/24	2022/23	2022/21 and earlier	Total
	£'000	£'000	£'000	£'000
Council Taxpayers debtor	11,799	4,454	10,975	27,227
Council Taxpayers Impairment Allowance	(5,385)	(3,430)	(10,203)	(19,019)
<b>Council tax payers debtors net of impairment allowance</b>	<b>6,413</b>	<b>1,024</b>	<b>771</b>	<b>8,208</b>

## Note 18 Cash & Cash Equivalents

31-Mar-23		31-Mar-24
£'000		£'000
26	Cash held by the authority	19
13,803	Bank current accounts	19,753
80,853	Money Market Funds	45,674
<b>94,682</b>	<b>Total cash and cash equivalents</b>	<b>65,446</b>

## Note 19 Assets Held for Sale

The authority's assets held for sale are all held as current assets on the basis they are all expected to be sold within 12 months from classification of being held for sale.

	31 March 2023	31 March 2024
	£'000	£'000
<b>Balance outstanding at start of year</b>	<b>18,060</b>	<b>18,300</b>
Newly classified / acquired	27,024	18,612
Revaluation gains/(losses)	0	0
Impairment losses	0	0
Declassified to investment properties	0	(16,157)
Assets sold	(26,784)	(16,606)
Other movements	0	0
<b>Balance outstanding at year end</b>	<b>18,300</b>	<b>4,149</b>

## Note 20 Creditors

31-Mar-23		31-Mar-24
£'000		£'000
(136,264)	Central Government Bodies	(72,484)
(70,435)	Other Local Authorities	(15,358)
(3,416)	NHS Bodies	(2,977)
(131,557)	Other Entities and Individuals	(149,417)
<b>(341,672)</b>	<b>Total Creditors</b>	<b>(240,236)</b>

# Note 21 Provisions

## Provisions for 2023/24

Explanation:	Short Term Provisions			Long Term Provisions		
	Legal Claims	Business Rates Appeals	Short-Term Provisions Total	Self-Insurance	Utilities	Long-Term Provisions Total
	(1)	(2)		(3)	(4)	
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Opening Balance 1 April 2023</b>	<b>1,531</b>	<b>23,213</b>	<b>24,744</b>	<b>7,999</b>	<b>3,700</b>	<b>11,699</b>
Additional provisions made in 2023/24	1,250	7,165	8,415	3,000	0	3,000
Amounts used in 2023/24	(541)	(17,883)	(18,424)	0	0	0
Unused amounts reversed in 2023/24	0	0	0	0	0	0
<b>Balance as at 31 March 2024</b>	<b>2,240</b>	<b>12,495</b>	<b>14,735</b>	<b>10,999</b>	<b>3,700</b>	<b>14,699</b>

### (1) Legal Claims

Provision had been made for settlement costs of claims on two property sites, one of which was settled in 2023/24. In addition, provision has been made for settlements resulting from HRA repairs.

### (2) Business Rate Appeals

Provision has been made to meet the estimated costs repayable to ratepayers as a result of reductions in rateable values following successful appeals against valuation.

### (3) Self-Insurance

Since 1993, the Council has been self-insuring various property, public liabilities and motor losses, with the current level of self-insurance at £0.5m for property & liability claims, £1m for tree root related subsidence claims and £0.1m for motor claims. Annual aggregate limits (maximum claim values funded by the Council) are £1.65m, £5.0m, and £0.375m respectively.

Contributions in the form of internal premia charged to services, schools and the HRA are made to the provision. These cover the cost of external premia to insurers and an estimate of the annual amount for internally insuring. The balance of the provision, shown as at the 31 March 2023, represents an estimate of the Council's insurance fund exposure to risks on reported claims.

Since January 2010 the council has added tree root liability cover to its main liability insurance programme with an excess of £1.0m; prior to this the Council self-insured. Claims within the excess continue to be funded via the Council's insurance provision.

### (4) Utilities

Thames Water Provision has been made to meet the estimated costs of reclaims against historical utility charges.



# Note 22 Unusable Reserves

## Unusable Reserves Summary

31-Mar-23		31-Mar-24
£'000		£'000
(630,784)	Revaluation reserve	(795,086)
(3,485,457)	Capital adjustment account	(3,595,905)
4,464	Financial instruments adjustment account	4,386
15,937	Pensions reserve	(134,925)
5,629	Accumulated absences reserve	3,405
(13,465)	Collection fund adjustment account	17,923
<b>(4,103,676)</b>	<b>Total Unusable Reserves</b>	<b>(4,500,202)</b>

## Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost.
- Used in the provision of services and the gains are consumed through depreciation; or
- Disposed of and the gains are realised

The Revaluation Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

31-Mar-23		31-Mar-24
£'000		£'000
<b>(582,537)</b>	<b>Balance at 1st April</b>	<b>(630,784)</b>
<b>254</b>	<b>Opening Balance Adjustment</b>	<b>0</b>
(109,532)	Upward revaluation of assets recognised in the Revaluation Reserve	(203,630)
50,780	Downward revaluation of assets and impairment losses charged to the Revaluation Reserve	29,397
<b>(58,752)</b>	<b>Surplus or deficit on revaluation of on-current assets posted to the Revaluation Reserve</b>	<b>(174,233)</b>
6,091	Difference between fair value depreciation and historical cost depreciation	9,931
4,160	Accumulated gains on assets sold or scrapped	0
10,251	Amount written off to the capital adjustment account	9,931
<b>(630,784)</b>	<b>Closing Balance</b>	<b>(795,086)</b>

## Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction, or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction, and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that are yet to be consumed by the Authority. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

2022/23		2023/24
£'000		£'000
<b>(3,506,193)</b>	<b>Balance at 1 April</b>	<b>(3,485,457)</b>
<b>(254)</b>	<b>Opening Balance Adjustment</b>	<b>0</b>
	<b>Reversal of items relating to capital expenditure debited or credited to the comprehensive income and expenditure statement:</b>	
88,129	Depreciation, Amortisation, and Impairments	91,212
85,147	Revaluation gains on property, plant, and equipment	14,575
2,661	Revenue expenditure funded from capital under statute	7,596
34,693	Non-current assets written out on disposal	25,596
7,900	Movements in the market value of Investment Properties	(33,542)
(10,251)	Adjusting amounts written out of the revaluation reserve	(7,626)
<b>208,279</b>	<b>Net written out amount of the cost of non-current assets consumed in the year</b>	<b>97,811</b>
	<b>Capital financing applied in the year:</b>	
(44,570)	Use of Capital Receipts to finance capital expenditure	(25,974)
(41,963)	Use of Major Repairs Reserve to finance capital expenditure	(38,268)
(85,577)	Application of capital grants and other contributions to finance capital expenditure	(116,359)
(6,952)	Minimum Revenue Provision	(8,089)
(8,227)	Capital expenditure charged to revenue balances	(8,285)
0	Repayment of loans from capital receipts	(11,284)
<b>(187,289)</b>		<b>(208,259)</b>
<b>(3,485,457)</b>	<b>Balance at 31 March</b>	<b>(3,595,905)</b>

Note 7 provide detail of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

### The Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

2022/23 £'000		2023/24 £'000
<b>4,539</b>	<b>Balance at 1 April</b>	<b>4,464</b>
(75)	Amount by which finance costs charged to the comprehensive income and expenditure statement are different from finance costs chargeable in the year in accordance with statutory requirements	(78)
<b>4,464</b>	<b>Balance at 31 March</b>	<b>4,386</b>

### Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax income and non-domestic rates income in the Comprehensive Income and Expenditure Statement compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2022/23 £'000		2023/24 £'000
<b>22,723</b>	<b>Balance at 1 April</b>	<b>(13,465)</b>
(36,188)	Amount by which council tax and non-domestic rates income credited to the comprehensive income and expenditure statement is different from council tax income calculated for the year in accordance with statutory requirements	31,388
<b>(13,465)</b>	<b>Balance at 31 March</b>	<b>17,923</b>

## Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension's funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2022/23 £'000		2023/24 £'000
<b>599,888</b>	<b>Balance at 1 April</b>	<b>15,937</b>
(637,491)	Remeasurement of the defined benefit liability	(134,967)
10,125	Impact of asset ceiling	2,771
105,597	Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the comprehensive income and expenditure statement	46,561
(62,182)	Employer's pensions contributions and direct payments to pensioners payable in the year	(65,226)
<b>15,937</b>	<b>Balance at 31 March</b>	<b>(134,924)</b>

### Accumulated Absences Reserve

The Accumulated Absences Reserve absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2022/23		2023/24
£'000		£'000
<b>5,683</b>	<b>Balance at 1 April</b>	<b>5,629</b>
(5,683)	Settlement or cancellation of accrual made at the end of the preceding year	(5,629)
5,629	Amounts accrued at the end of the current year	3,405
(54)	Amount by which officer remuneration charged to the comprehensive income and expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(2,224)
<b>5,629</b>	<b>Balance at 31 March</b>	<b>3,405</b>



## Note 23 Cash Flows from Operating Activities

The cash flows for operating activities include the following items:

<b>2022/23</b>		<b>2023/24</b>
£'000		£'000
9,811	Interest received	38,165
(19,701)	Interest paid	(30,065)
0	Dividends received	0

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

<b>2022/23</b>		<b>2023/24</b>
£'000		£'000
88,129	Depreciation, Amortisation and Impairment	91,212
93,047	Revaluations	(505)
14,759	Increase/(decrease) in impairment for bad debts	1,536
(27,717)	Increase/(decrease) in creditors	(97,306)
(156,138)	(Increase)/decrease in debtors	(11,228)
(69)	(Increase)/decrease in inventories	30
43,415	Movement in pension liability	(18,665)
22,661	Increase/(decrease) in provisions	(7,009)
34,693	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	9,439
2,449	Other non-cash items charged to the net surplus or deficit on the provision of services	7,269
<b>115,229</b>		<b>(25,227)</b>

## Note 24 Cash Flows from Investing Activities

2022/23 £'000		2023/24 £'000
(219,391)	Purchase of property, plant and equipment, investment property and intangible assets	(230,572)
(225,018)	Purchase of short-term and long-term investments	(791,004)
71,031	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	35,570
0	Proceeds from short-term and long-term investments	869,929
(77,473)	Other receipts from investing activities	141,512
<b>(450,851)</b>	<b>Net cash flows from investing activities</b>	<b>25,435</b>

## Note 25 Cash Flows from Financing Activities

2022/23 £'000		2023/24 £'000
(1,926)	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	(766)
(6,493)	Repayments of short-term and long-term borrowing	(42,929)
0	Cash receipts of short-term and long-term borrowings	34,385
<b>(8,419)</b>	<b>Net cash flows from financing activities</b>	<b>(9,310)</b>

## Note 26 Reconciliation of Financial Liabilities from Financing Activities

	31-Mar-23 £'000	Financing Cash Flows £'000	Other non-cash changes £'000	31-Mar-24 £'000
Long-term borrowings	(314,965)	78	20,684	(294,203)
Short term borrowings	(10,892)	8,470	(20,684)	(23,106)
Long-Term Lease & PFI liabilities	(47,543)	6,597		(40,946)
<b>Total Liabilities from financing activities</b>	<b>(373,400)</b>	<b>15,067</b>	<b>0</b>	<b>(358,255)</b>

	31-Mar-22 £'000	Financing Cash Flows £'000	Other non-cash changes £'000	31-Mar-23 £'000
Long-term borrowings	(322,238)	(1,000)	8,273	(314,965)
Short term borrowings	(10,112)	7,493	(8,273)	(10,892)
Long-Term Lease & PFI liabilities	(49,381)	1,838	0	(47,543)
<b>Total Liabilities from financing activities</b>	<b>(381,731)</b>	<b>8,331</b>	<b>0</b>	<b>(373,400)</b>

## Note 27 Expenditure and Funding Analysis Reconciliation (EFA)

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (i.e. government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices are presented more fully in the Comprehensive Income and Expenditure Statement.

The income and expenditure of the Council's principal services recorded in the budget reports for the year is as follows:

2023/24

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Statutory Differences	Total of Capital, pension and Other Statutory Differences	Other Non-Statutory changes	Total Adjustments
	(Note 1)	(Note 2)	(Note 3)			
	£'000	£'000	£'000	£'000	£'000	£'000
Adults and Health	413	(2,032)	(722)	(2,341)	54	(2,287)
Children & Learning	10,311	(5,336)	(138)	4,837	(1,161)	3,676
Corporate Services	2,499	(7,236)	(712)	(5,449)	(37,711)	(43,160)
Chief Executive	0	(21)	0	(21)	0	(21)
Supporting Communities	50,436	(3,992)	(50)	46,394	(14,472)	31,922
Housing Revenue Account	52,028	(12)	(602)	51,414	5,354	56,768
Dedicated Schools Grant	0	0	0	0	0	0
<b>Net Cost of Services</b>	<b>115,687</b>	<b>(18,629)</b>	<b>(2,224)</b>	<b>94,834</b>	<b>(47,936)</b>	<b>46,898</b>
Other income and expenditure from the Expenditure and Funding Analysis	(171,605)	(36)	(22,168)	(193,809)	49,477	(144,332)
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>(55,918)</b>	<b>(18,665)</b>	<b>(24,392)</b>	<b>(98,975)</b>	<b>1,541</b>	<b>(97,434)</b>

2022/23

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Statutory Differences	Total of Capital, pension and Other Statutory Differences	Other Non-Statutory changes	Total Adjustments
	(Note 1)	(Note 2)	(Note 3)			
	£'000	£'000	£'000	£'000	£'000	£'000
Supporting People	(6,450)	(4,435)	(506)	(11,390)	0	(11,390)
Supporting Communities	76,074	(1,404)	322	74,992	0	74,992
Corporate Services	3,357	41,525	309	45,191	0	45,191
Public Health	0	10	0	10	0	10
Cross Cutting	0	(7)	0	(7)	0	(7)
Housing Revenue Account	102,472	(8,554)	(179)	93,739	0	93,739
Dedicated Schools Grant	0	0	0	0	0	0
<b>Net Cost of Services</b>	<b>175,453</b>	<b>27,135</b>	<b>(54)</b>	<b>202,534</b>	<b>0</b>	<b>202,534</b>
Other income and expenditure from the Expenditure and Funding Analysis	(100,453)	16,280	(36,262)	(120,435)	(71,301)	(191,736)
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>75,000</b>	<b>43,415</b>	<b>(36,316)</b>	<b>82,099</b>	<b>(71,301)</b>	<b>10,799</b>



## Adjustments for Capital Purposes

1) Adjustments for capital purposes – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and other income and expenditure for below the line items.

## Net Change for the Pensions Adjustments

2) Net change for the removal of pension contributions and the addition of IAS 19 *Employee Benefits* pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.
- For other income and expenditure – the net interest on the defined benefit liability is charged to the CIES.

## Other Differences

3) Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For other income and expenditure, the other differences column recognises adjustments to the General Fund for the timing differences for premia and discounts and represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

## Note 28 Agency Services

The Council provides agency services such as payroll on behalf of the North London Waste Authority, Camden Living and Camden Learning. These disclosures are made as part of Note 35 Related Parties.

No further material income has been derived or expenditure incurred in respect of providing agency services.

## Note 29 Pooled Budgets

Better Care Fund (BCF) is the result of a s75 agreement between the Council and North Central London Integrated Commissioning Board (NCL ICB) to enable further integrated working between the Authority and the NHS. Under the 2023/24 s75 pooled budget agreement, the Council contributed £1.138m from the disabled facilities grant (DFG), £1.843m of discharge fund and £12.874m revenue funds. The NCL ICB agreed to make revenue contribution of a maximum of £29.700m, this includes an additional £3.5m held for district nurses on behalf of the ICB.

The pooled budget agreement stipulates arrangements for the management of surpluses and deficits in the pool.

In the event that the parties to the s75 agreement decide to dissolve the pool, then the first call on this reserve would be to fund exist costs, with any remaining resources being returned to NCL ICB.

The Council has an agreement with Camden and Islington Mental Health Foundation Trust (CIFT) where the Council has delegated a budget to CIFT for the provision and management of some mental health services. CIFT is jointly funded by the Authority, Camden ICB, Islington ICB and Islington Council. This is not a formal pooled budget agreement.

	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>
Contributions to the pool:		
- Camden Council	(14,992)	(15,075)
- Clinical Commissioning Group	(31,224)	(29,700)
	<u>(46,216)</u>	<u>(44,775)</u>
Expenditure to be met from the pool:		
- Camden Council	24,428	27,256
- Clinical Commissioning Group	12,817	12,681
	<u>37,245</u>	<u>39,936</u>
<b>Net (surplus) arising on the pooled budget in year</b>	<b>(8,971)</b>	<b>(4,839)</b>
Camden Council share of the (surplus) / deficit arising on the pooled budget	(755)	(82)
CCG share of the (surplus) / deficit arising on the pooled budget	(8,216)	(4,757)

## Note 30 Members' Allowances

During 2023/24, allowances were paid to Members of the authority (councillors) as follows:

2022/23 £'000		2023/24 £'000
1,054	Allowances	1,207
14	Expenses	19
<b>1,068</b>	<b>Total</b>	<b>1,226</b>

Payments were made to Members in accordance with the Members' Allowances Scheme for the same financial year.

Details of the Members' Allowances Scheme and of payments made to individual councillors in accordance with the Scheme can be found at: <https://www.camden.gov.uk/councillors-allowances>.

# Note 31 Officers' Remuneration

## a) Payments to Chief Officers

The remuneration paid to the Council's senior employees is as follows:

2023/24						
Job Title <sup>A</sup>	Salary, fees and allowances	Variable pay <sup>B</sup>	Expenses allowances <sup>C</sup>	Loss of office payment <sup>D</sup>	Employer's pension contributions	Total
	£	£	£	£	£	£
Chief Executive (Jenny Rowlands)	223,406	9,725	-	-	49,087	<b>282,218</b>
Executive Director Corporate Services (Jon Rowney)	179,340	7,742	-	-	39,709	<b>226,791</b>
Executive Director Supporting Communities (Gillian Marston)	178,090	7,742	313	-	37,538	<b>223,683</b>
Borough Solicitor	148,424	4,170	-	-	32,471	<b>185,066</b>
Executive Director Adults & Health	140,771	5,910	-	-	29,630	<b>176,311</b>
Director of Public Health	132,863	6,209	-	-	19,999	<b>159,071</b>
Director of People & Inclusion	124,470	5,362	-	-	26,226	<b>6,058</b>
Executive Director Children & Learning	103,965	-	-	-	21,001	<b>124,966</b>
Executive Director Supporting People (Martin Pratt)	44,366	8,302	1,908	-	10,900	<b>65,477</b>

<sup>A</sup> Officers whose salary is £150,000 or more are also identified by name.

<sup>B</sup> One off non-consolidated payment based on performance.

<sup>C</sup> The total amount of sums paid by way of expenses and subject to income tax.

<sup>D</sup> The first £30,000 of the termination payment will be paid without deduction of income tax and national insurance as provided for under section 401 to 405 of the Income Tax (Earnings and Pension) Act 2003. The balance over £30,000 will be subject to tax. This excludes employer's pension contributions that are paid directly to the pension scheme.

The Chief Executive, Executive Director Corporate Services and Borough Solicitor receive an allowance for the provision of advice to North London Waste Authority. This is not included in the above tables as these are declared in the accounts of the NLWA.

There were no other benefits received by the above officers otherwise than in cash not already included in the other categories.

In the financial year 2022 / 2023 we had the Local Borough Elections and one by-election for which payments were made to the Chief Executive for her role as Borough Returning Officer and payments made via her to other senior officers who acted as Deputy Returning Officer. Other staff both those who are employed by Camden and those who are not were paid various fees for roles in the elections. These payments were accounted for separately back to the election itself and pursuant to the separate from the Council legal status of the Returning Officer. For the previous financial year, payments to senior employees were as follows:

### 2022/23

Job Title <sup>A</sup>	Salary, fees and allowances	Variable pay <sup>B</sup>	Expenses allowances <sup>C</sup>	Loss of office payment <sup>D</sup>	Employer's pension contributions	Total
	£	£	£	£	£	£
Chief Executive (Jenny Rowlands)	194,490	10,815	-	-	43,389	<b>248,694</b>
Executive Director Supporting People and Deputy Chief Executive (Martin Pratt)	166,030	9,815	6,904	-	36,566	<b>219,315</b>
Executive Director Corporate Services (Jon Rowney)	154,844	9,084	-	-	34,958	<b>198,886</b>
Executive Director Supporting Communities (Gillian Marston)	154,844	8,424	-	-	32,980	<b>196,248</b>
Borough Solicitor	139,001	5,478	-	-	30,768	<b>175,247</b>
Director of Adult Social Care	113,659	6,855	-	-	24,344	<b>144,858</b>
Director of People and Inclusion	107,245	6,244	-	-	22,925	<b>136,414</b>
Director of Public Health	10,348	-	-	-	1,488	<b>11,836</b>

<sup>A</sup> Officers whose salary is £150,000 or more are also identified by name.

<sup>B</sup> One off non-consolidated payment based on performance.

<sup>C</sup> The total amount of sums paid by way of expenses and subject to income tax.

<sup>D</sup> The first £30,000 of the termination payment will be paid without deduction of income tax and national insurance as provided for under section 401 to 405 of the Income Tax (Earnings and Pension) Act 2003. The balance over £30,000 will be subject to tax. This excludes employer's pension contributions that are paid directly to the pension scheme.

## **b) Remuneration of officers earning above £50,000**

The number of staff receiving remuneration in the year in excess of £50,000 is shown below in bands, excluding those officers named in the earlier part of this note. These figures include staff in community schools.

Remuneration excludes employer's pension contributions as these are paid directly to the pension scheme fund but includes benefits in kind, so far as they are chargeable to UK income tax. Also included are compensation payments for termination and other payments receivable on the termination of employment, even where these are not taxable. The numbers include staff that have left or joined part way through the year.



Pay band	2022/23			2023/24		
	Non-schools	Community Schools	Overall Total	Non-schools	Community Schools	Overall Total
£ 50,000 - £ 54,999	364	120	484	434	103	537
£ 55,000 - £ 59,999	217	99	316	287	110	397
£ 60,000 - £ 64,999	101	68	169	123	96	219
£ 65,000 - £ 69,999	96	34	130	119	50	169
£ 70,000 - £ 74,999	24	29	53	42	25	67
£ 75,000 - £ 79,999	42	12	54	47	20	67
£ 80,000 - £ 84,999	16	16	32	24	19	43
£ 85,000 - £ 89,999	11	6	17	15	13	28
£ 90,000 - £ 94,999	12	7	19	22	1	23
£ 95,000 - £ 99,999	5	3	8	8	3	11
£100,000 - £104,999	8	0	8	9	4	13
£105,000 - £109,999	4	1	5	2	2	4
£110,000 - £114,999	3	4	7	2	1	3
£115,000 - £119,999	4	0	4	1	2	3
£120,000 - £124,999	2	2	4	1	1	2
£125,000 - £129,999	3	2	5	2	0	2
£130,000 - £134,999	2	1	3	2	1	3
£135,000 - £139,999	1	1	2	5	3	8
£140,000 - £144,999	1	0	1	1	1	2
£145,000 - £149,999	1	0	1	1	0	1
£150,000 - £154,999	0	0	0	1	0	1
£155,000 - £159,999	0	0	0	0	0	0
£160,000 - £164,999	0	0	0	0	0	0
£165,000 - £169,999	0	0	0	0	0	0
£170,000 - £174,999	0	0	0	0	0	0
£175,000 - £179,999	0	0	0	0	0	0
£180,000 - £184,999	0	0	0	1	0	1
<b>Total</b>	<b>917</b>	<b>405</b>	<b>1,322</b>	<b>1,149</b>	<b>455</b>	<b>1,604</b>

## Note 32 External Audit costs

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Council's external auditors:

	2022/23 £'000		2023/24 £'000
153		Fees payable to the external auditor regarding external audit services carried out by the appointed auditor for the year	417
92		Additional Variation Fees payable for prior year audits*	185
45		Fees payable to the external auditor for the certification of grant claims and returns for the year	34
0		Fees for non-audit services	0
<b>290</b>		<b>Total</b>	<b>636</b>

\*The fees payable to Forvis Mazars include estimated fees that have been accrued in year and included in the note.

## Note 33 Dedicated Schools Grant

The council's expenditure on schools is funded primarily by grant monies provided by the Education and Skills Funding Agency, the Dedicated Schools Grant (DSG). DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance and Early Years (England) Regulations 2018. The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school.

Details of the deployment of DSG receivable are as follows:

2022/23				2023/24		
Central Expenditure £'000	ISB £'000	Total £'000		Central Expenditure £'000	ISB £'000	Total £'000
		<b>191,408</b>	Final DSG for the financial year			<b>200,422</b>
		<b>(13,101)</b>	Academy figures recouped			<b>(13,640)</b>
		<b>13,203</b>	Brought forward from the previous year			<b>(19,256)</b>
		<b>(13,203)</b>	Carry forward to next financial year agreed in advance			<b>19,256</b>
(26,519)	(151,788)	<b>(178,307)</b>	Agreed budgeted distribution in the year	(34,656)	(152,126)	<b>(186,782)</b>
806	(806)	<b>0</b>	In year adjustment	0	(391)	<b>(391)</b>
(25,713)	(152,594)	<b>(178,307)</b>	Final budget distribution for year	(34,656)	(152,517)	<b>(187,173)</b>
27,325	0	<b>27,325</b>	Actual central expenditure	32,254	0	<b>32,254</b>
0	144,928	<b>144,928</b>	Actual ISB deployed to schools	0	151,831	<b>151,831</b>
1,612	(7,666)	<b>(6,054)</b>	Carry forward to DSG in next financial year	(2,402)	(686)	<b>(3,088)</b>
0	(13,203)	<b>(13,203)</b>	(Carry forward)/Drawdown of DSG this year	0	(19,257)	<b>(19,257)</b>
<b>1,612</b>	<b>(20,869)</b>	<b>(19,257)</b>	<b>Total DSG carry forward</b>	<b>(2,402)</b>	<b>(19,942)</b>	<b>(22,344)</b>

## Note 34 Grant Income

The authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statements in 2023/24:

<b>2022/23</b> <i>Restated</i>	<b>Credited to taxation and non-specific grant income</b>	<b>2023/24</b>
£'000		£'000
(3,227)	New Homes Bonus	(55)
0	Levy Account Surplus Grant	(767)
(23,511)	Revenue support grant	(26,473)
(40,731)	S31 Grants*	(35,212)
<b>(67,469)</b>	<b>Total Non-Ringfenced Grants</b>	<b>(62,507)</b>

## Note 34 Grant Income continued

2022/23 <i>Restated</i>	Credited to Services (CIES)	2023/24
£'000		£'000
(138,569)	Housing Benefit Subsidy	(141,208)
(178,117)	Dedicated Schools Grant (DSG)	(183,423)
(28,388)	Public Health Grant	(29,314)
(10,912)	Young People's Learning Agency	(15,898)
(9,463)	Pupil Premium Grant	(10,104)
0	Home Office Grants	(3,758)
(17,878)	Other Grants and Contributions	(13,553)
(1,271)	Business Rates collection grant	0
(1,323)	Lower Tier Services Grant	0
(8,461)	PFI Grants	(8,461)
(12,874)	Improved Better Care Fund	(12,874)
(30,034)	Better Care Fund	(27,459)
(6,307)	Services Grant	(3,700)
(3,140)	Homelessness Prevention Grant	(3,667)
(13,472)	Adult Social Care Support Grant	(21,847)
(3,305)	Asylum Seeking Unaccompanied Children	(3,937)
(16,018)	Additional DfE Grants (not DSG)	(15,644)
(723)	Teachers Pension Grant	(575)
0	Discharge Grant	(1,805)
(904)	Troubled Families Earned Autonomy Grant	0
0	Teachers Pay Grant	(2,441)
0	Market Sustainability and Fair Cost of Care	(3,011)
0	Local Council Tax Support Admin Grant	(629)
(786)	Independent Living Fund	0
(3,551)	Rough Sleeping	(3,451)
(115)	Community Discharge Grant	0
(771)	Community Learning Grant	0
(12)	Local Authority Covid-19 Test and Trace Service Support Grant	0
(1,315)	Afghan Resettlement and Schemes Grant	(7,680)
(2,134)	Household Support Grant	(4,843)
(1,265)	Local Council Tax Support Schemes Grant	0
(1,107)	Leaving Care Grant	(3,540)
(705)	New Burdens Grant	(91)
(246)	Respite Rooms Programme	0
0	Homes for Ukraine	(3,086)
(1,033)	Youth Justice Grant	(818)
<b>(494,199)</b>	<b>Total</b>	<b>(526,817)</b>

## Note 34 Grant Income continued

2022/23	Capital Grants & Contributions Applied	2023/24
£'000		£'000
(15,485)	S106 Recognised in I&E	(12,074)
(3,662)	Transport for London	(5,900)
(2,546)	HS2 Grants	(6,045)
(5,185)	Other Grants & Contributions	(2,099)
(1,647)	Education Grants	(2,014)
(50,703)	GLA Grants	(42,271)
0	Disabled Facilities Grant	(1,945)
(8,134)	Community Infrastructure Levy	(10,102)
0	Local Authority Housing Fund	(22,404)
0	Social Housing Decarbonisation Fund	(3,120)
0	Brownfield Release Fund	(1,590)
0	Home Office Wraparound Grant	(7,397)
0	Building Safety Fund	(2,616)
0	Leaseholder contributions	(2,135)
<b>(87,362)</b>	<b>Total</b>	<b>(121,712)</b>

2022/23	Capital Grant Receipts in Advance	2023/24
£'000		£'000
	<b>Included in Short Term Liabilities</b>	
(1,345)	HS2 Mitigation Measures	(652)
0	HS2 Rehousing Scheme Funding	(4,755)
(14,089)	Standards Fund Capital Grant	(19,063)
(1,944)	S106 12 Smyrna Road Hampstead	(3,189)
(727)	GLA Funding	(7,783)
(684)	Social Housing Decarbonisation Fund (BEIS)	(8)
(1,566)	Brownfield Land Release Funding (BLRF)	0
(26,454)	GLA - Building Council Homes for Londoners	(7,729)
0	Levelling Up Fund	(1,609)
0	Local Authority Housing Fund	(11,074)
0	Homes England Cladding Safety Scheme (CSS)	(1,200)
(2,531)	UK Online Phase 1	(2,531)
<b>(49,340)</b>	<b>Total</b>	<b>(59,593)</b>
	<b>Included in Long Term Liabilities</b>	
(75,271)	Section 106	(84,818)
<b>(75,271)</b>	<b>Total</b>	<b>(84,818)</b>

# Note 35 Related Parties

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

## Central Government

Central government has effective control over the general operations of the Council; it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants, and prescribes the terms of many of the transactions that the Council has with other parties, for example on housing benefit payments. Details of key transactions with government departments are set out in other notes to the accounts, such as grants received.

## Members

Members of the Council have direct control over the council's financial and operating policies.

Members are required by law and the Members' Code of Conduct to disclose the interests of themselves and their spouses or partners in other organisations.

The following table sets out those organisations not referred to elsewhere in this note, where a Member is judged to have significant influence or control over those other organisations, and the Council has total transactions with them in 2023/24 over £50,000.

Payments made to other organisations include both non-discretionary amounts such as education funding or ongoing Covid-19 business grants and discretionary amounts such as other grants and community infrastructure levy funding. Payments received from other bodies include rent from organisations who are tenants in Council properties or fees and charges for other services.

The register of Members' interests setting out all organisations which councillors have declared an interest in can be viewed via councillors' individual pages via [www.camden.gov.uk/democracy](http://www.camden.gov.uk/democracy) or in person at Camden Town Hall during normal working hours.

The total amount of allowances paid to Members in 2023/24 is shown in Note 30.



Organisation	2022/23		2023/24	
	Payments Made £000s	Payments Received £000s	Payments Made £000s	Payments Received £000s
Abacus Belsize Primary School	128	102	-	-
British Medical Association	-	-	164	-
Camden Arts Centre	159	-	-	-
Camden Chinese Community Centre	153	-	156	-
Camden Community Law Centre	155	45	-	-
Camden and Islington NHS Trust	-	-	3,569	-
Camden Society	646	50	626	53
Camden Town Unlimited	1,274	14	607	15
Community Association for West Hampstead	62	-	-	-
Covent Garden Dragon Hall Trust	118	-	70	-
Five Paper Chambers	-	-	104	-
Friends of Coram's Fields	247	5	-	-
Highgate Newtown Community Centre	168	-	-	-
King's Cross Brunswick Neighbourhood Association	170	18	316	25
Lee Valley Regional Park Authority	449	-	-	-
London School of Mosaic	87	50	55	-
Maiden Lane Community Centre	236	-	239	-
Mishcon De Reya LLP	-	-	380	2
Primrose Hill Community Library	108	-	60	53
Queens Crescent Community Association	-	-	315	-
Royal Academy of Dramatic Art	164	25	-	-
Royal Borough of Kensington and Chelsea	-	-	75	16
Sidings Community Centre	316	32	-	86
The Conservation Volunteers (TCV)	55	-	-	-
The Roundhouse Trust	100	2	-	-
The Royal Bank of Scotland	164	-	-	-
UCL Academy	439	1,779	-	-
Voluntary Action Camden	340	-	138	9
Working Men's College	1	52	3	52
<b>Total</b>	<b>5,738</b>	<b>2,174</b>	<b>6,877</b>	<b>311</b>

## Chief Officers

Chief officers also have significant control and influence over the Council's financial and operating policies. Other than as disclosed elsewhere in this note and pay as per Note 31 Officers' Remuneration, there are no material related party transactions to be disclosed for 2023/24.

## London Councils

London Councils is a collective body for all London boroughs and the City of London Corporation to allow for collaborative working and provision of some pan-London schemes including Freedom Passes, taxicards and grants programmes. In 2023/24, the Council paid £2.3m to London Councils (£2.04m in 2022/23). The majority of this was £0.8m in parking, taxicards and other concessionary transport fees, £0.2m in memberships and subscriptions and £0.8m in other grants and contributions.

The Chair of London Councils during 2023/24 was a Camden councillor but this is not considered to have impacted on transactions with London Councils taking their normal course.

## Greater London Authority

The Council works closely with the Greater London Authority and the Mayor of London and there are transactions between the two organisations. The Council collects the GLA precept part of Council Tax and receives payments and grants from the GLA such as for public realm works or construction works.

One Camden councillor was a member of the Greater London Assembly during 2023/24 but there is considered to no impact from this on the normal course of transactions with the Greater London Authority.

## NHS Local Trusts and Clinical Commissioning Groups

The Council received £44.06m from NHS bodies (£46.88m in 2022/23) - notably trusts and clinical commissioning groups - during the year for the provision of combined health and community care services

## North London Waste Authority

The North London Waste Authority (NLWA) is a public body with powers to make arrangements for the disposal of waste produced in seven north London

boroughs including Camden. Each borough appoints two councillors to sit on the NLWA. In 2023/24, Camden paid the NLWA £8.23m for waste disposal services (£7.77m in 2022/23).

Camden is the lead borough for the NLWA with the Council's Chief Executive acting as the NLWA's Clerk, the Executive Director Corporate Services being the NLWA's Financial Advisor, and the Borough Solicitor serving as the NLWA's Legal Advisor. In 2023/24, Camden received £4.28m from the NLWA for provision of services (£3.39m in 2022/23).

At 31 March 2024, the Council held £332.26m of cash and cash equivalents on behalf of NLWA (£533.72m at 31 March 2023). This has been excluded from the Council's balance sheet.

## Camden Living

Camden Living is a wholly-owned Council company which rents housing in the borough on intermediate and private rental basis so as to provide a wider local housing offer. At 31 March 2024, the company had acquired 65 units on long-term leases from the Council to be let at intermediate rents. In addition, a further 48 residential units are leased to Camden Living through operating leases which

expire in October 2026. Under this arrangement, Camden Living leases the units at market rents and returns the rental income to the Council after deducting appropriate costs.

At 31 March 2024, loans totalling £5.086m had been provided by the Council to Camden Living and share premium of £3.449m had been injected by the Council. At that date, other amounts owed to the Council by the company, for example for lease payments and accrued interest, totalled £0.326m (0.123m 2022/23). Amounts owed to the company by the Council for, for example management fees, totalled £0.335m (£0 was owed at the end of 2023).

The Council's Executive Director Corporate Services was a company director during 2023/24. Other Council officers have been appointed to the board of Camden Living, but are not chief officers within the meaning of this note.

### **Camden Learning**

Camden Learning is an entity created as a partnership between Camden Council and schools in Camden to foster collaboration and provide services to schools with the aim of improving education outcomes in the borough.

The Cabinet Member with responsibility for schools sits on the board of Camden Learning as does the Executive Director Supporting People. The Council's membership of and voting rights on the board is limited under the articles of association to a maximum of 19.9% and do not trigger local authority associated person influenced status.

In 2023/24, the Council commissioned services from Camden Learning and made payments of £4.05m (£3.41m in 2022/23) and received £3.87m (£3.75m in 2022/23) for provision of seconded staff and other services. The Council has agreed to commission services from Camden Learning through to at least August 2026.

# Note 36 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in this table (including the value of assets acquired under finance leases and Private Finance Initiative (PFI) contracts), together with the resources that have been used to finance it.

Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

	2022/23 £'000	2023/24 £'000
<b>Opening Capital Financing Requirement</b>	<b>597,035</b>	<b>631,799</b>
<b>Capital investment</b>		
Property, plant and equipment	218,129	223,984
Investment properties	1,262	923
Intangible assets	0	0
Revenue expenditure funded from capital under statute	2,661	7,596
Reversals of prior capital additions	0	(119)
<b>Total</b>	<b>222,052</b>	<b>232,384</b>
<b>Sources of finance</b>		
Capital receipts	44,570	37,258
Government grants and other contributions	85,576	116,359
Direct revenue contributions	8,227	8,285
Major Repairs Reserve	41,963	38,268
Minimum Revenue Provision (MRP)	6,952	8,089
<b>Total</b>	<b>187,288</b>	<b>208,259</b>
<b>Closing Capital Financing Requirement</b>	<b>631,799</b>	<b>655,924</b>
<b>Change in CFR</b>	<b>34,764</b>	<b>24,125</b>
	2022/23 £'000	2023/24 £'000
<b>Explanation of movements in year</b>		
Increase in underlying need to borrowing (unsupported by government financial assistance)	41,716	32,214
Statutory provision for repayment of debt (Minimum Revenue Provision)	(6,952)	(8,089)
<b>Increase/(decrease) in Capital Financing Requirement</b>	<b>34,764</b>	<b>24,125</b>

# Note 37 Leases

## Finance Leases

The council does not have any material finance leases to disclose.

## Operating Leases

The future minimum lease payments due under non-cancellable leases in future years are:

31 March 2023 £'000		31 March 2024 £'000
175	Not later than one year	264
403	Later than one year and not later than five years	583
207	Later than five years	100
785	Minimum lease payments	947

The expenditure charged to the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

31 March 2023 £'000		31 March 2024 £'000
275	Minimum lease payments	261
0	Contingent rents	0
275		261

In addition to the leases disclosed above, Camden has a contract with Veolia Environmental Services for waste management. The Contract was reviewed in 2011 and it was concluded that the

substance of the transaction between Veolia and Camden for the use of Veolia's vehicles in effect represents an operating lease where Camden is the lessee.

## Authority as Lessor

### Operating Leases

The Authority leases out property and equipment under operating leases for the following purposes:

- For the provision of community services, such as sports facilities.
- For economic development purposes to provide suitable affordable accommodation for local businesses.

The future minimum lease payments receivable under non-cancellable leases in future years are:

31 March 2023 £'000		31 March 2024 £'000
10,549	Not later than one year	8,687
25,357	Later than one year and not later than five years	20,058
16,744	Later than five years	13,355
52,650		42,100

## Note 38 Private Finance Initiatives and similar contracts

PFI contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment (PPE) needed to provide the services passes to the PFI contractor. As the council is deemed to control the services that are provided under its PFI schemes and as ownership of the PPE will pass to the council at the end of the contracts for no additional charge, the council carries the PPE used under the contracts on the Balance Sheet.

The PPE recognised on the Balance Sheet is revalued and depreciated in the same way as PPE owned by the council.

### Haverstock School PFI

In 2003/04 Camden signed a 27-year contract to rebuild the Haverstock School and then provide services to the school. The unitary charge is subject to indexation and performance deductions for service and availability failures.

The land where the dwelling blocks are situated belongs to the Council and the Operator has been granted a licence to use the land for undertaking the works and services.

The original recognition of the PPE was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the PPE. For the Haverstock School PFI, the liability was written down by an initial capital contribution of £4.0m.

Details of the payments due to be made under PFI arrangements (separated into repayments of liability, interest and service charges):

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to pay the contractor for capital expenditure incurred is as follows:

2022/23 £000		2023/24 £000
8,518	Balance outstanding at 1 April	7,959
(559)	Payments during the year	(713)
7,959	Balance outstanding at 31 March	7,246

	Payment for Services £000	Reimbursement of Capital Expenditure £000	Interest £000	Total £000
Payable in 2024/25	1,527	799	610	2,936
Payable between two to five years	6,015	4,425	1,666	12,106
Payable between six to ten years	2,195	2,022	222	4,439
<b>Total</b>	<b>9,737</b>	<b>7,246</b>	<b>2,498</b>	<b>19,481</b>

### Swiss Cottage SEN School and UCL Academy PFI

In 2011/12 the council signed a 25-year contract to build two new schools at Adelaide Road, Swiss Cottage SEN School and UCL Academy, and provide facilities management services excluding catering services. The council is required to pay an annual unitary charge to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The unitary charge is subject to indexation and performance deductions for service and availability failures. The council receives an annual PFI credit towards the unitary charge. The schools each make annual contributions to meet the costs of the unitary charge not covered by the PFI credits and for the council to manage the PFI services and provide ICT facilities to the schools.

Details of the payments due to be made under PFI arrangements (separated into repayments of liability, interest, and service charges):

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair

value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to pay the liability to the contractor for capital expenditure incurred is as follows:

2022/23 £000		2023/24 £000
38,337	Balance outstanding at 1 April	37,042
(1,294)	Payments during the year	(1,541)
37,042	Balance outstanding at 31 March	35,501

	Payment for Services £000	Reimbursement of Capital Expenditure £000	Interest £000	Total £000
Payable in 2024/25	3,396	1,526	3,387	8,309
Payable between two to five years	14,791	7,290	12,049	34,130
Payable between six to ten years	21,188	13,300	10,377	44,865
Payable between eleven to fifteen years	17,307	13,385	3,067	33,760
Total	56,682	35,501	28,880	121,064



## Note 39 Termination Benefits

The Council continued to engage in salary savings activity in the financial year 2023-24, where it undertakes service transformation as part of its Medium-Term Financial Strategy. The following tables provide a summary of the exit packages associated with the required redundancies to achieve the Council's transformational goals.

For the year 2023-24, the Council has charged to the Comprehensive Income and Expenditure Statement a total of £1.24m for

the termination of contracts that have occurred during 2023-24. This is for the termination of 38 employee contracts spread across the full range of Council services.

The table below provides an analysis of the exit packages approved during 2023-24. This analysis discloses both the number of exit packages and the total cost of redundancies by the total cost band for each redundancy.

With reference to the columns labelled:

- 'compulsory redundancies': this summarises the costs associated with the total number of compulsory redundancies in 2023-24.
- 'other departures': wherever possible, redundancies have been minimised through the use of a variety of measures including the use of voluntary redundancy in 2023-24.

	Number of compulsory redundancies		Number of other departures agreed		Total departures per band		Cost of compulsory redundancies		Cost of other departures agreed		Total cost of exit packages per band	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000
£0 - £20,000	10	12	11	6	21	18	100	58	93	71	193	129
£20,001 - £40,000	3	3	13	7	16	10	83	103	372	193	455	296
£40,001 - £60,000	1	1	3	3	4	4	46	51	140	138	187	189
£60,001 - £80,000	3	0	3	2	6	2	203	0	209	149	413	149
£80,001 - £100,000	4	1	2	1	6	2	358	84	186	91	544	175
£100,001 - £150,000	0	1	1	0	1	1	151	123	130	0	282	123
£150,001 - £200,000	1	1	0	0	1	1	0	184	0	0	0	184
<b>Total</b>	<b>22</b>	<b>19</b>	<b>33</b>	<b>19</b>	<b>55</b>	<b>38</b>	<b>942</b>	<b>603</b>	<b>1,131</b>	<b>642</b>	<b>2,073</b>	<b>1,245</b>

# Note 40 Pensions Schemes Accounted for as Defined Contribution Schemes

## Teachers Pensions

Teachers employed by the Authority are members of the Teachers' Pension Scheme, administered by the Department for Education. The Scheme provides teachers with specified benefits upon their retirement, and the authority contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The Scheme is technically a defined benefit scheme. However, the Scheme is unfunded, and the Department for Education uses a notional fund as the basis for calculating the employers'

contribution rate paid by local authorities. The Authority is not able to identify its share of underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2023/24 the Council paid £15.965m to Teachers' Pensions in respect of teachers' retirement benefits (£15.291m in 2022/23), representing 23.7% of pensionable pay (also 23.7% in 2022/23). As a proportion of the total contributions into the Teachers' Pension Scheme during the year ending 31 March 2024, the Council's own

contributions equate to approximately 70.2%.

It is estimated that Teachers' Pensions contributions for 2024/25 would be £20.3m.

The Authority is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis, included in the current service cost.

# Note 41 Defined Benefit Pension Schemes

## Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Council's employees belong to three principal pension schemes, all of which are defined benefit schemes. The three schemes are:

- London Borough of Camden Pension Fund,
- London Pension Fund Authority
- Teachers' Pension Scheme

For the purposes of this Statement of Accounts, the Teachers' Pension Scheme is accounted for on the same basis as a defined contribution scheme and disclosed in the preceding Note 40.

The Local Government Pension Scheme's actuaries determine the employer's contribution rate based on triennial actuarial valuation undertaken as at 31 March 2022, setting the contribution rates from 2023/24 to 2025/26.

Under Pension Fund regulations applying from 2007/08, contribution rates are required to meet 100% of the overall liabilities of the Fund over an agreed period, and the contributions needed by the Council to meet this requirement will continue to be funded at the level recommended by the Fund's actuary.

## Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

## Pensions Assets and Liabilities recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plans is as follows:

2022/23			Pensions Assets and Liabilities recognised in the Balance Sheet	2023/24		
Camden	LPFA	Total		Camden	LPFA	Total
£'000	£'000	£'000		£'000	£'000	£'000
(1,808,615)	(35,452)	(1,844,067)	Present Value of the defined benefit obligation	(1,836,399)	(34,375)	(1,870,774)
1,817,421	52,465	1,869,886	Fair value of plan assets	1,994,771	54,160	2,048,931
0	(16,975)	(16,975)	Impact of asset ceiling	0	(19,746)	(19,746)
(24,124)	(657)	(24,781)	Present Value of the unfunded liabilities	(22,864)	(623)	(23,847)
<b>(15,318)</b>	<b>(619)</b>	<b>(15,937)</b>	<b>Net liability arising from defined benefit obligation</b>	<b>135,508</b>	<b>(584)</b>	<b>134,924</b>

2022/23			Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets	2023/24		
Camden	LPFA	Total		Camden	LPFA	Total
£'000	£'000	£'000		£'000	£'000	£'000
<b>1,898,746</b>	<b>53,267</b>	<b>1,952,013</b>	<b>Opening Fair Value of Employer Assets</b>	<b>1,817,421</b>	<b>52,465</b>	<b>1,869,886</b>
(527)	(16)	(543)	Administration Expenses	0	(16)	(16)
51,110	1,357	<b>52,467</b>	Interest Income	85,768	2,462	<b>88,230</b>
			Re-measurement gain/(loss):			
(123,424)	(8)	<b>(123,432)</b>	- the return on plan assets, excluding the amount included in the net interest expense	95,764	1,634	<b>97,398</b>
40,507	186	<b>40,693</b>	Contributions from employer	65,127	99	<b>65,226</b>
0	0	<b>0</b>	Other	0	0	<b>0</b>
13,522	31	<b>13,553</b>	Contributions from employees into the scheme	14,484	28	<b>14,512</b>
(62,513)	(2,352)	<b>(64,865)</b>	Benefits Paid	(83,793)	(2,512)	<b>(86,305)</b>
<b>1,817,421</b>	<b>52,465</b>	<b>1,869,886</b>	<b>Closing Fair Value of Employer Assets</b>	<b>1,994,771</b>	<b>54,160</b>	<b>2,048,931</b>

Camden	LPFA	Total	Reconciliation of Asset Ceiling	Camden	LPFA	Total
£'000	£'000	£'000		£'000	£'000	£'000
<b>0</b>	<b>6,849</b>	<b>6,849</b>	<b>Opening Impact of Asset Ceiling</b>	<b>0</b>	<b>16,975</b>	<b>16,975</b>
0	9,948	<b>9,948</b>	Actuarial losses / (gains)	0	1,956	<b>1,956</b>
0	178	<b>178</b>	Interest on Asset Ceiling	0	815	<b>815</b>
<b>0</b>	<b>16,975</b>	<b>16,975</b>	<b>Closing Impact of Asset Ceiling</b>	<b>0</b>	<b>19,746</b>	<b>19,746</b>

The actuarial valuation of the LPFA Scheme asset/liability showed a surplus. The actuary has calculated an asset ceiling, being the difference between the accounting surplus attributable to the Employer and the surplus limit, to restrict the amount of net asset (relative to funding obligations) the Employer can disclose.

Changes in effect of the asset ceiling are included under Assets and currently only impacts the LPFA scheme. Following the IAS19 valuation, the Camden pension fund has been estimated to have a pension asset rather than a pension liability.

2022/23			Reconciliation of defined benefit obligation	2023/24		
Camden £'000	LPFA £'000	Total £'000		Camden £'000	LPFA £'000	Total £'000
<b>2,478,801</b>	<b>46,635</b>	<b>2,525,436</b>	<b>Opening Defined Benefit Obligation</b>	<b>1,832,739</b>	<b>36,109</b>	<b>1,868,848</b>
87,806	160	<b>87,966</b>	Current Service Cost	45,585	85	<b>45,670</b>
67,387	1,182	<b>68,569</b>	Interest cost	86,520	1,674	<b>88,194</b>
13,522	31	<b>13,553</b>	Contributions from scheme participants	14,484	28	<b>14,512</b>
			Re-measurement (gains) and losses:			
(15,507)	0	<b>(15,507)</b>	- re-measurement of the defined benefit liability arising on changes in demographic assumptions	(10,698)	(475)	<b>(11,173)</b>
(880,111)	(13,099)	<b>(893,210)</b>	- re-measurement of the defined benefit liability arising on changes in financial assumptions	(85,803)	(19)	<b>(85,822)</b>
144,419	3,552	<b>147,971</b>	- Other	59,318	108	<b>59,426</b>
1,335	0	<b>1,335</b>	Past service cost	911	0	<b>911</b>
(64,913)	(2,352)	<b>(67,265)</b>	Benefits Paid	(83,793)	(2,512)	<b>(86,305)</b>
<b>1,832,739</b>	<b>36,109</b>	<b>1,868,848</b>	<b>Closing Defined Benefit Obligation</b>	<b>1,859,263</b>	<b>34,998</b>	<b>1,894,261</b>

Camden LGPS Scheme assets comprised:

Asset Category	Period Ended 31 March 2023				Period Ended 31 March 2024			
	Quoted prices in active markets £'000	Quoted prices not in active markets £'000	Total £'000	% of Total Assets	Quoted prices in active markets £'000	Quoted prices not in active markets £'000	Total £'000	% of Total Assets
Real Estate:								
UK Property	90,999	0	<b>90,999</b>	5%	0	0	<b>0</b>	0%
Overseas Property	0	74,825	<b>74,825</b>	4%	0	0	<b>0</b>	0%
Investment Fund and Unit Trusts:								
Equities	1,146,818	31,124	<b>1,177,942</b>	65%	1,079,417	48,437	<b>1,127,853</b>	57%
Bonds	191,552	0	<b>191,552</b>	11%	393,425	0	<b>393,425</b>	20%
Hedge Funds	62,033	0	<b>62,033</b>	3%	0	0	<b>0</b>	0%
Other	194,711	0	<b>194,711</b>	11%	267,885	141,356	<b>409,241</b>	21%
Cash and Cash Equivalents:								
All	25,359	0	<b>25,359</b>	1%	64,253	0	<b>64,253</b>	3%
<b>Total Assets</b>	<b>1,711,472</b>	<b>105,949</b>	<b>1,817,421</b>	<b>100%</b>	<b>1,804,978</b>	<b>189,793</b>	<b>1,994,771</b>	<b>100%</b>

LPFA assets comprised:

	Period Ended 31 March 2023		Period Ended 31 March 2024	
	£'000	%	£'000	%
Equities	30,197	58%	32,793	61%
Target Return Portfolio	9,548	18%	9,343	17%
Infrastructure	6,498	12%	6,222	11%
Property	5,043	10%	4,954	9%
Cash	1,179	2%	848	2%
<b>Total</b>	<b>52,465</b>	<b>100%</b>	<b>54,160</b>	<b>100%</b>

## Basis for Estimating Assets and Liabilities

Liabilities for the Council and LPFA schemes have been assessed by Hymans Robertson LLP and Barnett Waddingham respectively. Both have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The information is based on data relating to the latest full valuations as at 31 March 2019 and rolled forward.

The significant assumptions used by the actuary have been:

2022/23		Mortality	2023/24	
Camden Years	LPFA Years		Camden Years	LPFA Years
Average future life expectancies at age 65 for current pensioners				
21.5	19.9	Males	21.3	19.7
24.3	23.9	Females	24.1	19.9
Average future life expectancies at age 65 for future pensioners				
22.8	22.0	Males	22.6	22.0
25.9	25.8	Females	25.6	25.8

2022/23		Financial Assumptions	2023/24	
Camden % p.a.	LPFA % p.a.		Camden % p.a.	LPFA % p.a.
3.00%	2.90%	Pension Increase Rate	2.80%	2.95%
3.50%	3.90%	Salary Increase Rate	3.30%	3.95%
4.75%	4.80%	Discount Rate	4.80%	4.85%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant.

The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below are based on the membership profile at the current actuarial valuation (31 March 2019).



## Sensitivity analysis

### Local Government Pension Scheme

Change in assumptions at 31 March 2024	Approximate % Increase to Employer Liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	33,150
1 year increase in member life expectancy	4%	74,371
0.1% increase in the Salary Increase Rate	0%	1,278
0.1% increase in the Pension Increase Rate (CPI)	2%	32,459

### Scheme's Funding Policy

The Council, on agreement with the actuary, decided to pay the 3 years' past service deficit payments for 2023/24, 2024/25 and 2025/26 in the year in which they are due, i.e. £19.666m in 2023/24, £17.666m in 2024/25 and £16.166m in 2025/26.

The total expected contributions for 2024/25 are £55.665m for the council's scheme and £0.043m for the LPFA scheme.

## LPFA

	2023/24		
	£'000	£'000	£'000
Adjustment to discount rate	+0.10%	0.00%	-0.10%
Present Value of total Obligation	34,659	34,998	35,343
Projected Service Cost	82	84	86
Adjustment to long term salary increase	+0.10%	0.00%	-0.10%
Present Value of Total Obligation	35,009	34,998	34,987
Projected Service Cost	84	84	84
Adjustment to pension increases and deferred revaluation	+0.10%	0.00%	-0.10%
Present Value of Total Obligation	33,338	34,998	34,664
Projected Service Cost	86	84	81
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present Value of Total Obligation	37,090	34,998	33,036
Projected Service Cost	87	84	81

## Weighted Average Duration

The discount rate should reflect the term of the benefit obligation. For this a weighted average duration of the benefit obligation has been calculated. This is defined as the weighted average time until payment of all expected future discounted cash flows, determined based on membership and the financial and demographic assumptions at a particular time. The shorter the duration the more 'mature' the employer. The weighted average duration of the defined benefit obligation for the council scheme members is 16 years (17 years 2022/23) and 10 years for LPFA scheme members (10 years 2022/23).

## Effect on future cash flows in the authority

One of the objectives of the scheme is to keep employers' contribution rates at as constant a rate as possible. The Council has agreed a strategy with the scheme's actuary to limit the impact of increases or reductions in the required employer contribution rate to 3.2% of pay per year. This stabilisation policy allows short term investment market volatility to be managed so as not to cause volatility in employer contribution rates, on the basis that a long term view can be taken on net cash inflow, investment returns and strength of employer covenant.

The latest triennial valuation was carried out as at 31 March 2022, with results and contribution rates to be implemented from 2023/24.

On the basis of extensive modelling carried out for the 2022 valuation exercise, the stabilised Council contributions for the next three years are as follows:

- "future service" contributions expressed as a percentage of active Fund members' pensionable payroll, will remain at 19.8% for financial years up to 2025/26.
- "past service" deficit repair payments expressed in monetary terms, being £19.666m in 2023/24 reducing to £17.666m in 2024/25 and £16.166m in 2025/26.
- The combined future and past service contributions broadly equate to annual decreases of 3.2% of payroll projected into future years.

As set out above, the Council's share of the pension assets within the London Pension Fund Authority (LPFA) as at 31 March 2024 was £54.160m (£52.465m at 31 March 2023). Within the LPFA's pension assets are £21.453m of unquoted (level 3) investments (£20.986m at 31 March 2023).

## Note 42 Contingent Liabilities

The council's Contingent Liabilities cover various on-going litigations and guarantees. The total expected value of these liabilities is £1.27m at 31 March 2024 (£1.9m at 31 March 2023).

## Note 43 Nature and extent of risks arising from Financial Instruments

The Council's activities expose it to a variety of financial risks:

- Credit risk: the possibility that other parties might fail to pay amounts due to the Council;
- Liquidity risk: the possibility that the Council might not have funds available to meet its commitments to make payments;
- Re-financing risk: the possibility that the Council might need to renew a financial instrument on maturity at disadvantageous interest rates or terms;
- Market risk: the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

The Council's management of treasury risks actively works to minimise the Council's exposure to the effects of the unpredictability of financial markets and to protect the financial resources available to fund services.

Risk management is carried out by a central treasury team under policies approved by the Council in the annual treasury management strategy report. The Council provides written principles for overall risk management, as well as written policies (covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash).

## Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the council's customers. Customers for goods and services are assessed taking into account their financial position, past experience and other factors.

It is the policy of the Council to place deposits only with a limited number of high-quality banks whose credit rating is independently assessed as sufficiently secure by the credit rating agencies and the Council's treasury consultants to restrict lending to a prudent maximum amount for each institution.

This Council uses the creditworthiness service provided by Link Asset Services. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moody's and Standard and Poor's, forming the core element. However, the Council does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- credit watches and credit outlooks from credit rating agencies
- CDS spreads (Credit Default Swaps) to give early warning of likely changes in credit ratings
- analysis of financial institutions' balance sheet and ability to withstand stress

The Council also has a policy of limiting deposits with institutions to a maximum of £40m for the very highest rated institutions such as local authorities. The Council continues to view the Royal Bank of Scotland as part-nationalised given the Government's continuing ownership. The bank has been classified as sovereign risk therefore the limit of this bank is £60m. This was agreed by Council on 12 November 2012. The Council credit criteria for selecting approved counterparties are published in the Treasury Management Strategy report, which is approved annually by the Council.

The Council's maximum exposure to credit risk in relation to its investments in banks cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of the Council not being able to recover its funds applies to all of the Council's deposits, but there was no evidence at the 31 March 2024 that this was likely to crystallise. The Council expects full repayment on the due date of deposits placed with its counterparties.

No counterparty limits were exceeded during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

In respect of the recognition and measurement of anticipated losses on investments held with financial institutions these were third-party tested on investments held at 31st March 2024, however given the high credit rating and low duration of the Council's strategy the amount of expected loss is small (under £50,000).

Loans are subject to internal credit rating, based on an assessment of the audited accounts. A significant increase in credit risk since initial recognition arises when a loan's categorisation changes adversely.

The investment with Camden Living (£5.1m), the council's subsidiary company, is above the carrying value of the assets of the company (£3.6m). To protect its position in this regard, Camden Council has a share premium (£3.4m) in the Company and is a majority shareholder. The Council does not anticipate any credit losses arising on the loan to Camden Living as all interest payments are up to date as of 31<sup>st</sup> March 2024.

### Liquidity Risk

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Treasury Management Code of Practice. This seeks to ensure that cash is available when needed.

The Council has ready access to borrowing from the money markets to cover any day-to-day cash flow need, and the PWLB and money markets for access to longer term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

All sums invested are due to be repaid in less than one year.

### Refinancing and Maturity Risk

The Council maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to the maturing of longer-term financial liabilities.

The Council has safeguards in place to ensure that a significant proportion of its borrowing does not mature for repayment at any one time in the future to reduce the financial impact of re-borrowing at a time of unfavourable interest rates. The maturity structure of financial liabilities is as follows (at nominal value):

31-Mar-23		31-Mar-24
£'000		£'000
(198,238)	Public Works Loans Board	(189,965)
(125,000)	Market Debt	(125,000)
<b>(323,238)</b>	<b>Total</b>	<b>(314,965)</b>

(8,273)	Less than one year	(20,684)
	<u>Between:</u>	
(20,684)	one and two years	(13,410)
(13,410)	two and five years	0
0	five and ten years	0
(280,871)	More than 10 years	(280,871)
<b>(323,238)</b>		<b>(314,965)</b>

All trade and other payables are due to be paid in less than one year.

Camden's financial liabilities with maturity dates after more than 10 years are as follows:

Number of years to maturity	Lender			Grand Total
	DCL	DEPFA	PWLB	
	£'000	£'000	£'000	£'000
11	0	0	10,000	10,000
12	0	0	32,410	32,410
13	0	0	10,000	10,000
14	0	0	15,000	15,000
15	0	0	15,000	15,000
19	0	0	8,273	8,273
24	0	40,000	0	40,000
29	0	10,000	0	10,000
30	45,000	29,000	0	74,000
32	0	0	41,367	41,367
36	0	0	24,820	24,820
<b>Grand Total</b>	<b>45,000</b>	<b>79,000</b>	<b>156,870</b>	<b>280,870</b>

## Market Risk

### Interest Rate Risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowing and investments. Movements in interest rates have a complex impact on the Council. For instance, a rise in interest rates would have the following effects:

- borrowing at variable rates - the interest expense charged to the Surplus or Deficit on the Provision of Services will rise;
- borrowing at fixed rates - the fair value of the liabilities borrowings will fall;
- investments at variable rates - the interest income credited to the Surplus or Deficit on the Provision of Services will rise;
- investments at fixed rates - the fair value of the assets will fall.

Borrowing is not carried at fair value, so nominal gains and losses on fixed rate borrowing would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowing and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure.

The Annual Treasury Management Strategy draws together the Council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance, during periods of falling interest rates, the drawing of longer term fixed rates borrowing would be postponed.

According to this assessment strategy, at 31 March 2024, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	£000
Increase in interest payable on variable rate borrowing	1,240
Increase in interest receivable on variable rate investments	0
Increase in government grant receivable for financing costs	0
Impact on Surplus or Deficit on the Provision of Services	1,240
Share of overall impact debited to the HRA	1,090
Decrease in fair value of fixed rate investment assets	0
Impact on Other Comprehensive Income and Expenditure	0

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Decrease in fair value of fixed rate borrowing liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	(31,649)
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\* PWLB Loans are all purchased on a hold to maturity basis and therefore any temporary fluctuations in the market value of such products would have no impact on the Council's finances.

#### Foreign Exchange Risk

The Council has no General Fund financial assets or liabilities denominated in foreign currencies and thus has no exposure to losses arising from movements in exchange rates.



## Note 44 Trust Funds and other accounts

The Authority administers a number of trust accounts. The balances on these funds are not included in the Balance Sheet.

	Balance at 31-Mar-23	Receipts	Payments	Balance at 31-Mar-24
	£	£	£	£
Education	(9,877)	(493)	0	(10,370)
Social Services	(40,415)	(2,019)	0	(42,434)
Other Funds	(175,867)	(8,801)	0	(184,668)
Waterlow Park	(804,421)	(956,555)	967,357	(793,619)
Lauderdale House Charity	(731,853)	(31,927)	58,065	(705,715)
Emmanuel Vincent Harris Trust	(4,106,690)	(205,160)	0	(4,311,850)
Neighbourhood Forum Funds	(1,889)	(478)	0	(2,367)
<b>Total</b>	<b>(5,871,012)</b>	<b>(1,205,433)</b>	<b>1,025,422</b>	<b>(6,051,023)</b>

Assets and liabilities on the funds as at 31 March 2024 were:

2022/23		2023/24
£		£
1,536,274	Property, Plant and Equipment	1,499,334
4,334,738	Investments	4,551,689
<b>5,871,012</b>		<b>6,051,023</b>
<b>5,871,012</b>	<b>Represented by Trust Funds</b>	<b>6,051,023</b>

In addition, the authority administers funds of c.£7m on behalf of Adult Social Care service clients including funds administered by officers as Court appointee or receiver.



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# Housing Revenue Account

# Housing Revenue Account

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# HRA Comprehensive Income and Expenditure Statement

The Housing Revenue Account (HRA) Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement.

## HRA Comprehensive Income and Expenditure Statement

2022/23

2023/24

£'000		Notes	£'000
	<b>Expenditure</b>		
70,332	Repairs and maintenance		76,985
33,822	Supervision and management		28,672
44,977	– Special services		47,708
9,477	Rents, rates and other charges		9,835
2,816	Increased/(decreased) provision for bad debts		3,118
41,262	Depreciation	6	43,293
59,395	Revaluation (gain)/loss charged to income & expenditure	6	6,115
(13,442)	Employers pension contributions and IAS19 adjustments		3,565
2,315	REFCUS		4,755
<b>250,954</b>	<b>Total expenditure</b>		<b>224,046</b>
	<b>Income</b>		
(139,797)	Dwelling rents	1,2,3,4	(150,629)
(14,037)	Non-dwelling rents		(15,065)
(26,754)	Charges for services and facilities		(37,457)
(17,156)	Leaseholder charges – revenue		(26,322)
(5,035)	Leaseholder charges – capital		(3,882)
(438)	Grants		(1,821)
(19,000)	Chalcot Settlement		0
(222,217)	Total Income		(235,176)
<b>28,737</b>	Net Cost of HRA Services per whole Authority Comprehensive Income and Expenditure Statement		<b>(11,130)</b>
643	HRA services share of Corporate and Democratic Core		526
<b>29,380</b>	Net (Income)/Expenditure for HRA Services per whole Authority Comprehensive Income and Expenditure Statement		<b>(10,604)</b>



### HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement contd.

2022/23 £'000		Notes	2023/24 £'000
(22,458)	(Gain) or loss on sale of HRA non-current assets		(25,698)
0	Payments to the government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)		0
17,338	Interest payable and similar charges	4	24,425
(1,644)	Investment Income		(14,097)
(59,171)	Capital Grants and Contributions Receivable		(73,888)
2,189	Pensions interest cost and expected return on pensions assets	5	0
<b>(34,366)</b>	<b>(Surplus) or deficit for the year on HRA services</b>		<b>(99,862)</b>

### Statement of Movement on the HRA Balance

2022/23 £'000		Notes	2023/24 £'000
<b>(3,003)</b>	Balance on HRA at the end of the previous year		<b>(12,009)</b>
(34,366)	(Surplus) or deficit for the year on the HRA Income and Expenditure Statement		(99,862)
19,662	Adjustments between accounting basis and funding basis under statute		105,678
(14,704)	HRA Balance		5,816
5,698	Transfer to / (from) Earmarked Reserves		(7,196)
(9,006)	(Increase) or decrease in year on the HRA		(1,380)
<b>(12,009)</b>	<b>Balance on the HRA at the end of the current year after transfers to / (from) Earmarked Reserves</b>		<b>(13,389)</b>

# HRA Note 1 Gross Rent Income

Gross rent income is the total rent income due for the year after allowance is made for vacant properties. During the year 3.85% of properties used for permanent accommodation were vacant (4.10% in 2022/23). The average rent for all stock excluding service charges was £125.91 per week in 2023/24, an increase of 6.41% from the 2022/23 level of £118.33.

# HRA Note 2 Housing Stock

The Council was responsible at 31 March 2024 for managing self-contained and shared dwellings.

The stock was as follows:

<b>Property type</b>	<b>2022/23 Number of units</b>	<b>2023/24 Number of units</b>
Studio / 1 Bed accommodation	9,332	9,194
2 Bed accommodation	7,273	7,236
3 Bed accommodation	4,810	4,794
4 Bed + accommodation	1,394	1,384
Self-contained temporary accommodation	137	157
Shared units	255	188
Shared ownership units	0	1
<b>Total</b>	<b>23,201</b>	<b>22,954</b>

<b>Movements in year</b>	<b>Number of units</b>
Acquisitions	26
New builds	1
Demolitions	(72)
Right to Buy sales	(33)
Other sales	(11)
Conversions	(158)
<b>Total</b>	<b>(247)</b>

The below table shows the movements on balances for fixed asset classes in the HRA. The following asset classes are not reported as the Council does not hold any assets in its HRA in those classes:

- Community
- Infrastructure

<b>HRA Property, Plant and Equipment Balances 2023/24</b>						
<b>Net Book Value</b>	<b>Council Dwellings</b>	<b>Other Land and Buildings</b>	<b>Vehicles, Plant and Equipment</b>	<b>Surplus Assets</b>	<b>Assets Under Construction</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
1 April 2023	2,841,598	194,017	0	0	73,230	3,108,845
31 March 2024	3,031,658	208,918	50	0	110,641	3,351,267

<b>Comparative Balances 2022/23</b>						
<b>Net Book Value</b>	<b>Council Dwellings</b>	<b>Other Land and Buildings</b>	<b>Vehicles, Plant and Equipment</b>	<b>Surplus Assets</b>	<b>Assets Under Construction</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
1 April 2022	2,806,819	168,787	0	0	90,329	3,065,935
31 March 2023	2,841,598	194,017	0	0	73,230	3,108,845



The total vacant possession value of dwelling properties held in the HRA at 31 March 2024 was £11.8bn (£11.1bn at 31 March 2023).

The difference between the vacant possession and the balance sheet value represents the economic cost of providing social housing at less than open market rents and is calculated by discounting the vacant possession value down to 25% of the market value.

There were no impairment charges to the HRA in 2023/24 and depreciation charges were as follows:

	2022/23 £'000	2023/24 £'000
Council Dwellings	37,918	38,848
Other Land and Buildings	3,344	4,445
<b>Total</b>	<b>41,262</b>	<b>43,293</b>

### HRA Investment Properties

Opening and closing balances for investment properties held in the HRA were as follows:

	2022/23 £'000	2023/24 £'000
1 April	0	544
31 March	544	27,048

## HRA Note 3 Rent Arrears

The arrears at 31 March 2024 were £20.830m (£17.515m 31 March 2023). Amounts written off during the year totalled £0.874m (£0.735m 31 March 2023) and a provision for bad debts at the year-end totalled £18.511m (£15.773m 31 March 2023).

## HRA Note 4 Interest Charges

Interest charges met by the Housing Revenue Account are charged by the General Fund in accordance with the Item 8 Credit and Item 8 Debit (General) determination made by the Secretary of State under part II of schedule 4 to the Local Government and Housing Act 1989.

## HRA Note 5 HRA Contributions to the Pension Reserve

Under IAS 19, the pension amount charged to each council service is the amount of pension benefit earned in the year, as determined by the actuary. This replaces the cash contributions made by services to the Pension Fund. This principle has been applied to the HRA.

In addition, the HRA has been charged with its share of the pension interest cost and the return on pension assets, and these, together with the change in service costs have been matched by an appropriation to or from the Pension Reserve such that the net outturn on the HRA is not altered by these accounting adjustments.

## HRA Note 6 Statement of Movement on the HRA Balance

2022/23 Net Expenditure £'000	Notes	2023/24 Net Expenditure £'000
	Items included in the HRA Comprehensive Income and Expenditure Statement but excluded from the movement on the HRA Balance for the year	
22,458	Gain/loss on sales of HRA fixed assets	25,697
0	Payments to the government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	0
(2,315)	Revenue Expenditure Funded from Capital Under Statute	(2,620)
(59,395)	Revaluation changes on non-current assets recognised in I&E	4,232
180	Adjustment to remuneration chargeable in the year in accordance with statutory requirements (employee leave accrual)	602
(8,475)	Net charges made for retirement benefits in accordance with IAS19	3,584
<b>(47,547)</b>	<b>Total</b>	<b>31,495</b>
	Amounts not included in the HRA Comprehensive Income and Expenditure Statement but required to be included by statute when determining the Movement on the HRA Balance for the year	
201	Repayment of debt (transfer to the Capital Adjustment Account)	294
0	Revenue Contribution to Capital Outlay – Leaseholder contributions	0
0	Employers contributions payable to the pension funds and retirement benefits payable direct to pensioners	0
0	Transfer from earmarked Reserves	0
59,171	Application of capital Grants to finance capital expenditure	73,888
<b>59,372</b>	<b>Total</b>	<b>74,182</b>
<b>11,825</b>	<b>Net additional amount required by statute and non-statutory proper practices to be credited or debited to the HRA Balance for the year</b>	<b>105,677</b>

# HRA Note 7 HRA Capital Programme

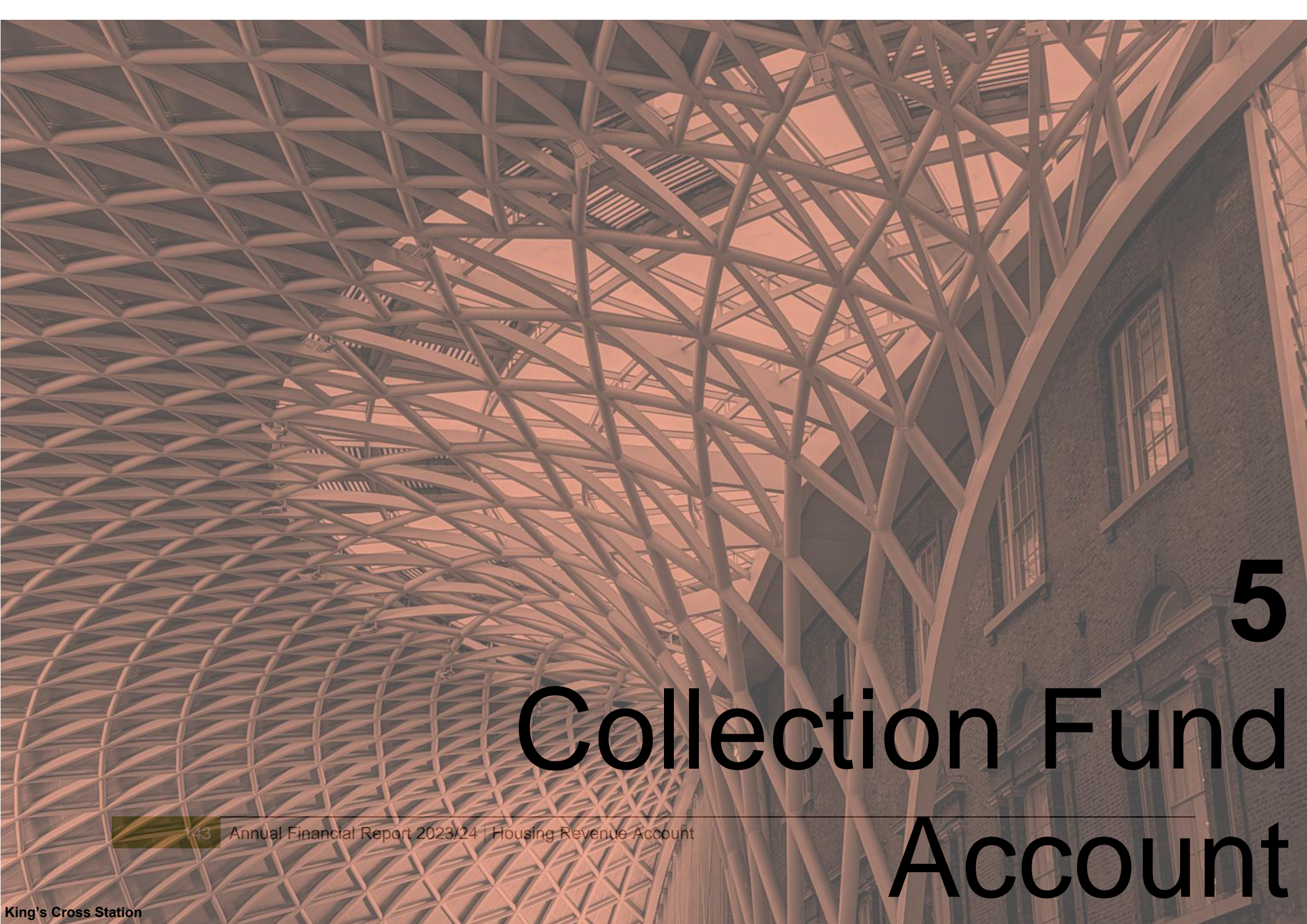
Total capital expenditure on land, houses and other assets within the HRA was £176.317m in 2022/23 (£159.434m in 2022/23). The expenditure was funded from the following resources:

	2022/23	2023/24
	£'000	£'000
Capital receipts	24,592	35,208
Major Repairs Reserve	41,963	38,269
Capital grants and contributions	59,171	72,284
Revenue contributions	0	0
Borrowing	33,708	30,556
<b>Total</b>	<b>159,434</b>	<b>176,317</b>

Capital receipts received during the financial year and repaid to the Government were as follows:

	2022/23	2023/24
	£'000	£'000
Capital receipts received	49,960	36,097
Paid to Government	0	0
<b>Useable by the Council</b>	<b>49,960</b>	<b>36,097</b>





# 5 Collection Fund Account

# Collection Fund Account

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The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund.

The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates.

# Collection Fund Revenue Account

2022/23				2023/24				
Council Tax £'000	NNDR £'000	BRS £'000	Total £'000	Income and Expenditure Account	Council Tax £'000	NNDR £'000	BRS £'000	Total £'000
				<b>Income</b>				
(164,465)	(557,684)	(18,304)	<b>(740,453)</b>	Income collectable from taxpayers	(175,148)	(559,878)	(18,981)	<b>(754,007)</b>
(309)			<b>(309)</b>	Discretionary reliefs				
<b>(164,774)</b>	<b>(557,684)</b>	<b>(18,304)</b>	<b>(740,762)</b>	<b>Total Income</b>	<b>(175,148)</b>	<b>(559,878)</b>	<b>(18,981)</b>	<b>(754,007)</b>
				<b>Expenditure</b>				
				<b>Precepts &amp; Council demand</b>				
126,002	151,657		<b>277,659</b>	LB Camden	135,715	170,611		<b>306,326</b>
35,690	187,043	19,705	<b>242,438</b>	Greater London Authority (GLA)	40,181	210,421	18,186	<b>268,788</b>
	166,823		<b>166,823</b>	Central Government		187,672		<b>187,672</b>
	6,580		<b>6,580</b>	Transitional protection payments to CLG		(5,116)		<b>(5,1116)</b>
				<b>Contribution for prior year's (Deficit)/Surplus:</b>				
(3,180)	(45,743)		<b>(48,923)</b>	LB Camden	(1,380)	33,981		<b>32,601</b>
(831)	(56,417)	(37)	<b>(57,285)</b>	Greater London Authority	(339)	41,911	(1,538)	<b>40,034</b>
	(50,318)		<b>(50,318)</b>	Central Government		37,380		<b>37,380</b>
				<b>Charges to the Fund</b>				
	1,270	34	<b>1,304</b>	Cost of collection allowance		1,233	32	<b>1,265</b>
8,384	18,836		<b>27,220</b>	Allowance for impairment	2,646	1,246		<b>3,892</b>
	(9,820)		<b>(9,820)</b>	Write-offs		16,496		<b>16,496</b>
	63,763		<b>63,763</b>	Provision for appeals		(35,724)		<b>(35,724)</b>
<b>166,065</b>	<b>433,674</b>	<b>19,702</b>	<b>619,441</b>	<b>Total Expenditure</b>	<b>176,823</b>	<b>660,111</b>	<b>16,680</b>	<b>853,614</b>
<b>1,291</b>	<b>(124,010)</b>	<b>1,398</b>	<b>(121,321)</b>	<b>Deficit/(Surplus) In-year</b>	<b>1,675</b>	<b>100,233</b>	<b>(2,301)</b>	<b>99,607</b>



# Collection Fund Revenue Account (continued)

2022/23				Income and Expenditure Account (Continued)	2023/24			
Council Tax £'000	NNDR £'000	BRS £'000	Total £'000		Council Tax £'000	NNDR £'000	BRS £'000	Total £'000
				<b>Movement on Balances</b>				
(7,668)	93,996	37	<b>86,365</b>	Deficit/(Surplus) at 1 April	(6,377)	(30,014)	1,434	<b>(34,957)</b>
1,291	(124,010)	1,398	<b>(121,321)</b>	Deficit/(Surplus) In-year	1,675	100,233	(2,301)	<b>99,607</b>
<b>(6,377)</b>	<b>(30,014)</b>	<b>1,435</b>	<b>(34,956)</b>	<b>Deficit/(Surplus) at 31 March</b>	<b>(4,702)</b>	<b>70,219</b>	<b>(867)</b>	<b>64,650</b>
				<b>Deficit/(Surplus) allocation at 31 March</b>				
(4,868)	(8,596)		<b>(13,464)</b>	London Borough of Camden	(3,606)	21,473		<b>17,867</b>
(1,509)	(10,928)	1,435	<b>(11,002)</b>	Greater London Authority	(1,096)	26,159	(867)	<b>24,196</b>
	(10,490)		<b>(10,490)</b>	Central Government		22,587		<b>22,587</b>
<b>(6,377)</b>	<b>(30,014)</b>	<b>1,435</b>	<b>(34,956)</b>	<b>Total Deficit/(Surplus) at 31 March</b>	<b>(4,702)</b>	<b>70,219</b>	<b>(867)</b>	<b>64,650</b>

## Note 1 General

The Collection Fund was established on 1 April 1990 under the provisions of the Local Government Finance Act 1988. It accounts for all transactions on council tax, business rates and residual community charge. As an agency account it is kept separate from the Council's Comprehensive Income and Expenditure Statement, although Camden's shares of the income and balances are brought into the CIES and forms part of the Balance Sheet.

## Note 2 Council Tax

The Council Tax is a property-based tax with a system of personal discounts, based upon the nature and degree of occupation of the property concerned. For the purpose of assessing the tax, all domestic properties were valued by the Valuation Office Agency and placed in one of eight bands (A to H), depending upon the estimated market value at 1 April 1991. The total value is known as the Tax Base and expressed as a Band D equivalent.

## Note 3 Council Demand

The Council's demand on the Collection Fund for council tax represents the balance of spending for the year to be met from council tax, together with any deficit or surplus met in that year in respect of community charge.

Regulations prescribe that any surplus or deficit in respect of council tax items in the Collection Fund is to be split between the Council and major preceptors. These adjustments are determined at the time of tax setting and included in the precepts and Council demand.

# Note 4 Council Tax Bands

Band	Fraction 2023/24	Tax base for tax setting
A	6/9	1,404
B	7/9	6,533
C	8/9	11,229
D	9/9	17,357
E	11/9	17,256
F	13/9	14,243
G	15/9	18,460
H	18/9	8,913
		<b>95,395</b>
Allowance for non-collection and Armed Forces		(2,840)
<b>Tax Base</b>		<b>92,555</b>

By law, the tax for each band is set as a fraction of the band D charge. The Band D Council Tax for 2023/24 for Camden and the GLA is:

2022/23	Preceptor	2023/24
£		£
1,396.34	Camden	1,466.02
395.59	Greater London Authority	434.14
<b>1,791.93</b>	<b>Total</b>	<b>1,900.16</b>

## Note 5 Council Tax – Collectable amounts

The in-year collection rate was set at 95% for 2023/24 (95% for 2022/23). The actual amount collected by the 31 March 2024 was 94.1%, up from 94.0% for 2022/23. Outstanding debt will continue to be chased in future years. The provision to cover bad debts stood at £22.1m on 31 March 2024 (£22.2m at 31 March 2023). This represents 69% of the outstanding arrears (78% on 31 March 2023).

## Note 6 National Non-Domestic Rates

Under the arrangements for National Non-Domestic Rates (NNDR) the Council collects business rates for its area, which are based on local rateable values and a multiplier set by the Government.

The non-domestic rating multiplier set by the Government for 2023/24 was 51.2p and 49.9p for small business, unchanged from 2022/23. Local businesses pay business rates calculated by multiplying their rateable value by these rates and subject to certain reliefs and deductions and the total amount collectable is distributed between the Government, Greater London Authority and the London Borough of Camden.

At 31 March 2024, the non-domestic rateable value of the borough was £1,563.5m (£1,560.3m, 31 March 2023). The actual in-year collection rate was 96.7%, up from 96.5% in 2022/23 and just below the target set at the beginning of the year of 97%. The level of provision held for non-collection of debt stands at £31.5m and represents 96% of all debt outstanding, an increase of £2.6m from 2022/23.

### Income due from business ratepayers:

<b>2022/23</b>		<b>2023/24</b>
<b>£'000</b>		<b>£'000</b>
765,779	Non-domestic rate charge	741,935
(208,095)	Supplement & Reliefs	(181,475)
<b>557,684</b>	<b>Income due from business ratepayers</b>	<b>560,460</b>

## Note 7 Business Rate Supplement

Since 2010/11, Camden has been collecting an additional levy from non-domestic business rate payers, under the statutory arrangements of the Business Rates Supplement Act 2009, on behalf of the Greater London Authority to fund the Crossrail project. The levy set for 2023/24 was 2p on non-domestic properties with a rateable value of over £70,000 in London.





# 6 Pension Fund Accounts

# Pension Fund Accounts

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# Pension Fund Explanatory Foreword

## Introduction

The Council is the Administering Authority for the London Borough of Camden Pension Fund. The Fund, which is part of the Local Government Pension Scheme (LGPS), is governed by the Public Service Pensions Act 2013 and is administered in accordance with the following secondary legislation:

- The Local Government Pension Scheme Regulations 2013 (as amended)
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendments) Regulations 2014 (as amended)
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

The Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (issued by CIPFA) which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

All employees automatically become members of the Fund on appointment with London Borough of Camden or a participating scheduled or admitted body. The Fund's income is derived from employees' and employers' contributions and income from investments.

The London Borough of Camden Pension Fund operates as a defined benefit scheme and provides retirement pensions and lump sum allowances, widows' and children's pensions and death gratuities.

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service. From 1 April 2014, benefits payable are now based on career average revalued pay and the number of years of eligible service. Pensions are increased annually in line with the Consumer Prices Index.

The following description of the Fund is a summary only. For further detail, reference should be made to the 2023/24 London Borough of Camden Pension Fund Annual Report and the underlying statutory powers underpinning the scheme. The Pension Fund Annual Report can be found on the Pension Fund [website](#).

## Investment management arrangements

The day-to-day management of the Fund's investments is carried out by professional fund managers appointed by the Council. As at 31 March 2024 there were 10 managers investing on behalf of the Fund:

- Aviva plc (via London LGPS CIV Ltd)
- Baillie Gifford & Co (via London LGPS CIV Ltd)
- CB Richard Ellis Global Investment Partners Ltd
- CQS (UK) LLP (via London LGPS CIV Ltd)
- HarbourVest Partners LLP
- Harris Associates LP
- Legal & General Investment Management Ltd
- Partners Group Management II S.A.R.L.
- PIMCO Europe Limited (via London LGPS CIV Ltd)
- Stepstone Group LP (via London LGPS CIV Ltd)

The Council has placed some of the Pension Fund assets under management with London LGPS CIV Ltd (LCIV), the organisation set up in 2015 by London Local Authorities to run pooled LGPS investments in London. The London LGPS CIV Ltd is authorised and regulated by the Financial Conduct Authority and represents the pooled investments of 32 Local Authority Pension Funds. The London Borough of Camden Pension Fund holds investments in the LCIV Multi Asset Credit Fund (underlying managers CQS (UK) LLP and PIMCO Europe Limited), the LCIV Diversified Growth Fund (underlying manager Baillie Gifford & Co), the LCIV Real Estate Long Income Fund (underlying manager Aviva plc), the LCIV Infrastructure Fund (underlying manager Stepstone Group LP) and the LCIV Global Alpha Growth Paris-Aligned Fund (underlying manager Baillie Gifford) and since April 2024, the LCIV UK Housing Fund.

Each fund manager operates within mandated investment management agreements and targets determined by the Council's Pension Committee. Overall investment strategy is the responsibility of the Pension Committee which consists of eight councillors.

In 2022/23, the Pension Committee received advice from the Executive Director Corporate Services, the Borough Solicitor and other officers as well as the fund managers and the following professional consultants:

- Hymans Robertson LLP (Actuarial & Benefit Services)
- Isio Group Limited (Investment Consultancy)
- Karen Shackleton (Independent Investment Advisor)
- Pensions & Investment Research Consultants Limited (PIRC) (Corporate Governance Services)

Pension Committee meetings are held quarterly and the details of the meetings, including agendas, minutes and regular reports on the Fund's performance can be found through the Pension Committee website: <http://democracy.camden.gov.uk/ieListMeetings.aspx?CommitteeId=652>

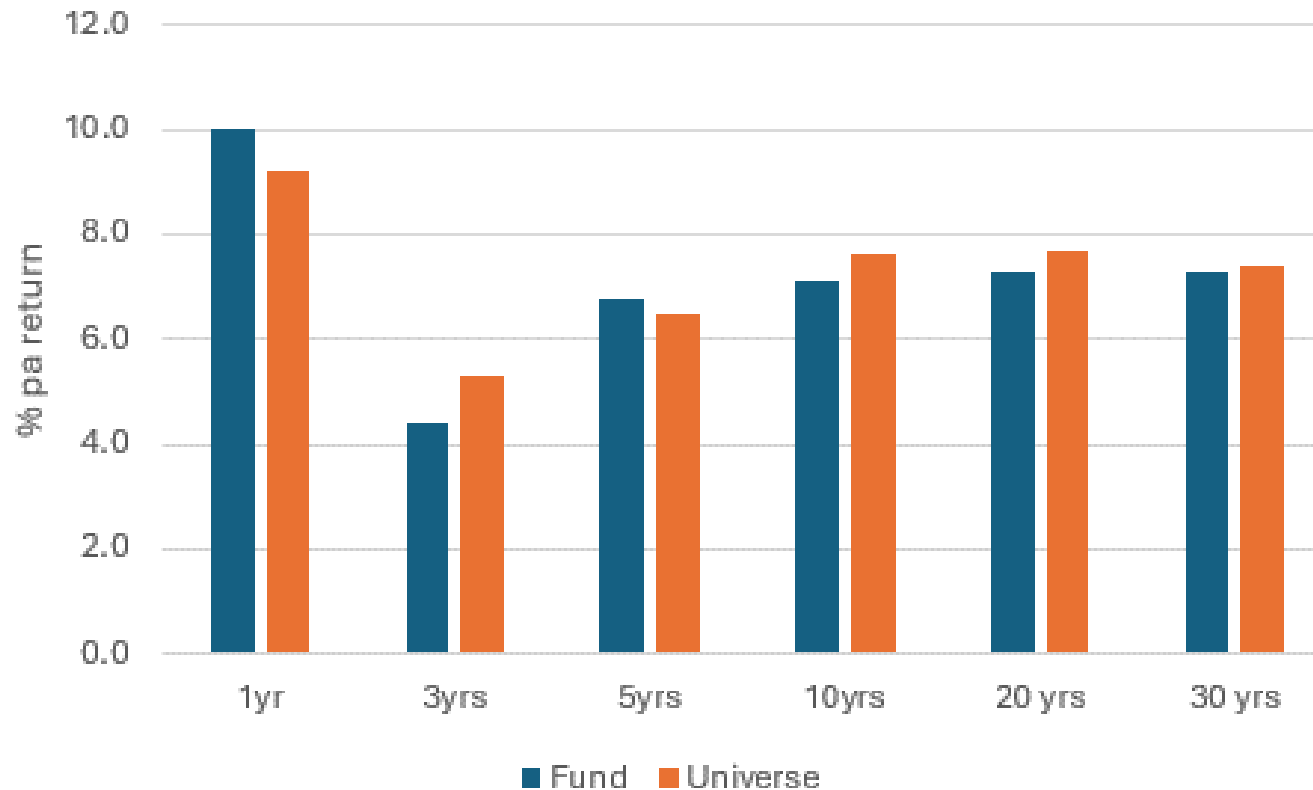
The market value of the assets (including cash & income receivable) held by the fund managers, the custodian and the Council as at 31 March 2024 is as follows:

2022/23 £'000		2023/24 £'000	2022/23 £'000		2023/24 £'000
<b>CB Richard Ellis Collective Investors Ltd</b>			<b>London CIV Ltd (Baillie Gifford)</b>		
82,835	- Property - managed funds	75,630	88,136	- Pooled investment vehicles - diversified growth	90,996
2,934	- Property - unit trusts	8,454	222,872	- Pooled investment vehicles - global equities	157,596
10,127	- Cash	9,530	<b>311,008</b>		<b>248,592</b>
0	- Amounts payable for purchases	0	<b>London CIV Ltd (UK Housing Fund)</b>		
127	- Income receivable	93	0	- Cash pending investment	11,149
<b>96,023</b>		<b>93,707</b>	<b>0</b>		<b>11,149</b>
<b>HarbourVest</b>			<b>London CIV Ltd (CQS &amp; PIMCO)</b>		
50,276	- Pooled investment vehicles - private equity	47,645	224,543	- Pooled investment vehicles - fixed interest	313,396
<b>50,276</b>		<b>47,645</b>	<b>224,543</b>		<b>313,396</b>
<b>Harris Associates L.P.</b>			<b>London CIV Ltd (Stepstone)</b>		
11,159	- UK equities	6,984	78,084	- Pooled investment vehicles - infrastructure	95,816
166,883	- Overseas equities	93,087	<b>78,084</b>		<b>95,816</b>
0	- Derivative contracts: forward FX assets	0	<b>London CIV Ltd (Aviva)</b>		
2,230	- Income receivable	2,503	75,191	- Pooled investment vehicles - property	68,105
4,951	- Cash	3,001	<b>75,191</b>		<b>68,105</b>
303	- Amounts receivable from sales	86	<b>Partners Group (UK) Ltd</b>		
0	- Derivative contracts: forward FX liabilities	0	87,508	- Pooled investment vehicles – global property	67,293
(222)	- Amounts payable for purchases	0	<b>87,508</b>		<b>67,293</b>
<b>185,304</b>		<b>105,661</b>	<b>JPM Custodian</b>		
<b>Legal &amp; General Assurance Ltd</b>			65,741	- Cash and cash equivalents	70,611
69,786	- Pooled investment vehicles - index linked securities	149,709	1,346	- Income receivable	1,153
680,710	- Pooled investment vehicles - global equities	824,862	<b>67,087</b>		<b>71,764</b>
<b>750,496</b>		<b>974,571</b>	<b>London Borough of Camden Council</b>		
			150	- UK unquoted equity	150
			<b>150</b>		<b>150</b>
			<b>1,925,670</b>	<b>TOTAL MARKET VALUE</b>	<b>2,097,849</b>

## Investment returns

The investments of the Camden Pension Fund have delivered a return of 7.1% per annum during the last ten years. The diagram below provides a comparison between the performance of the Camden Fund and that of the average of other funds participating in benchmarking exercises for each year over this period. It shows the time-weighted return on investments for each period relative to the average. The comparative information is provided by Pensions & Investment Research Consultants Limited (PIRC).

In the latest year the Fund performed in the 55th percentile (100th means the worst performing and 1st the best). It is well ahead of its peers over the last three years but continues to trail over the longer term.



## Fund portfolio and diversification

LGPS Regulations require that the Members of the Pension Committee and appointed fund managers should pay regard to the need to diversify investments and also to the suitability of particular investments. The Fund's Investment Strategy Statement and Funding Strategy Statement are contained in the Annual Report on the Pension Fund [website](#):

## Admitted and Scheduled bodies

The Admitted and Scheduled bodies which made contributions to the Fund in 2023/24 were as follows:

<b>Admitted bodies</b>	
Abbey Road Housing Co-operative	Voluntary Action Camden
Agar Grove Housing Co-operative	Westminster Society - Central
Age UK Camden	Westminster Society - North
Camden Citizens Advice Bureau	
Caterlink Limited	
CleanTEC Services Limited	
Coram Family and Childcare	
Greenwich Leisure Limited	
Home Connections Limited	
LGIU	<b>Scheduled bodies</b>
MiHomecare Limited	Abacus Belsize School
MITIE PFI	Children's Hospital School
National Association for Local Councils	King's Cross Academy
NSL Limited	St Luke's School
Pendergate (Ridgecrest) Cleaning	UCL Academy
Veolia	The ArtsXchange

## Membership

Total membership of the Fund at 31 March 2024 was 23,032 (31 March 2023: 22,639):

	31 March 2023	31 March 2024
Active employees	5,563	5,822
Members with deferred benefits	6,708	6,814
Pensioners & dependents pensions	7,656	7,784
Leavers with benefit calculation pending	817	697
Frozen refunds	1,895	1,915
<b>Total</b>	<b>22,639</b>	<b>23,032</b>

## Benefits

Pension benefits under the LGPS based on pensionable pay and length of service up until 31 March 2024 are summarised below:

	Pension	Lump Sum
<b>Service Pre-1 April 2008</b>	Each year worked is worth 1/80 x final pensionable salary.	Automatic lump sum of 3 x salary. In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment (known as a commutation). A lump sum of £12 is paid for each £1 of pension given up.
<b>Service Post 31 March 2008 – 31 March 2014</b>	Each year worked is worth 1/60 x final pensionable salary.	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment (known as a commutation). A lump sum of £12 is paid for each £1 of pension given up.
<b>Service Post 31 March 2014</b>	Each year worked is worth 1/49 x pensionable earnings of that year (career average). Benefits are held in a pension account and revalued each year in-line with inflation.	Members of the LGPS before April 2008 have built up benefits which will include an automatic lump sum. In the new scheme eligible members are still entitled to the aforementioned benefit but can also exchange some pension for a tax-free cash lump sum (known as a commutation). Every £1 of pension sacrificed is equivalent to £12 of tax-free lump sum (subject to HM Revenue & Customs limits).

There are a range of other benefits provided under the scheme including early retirement, disability pension and death benefits. For more details, please refer to <https://www.lgpsmember.org/>



# Pension Fund Account

2022/23 £'000		Notes	2023/24 £'000
	<b>Dealings with members, employers and others directly involved in the Fund</b>		
(41,183)	Employer contributions	5	(64,737)
(14,294)	Employee contributions	5	(15,186)
(6,700)	Individual transfers in from other pension funds		(4,296)
<b>(62,177)</b>			<b>(84,219)</b>
	<b>Benefits</b>		
54,131	Retirement pensions	6	60,086
13,222	Commutation of pensions, lump sum retirement and death benefits	6	9,998
350	Payments in respect of tax		54
211,740	<b>Payments to and on account of leavers</b>	7	12,064
<b>279,443</b>			<b>82,202</b>
<b>217,266</b>	<b>Net (additions)/withdrawals from dealings with members</b>		<b>(2,017)</b>
16,773	Management expenses	8	17,658
<b>234,039</b>	<b>Net (additions)/withdrawals including fund management expenses</b>		<b>15,641</b>
	<b>Returns on investments</b>		
(24,168)	Investment income	9	(34,669)
128	Tax deducted from investment income		316
(24,040)			(34,353)
81,634	Profit and loss on disposal of investments and changes in the market value of investments	12	(172,134)
<b>57,594</b>	<b>Net returns on investments</b>		<b>(206,487)</b>
291,633	Net (increase)/decrease in the net assets available for benefits during the year		(190,846)
(2,194,641)	Opening net assets of the Fund		(1,903,008)
<b>(1,903,008)</b>	<b>Closing net assets of the Fund</b>		<b>(2,093,854)</b>

# Pension Fund Net Assets Statement

31 March 23 £'000		Notes	31 March 24 £'000
178,192	Equities	10,12	100,221
1,364,131	Pooled funds	10,12	1,632,375
298,744	Other investments	10,12	267,594
84,826	Other assets	10,12	97,659
<b>1,925,893</b>			<b>2,097,849</b>
(223)	Investments liabilities	10,12,13	0
<b>1,925,670</b>	<b>Total net Investments</b>		<b>2,097,849</b>
1,165	Current assets	19	2,682
(2,391)	Current liabilities	20	(1,683)
(21,436)	Long term liabilities	20	(4,994)
<b>1,903,008</b>	<b>Net assets of the fund available to fund benefits at the reporting period</b>		<b>2,093,854</b>

The Net Asset Statement includes all assets and liabilities of the Fund as at 31 March 2024 but excludes long-term liabilities to pay pensions and benefits in future years.

# Note 1 Basis of preparation of financial statements

The Statement of Accounts summarises the Fund's transactions for the 2023/24 financial year and its financial position at 31 March 2024. The accounts have been prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom 2023/24* (the Code), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) which is based upon International Financial Reporting Standards (IFRS) as amended for the UK public sector.

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year, nor do they take into account the actuarial present value of promised retirement benefits. The Code gives administering authorities the option to disclose this information in the Net Assets Statement, in the notes to the accounts or by appending an actuarial report prepared for this purpose. The Fund has opted to disclose this information in note 18.

The Pension Fund's Statement of Accounts have been prepared on a going concern basis with the assumption that the functions of the Administering Authority will continue in operational existence for the foreseeable future.

## Accounting Standards issued but not adopted

Under the Code of Practice on Local Authority Accounting there is a requirement to disclose the impact of accounting standards issued but not yet adopted.

At the balance sheet date, the following new standards and amendments to existing standards have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the United Kingdom. These standards will have no significant impact on amounts reported in this year's Pension Fund accounts:

- a) Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020.
- b) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022.
- c) Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022.
- d) International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023.
- e) Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023.

# Note 2 Summary of significant accounting policies

## Fund account – revenue recognition

### a) Contribution income

Normal contributions from employers are accounted for on an accruals basis for the payroll month to which they relate at rates as specified in the Actuarial Valuation rates and adjustments certificate.

Employee contributions are accounted for based on rates set centrally in accordance with Local Government Pension Scheme Regulations.

Employer deficit funding contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the Actuary or on receipt if earlier than the due date.

Employer augmentation and pension strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid is classed as a current financial asset.

### b) Transfers to and from other schemes

Transfer values represent amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations. Individual transfers in/out are accounted for when received/paid as this is normally when the member liability is accepted or discharged. Bulk transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

### **c) Investment income**

Income due from equities is accounted for on the date the stocks are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

Interest income is recognised in the fund account as it accrues using the effective interest rate of the financial instrument as at the date of acquisition or origination.

Changes in the market value of investments are recognised as income and comprise all realised and unrealised profits and losses during the year.

### **Fund account – expense items**

#### **d) Benefits payable**

Under the rules of the scheme, members may receive a lump sum retirement grant in addition to their annual pension. Lump sum retirement grants are accounted for from the date of retirement. Where a member can choose to take a greater retirement grant in return for a reduced pension these lump sums are accounted for on an accruals basis from the date the option is exercised. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities.

#### **e) Taxation**

The Fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin unless exemption is permitted. Irrecoverable tax is accounted for as a Fund expense as it arises. As the Council is the administering authority for the Fund, VAT input tax is recoverable on all Fund activities including expenditure on investment expenses.

Members are entitled to request the Pension Fund to pay their tax liabilities in respect of annual and lifetime allowance tax in exchange for a reduction in final benefits. Where the Fund pays member tax liabilities direct to HMRC they are treated as an expense and charged through the fund account in the year in which the payment occurs.

## f) Management expenses

All investment management expenses are accounted for on an accruals basis. Fees of the external investment fund managers and custodian are agreed in the respective mandates governing their appointments. Generally, fees are based on the market value of the investments under their management and therefore increase or reduce as the value of those investments change.

In the interests of greater transparency, the Council discloses its Fund management expenses in accordance with the CIPFA guidance Accounting for Local Government Pension Scheme Management Expenses (2016). The profit and loss on disposal of investments and changes in the market value of investments also takes account of the fees which have been deducted from investments at source.

Costs of administration are charged directly to the Fund partly by the Administering Authority, the London Borough of Camden and, partly by the Pensions Shared Service which administers benefits on behalf of the London Boroughs of Camden, Wandsworth, Richmond, Waltham Forest and Merton.

## Net assets statement

### g) Financial assets

Financial assets are included in the net assets statement either on a fair value or amortised cost basis as at the reporting date. A financial asset is recognised in the net assets statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date, any gains or losses arising from changes in the fair value of the asset are recognised in the fund account. The values of investments as shown in the net assets statement have been determined at fair value in accordance with the requirements of the Code and IFRS 13. For the purposes of disclosing levels of fair value hierarchy, the Fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

Investment valuations are provided by the Fund's Custodian, JP Morgan (JPM), and are based on bid values as at the date of the net assets statement. Unlisted assets for which the JPM Pricing team cannot source values independently are priced using the latest accounting reports provided by the relevant fund manager. If this valuation point is not at year end, the net asset value is adjusted to take account of any drawdowns at cost in the intervening period.

## **h) Foreign currency transactions**

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. Spot market exchange rates at the end of the financial year are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

Surpluses and deficits arising on conversion of currencies are dealt with as part of the change in market values of the investments.

## **i) Derivatives**

The Fund uses forward foreign exchange contracts to manage its exposure to currency risk arising from its investment activities. The Fund does not hold derivatives for speculative purposes. Forward foreign exchange contracts are valued by determining the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.

## **j) Cash and cash equivalents**

Cash comprises demand deposits and includes amounts held by the Fund's external managers. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

## **k) Financial liabilities**

Financial liabilities are recognised in the net assets statement when the Fund becomes a party to the contractual provisions of a financial instrument. These liabilities are carried at fair value or amortised cost at the reporting date. Assets and liabilities in overseas currencies are translated into Sterling at the exchange rates prevailing at the balance sheet date. Transactions during the year are translated at rates applying at the transaction dates.

## **l) Actuarial present value of promised retirement benefits**

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the Fund's actuary in accordance with the requirements of IAS 19 and relevant actuarial standards. As permitted under the Code, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a supporting note to the accounts (Note 18).



### m) Additional voluntary contributions (AVCs)

The Council has appointed Prudential Assurance Company Limited and Phoenix Life Limited as its AVC providers. Assets are invested separately from those of the Pension Fund. AVCs are paid to the AVC provider by employers and are specifically for providing additional benefits for individual contributors. Each AVC contributor receives an annual statement showing the amount held in their account and the movements in the year.

AVCs are not included in the accounts in accordance with Regulation 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 but are disclosed as a note only (Note 21).

## Note 3 Critical judgements in applying accounting policies

It has not been necessary to make any critical judgements in applying the accounting policies in 2023/24.

## Note 4 Assumptions made about the future and other major sources of uncertainty

The preparation of the Statement of Accounts involves making judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for the income and expenditure during the year. Estimates and assumptions are made taking into account historical experience, current trends and other relevant factors. However, the nature of estimation means that the actual outcomes could differ from the assumptions and estimates.

There are no items for which there is a significant risk of material adjustment in the forthcoming financial year.

## Note 5 Contributions receivable

Employee contributions are calculated on a sliding scale based on a percentage of their pensionable pay. The Council and Scheduled and Admitted bodies are required to make contributions determined by the Fund's actuary to maintain the solvency of the Fund.

2022/23 £'000		2023/24 £'000
	<b>By category</b>	
	Employer contributions:	
(40,077)	Normal	(43,653)
(244)	Deficit recovery	(20,548)
(862)	Augmentation	(536)
<b>(41,183)</b>		<b>(64,737)</b>
(14,294)	Employee contributions	(15,186)
<b>(55,477)</b>	<b>Total</b>	<b>(79,923)</b>

2022/23 £'000		2023/24 £'000
	<b>By type of employer</b>	
(54,041)	Administering authority	(77,725)
(580)	Scheduled bodies	(652)
(856)	Admitted bodies	(1,546)
<b>(55,477)</b>	<b>Total</b>	<b>(79,923)</b>

Augmentations are pension strain contributions from employers to make up for funding shortfall following early retirement or ill health retirement.

## Note 6 Benefits payable

2022/23 £'000		2023/24 £'000
	<b>By category</b>	
54,131	Pensions	60,086
10,415	Commutation of pensions and lump sum retirement benefits	8,634
2,807	Lump sum death benefits	1,364
<b>67,353</b>	<b>Total</b>	<b>70,084</b>

2022/23 £'000		2023/24 £'000
	<b>By type of employer</b>	
59,918	Administering authority	62,281
336	Scheduled bodies	376
7,099	Admitted bodies	7,427
<b>67,353</b>	<b>Total</b>	<b>70,084</b>

## Note 7 Payments to and on account of leavers

2022/23 £'000		2023/24 £'000
165	Refunds to members leaving service	194
201,841	Group transfers	0
9,734	Individual transfers	11,870
<b>211,740</b>	<b>Total</b>	<b>12,064</b>

There was a group transfer out of the Fund during 2022/23. The Improvement and Development Agency (which participated in the Fund as an Admitted body) had applied to the Secretary of State for permission to transfer the administration of its pension obligations under the LGPS to another LGPS Fund. In April 2022, the Camden Pension Fund made a payment of £201.8m to Merseyside Pension Fund representing the final transfer of assets, liabilities and membership to that Fund.

## Note 8 Management Expenses

2022/23 £'000		2023/24 £'000
890	Administrative costs	900
185	Oversight and governance costs	295
15,698	Investment management expenses	16,463
<b>16,773</b>	<b>Total</b>	<b>17,658</b>

Investment management expenses have been grossed up to include fees of £14.8m deducted from fund assets at source in line with the CIPFA guidance *Accounting for LGPS Management Expenses (2016)*. This adjustment has an equal impact on investment management expenses and the change in market value of investments. There is no impact on the overall net assets of the Fund.

Administrative and oversight and governance costs can be further broken down as follows:

### Administrative costs

2022/23 £'000		2023/24 £'000
537	Pensions administration fees	533
223	Systems management	208
130	Council officers' salaries recharge	159
<b>890</b>	<b>Total</b>	<b>900</b>

### Oversight and governance costs

2022/23 £'000		2023/24 £'000
109	Actuarial advice	66
15	Investment consultancy	92
16	External audit fees	79
45	Corporate governance	49
(6)	Other	3
6	Performance measurement	6
<b>185</b>	<b>Total</b>	<b>295</b>

Regulations permit the Council to charge administrative costs to the scheme. A proportion of relevant Council officers' salaries, including on-costs, have been charged to the Fund on the basis of time estimated to have been spent on scheme administration and investment related business.

Included in oversight and governance costs is the external audit fee for 2023/24 of £69,572 (2022/23: £16,170). The total of £79k charged in the current year includes additional fees incurred above the basic scale fee on the audits of the 2019/20 and 2020/21 Pension Fund accounts and an estimate for the same on the 2021/22 audit.

## Note 8a Investment management expenses

Investment management expenses can be further analysed as follows:

2022/23 £'000		2023/24 £'000
7,049	Management fees	6,749
(4,124)	Performance related fees	1,123
5,401	Investment administration fees	3,493
5,895	Transaction costs	2,816
841	Property expenses	966
596	Other costs	1,284
40	Custody fees	32
<b>15,698</b>	<b>Total</b>	<b>16,463</b>

Transaction costs are incremental costs that are directly attributable to the acquisition or disposal of an investment financial asset or liability. An incremental cost is one that would not have been incurred if the Fund had not acquired or disposed of the financial instrument. Transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, anti-dilution levies, levies by regulatory agencies and securities exchanges and transfer taxes and duties.

## Note 9 Investment Income

The table below provides a breakdown of the investment income for the year:

2022/23 £'000		2023/24 £'000
(171)	Dividends from UK equities	(309)
(3,520)	Dividends from overseas equities	(3,963)
(3,989)	Income from pooled property investments	(2,581)
(15,141)	Income from other pooled investment vehicles	(25,503)
(1,347)	Income from cash deposits	(2,313)
<b>(24,168)</b>	<b>Total income before taxes</b>	<b>(34,669)</b>

# Note 10 Investments

31 March 2023 £'000		31 March 2024 £'000
	<b>Equities (UK)</b>	
11,159	Quoted	6,984
150	Unquoted	150
	<b>Equities (Overseas)</b>	
166,883	Quoted	93,087
<b>178,192</b>		<b>100,221</b>
	<b>Pooled investment vehicles (UK)</b>	
224,543	Fixed income	313,396
69,786	Public sector index linked	149,709
88,136	Diversified growth funds	90,996
160,960	Property	152,656
78,084	Infrastructure	95,816
<b>621,509</b>		<b>802,573</b>
	<b>Overseas</b>	
903,582	Equities	982,458
87,508	Property	67,293
50,276	Private equity	47,645
<b>1,041,366</b>		<b>1,097,396</b>
	<b>Other assets</b>	
0	Forward currency contracts	0
80,820	Cash and cash equivalents	93,824
3,703	Investment income due	3,749
303	Amounts receivable from sales	86
<b>84,826</b>		<b>97,659</b>
<b>1,925,893</b>	<b>Total investment assets</b>	<b>2,097,849</b>
	<b>Other liabilities</b>	
(1)	Forward currency contracts	0
(222)	Amounts payable for purchases	0
<b>(223)</b>	<b>Total investment liabilities</b>	<b>0</b>
<b>1,925,670</b>	<b>Net investment assets</b>	<b>2,097,849</b>



# Note 11 Fund manager valuations

The market value and proportion of investments managed by each fund manager and the custodian at 31 March 2024 was as follows:

31 March 2023		Fund manager/custodian	31 March 2024	
£'000	%		£'000	%
		<b>Managed within LCIV regional asset pool:</b>		
311,008	16.2%	Baillie Gifford & Co (London CIV)	248,592	11.9%
224,543	11.7%	CQS & PIMCO (London CIV)	313,396	14.9%
78,084	4.1%	Stepstone (London CIV)	95,816	4.6%
75,191	3.9%	Aviva (London CIV)	68,105	3.2%
-	-	London CIV (UK Housing Fund)	11,149	0.5%
688,826	35.9%		737,058	35.1%
		<b>Managed outside regional asset pool:</b>		
750,496	39.0%	Legal & General	974,571	46.5%
185,304	9.5%	Harris Associates	105,661	5.0%
96,023	5.0%	CBRE	93,707	4.5%
87,508	4.5%	Partners Group	67,293	3.2%
50,276	2.6%	HarbourVest	47,645	2.3%
150	0.0%	Council*	150	0.0%
67,087	3.5%	JP Morgan custodian cash account	71,764	3.4%
1,236,844	64.1%		1,360,791	64.9%
<b>1,925,670</b>	<b>100%</b>		<b>2,097,849</b>	<b>100%</b>

\* The Council holds unquoted equities in London CIV Ltd (the organisation set up to run pooled LGPS investments in London) valued at cost, i.e. transaction price of £150,000. The inputs available to the Fund to calculate fair value are limited and the Fund believes that the original transaction price represents an appropriate estimate of fair value.

# Note 12 Reconciliation of movements in investments

2023/24

	31-Mar-23	Purchases and derivative payments	Sales and derivative receipts	Realised gains and (losses)	Unrealised gains and (losses)	Change in Market Value	31-Mar-24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Pooled investment vehicles:							
- Fixed interest securities	224,543	78,936	0	0	9,917	9,917	313,396
- Index linked securities	69,786	84,000	0	0	(4,077)	(4,077)	149,709
- Global equities	903,582	6,243	(98,941)	(14,227)	185,801	171,574	982,458
- Private equity	50,276	0	(3,517)	3,474	(2,588)	886	47,645
- Property	248,468	10,760	(6,289)	1,934	(34,924)	(32,990)	219,949
- Diversified growth fund	88,136	1,641	0	0	1,219	1,219	90,996
- Infrastructure	78,084	14,930	0	0	2,802	2,802	95,816
	<b>1,662,875</b>	<b>196,510</b>	<b>(108,747)</b>	<b>(8,819)</b>	<b>158,150</b>	<b>149,331</b>	<b>1,899,969</b>
Directly owned assets:							
UK equities	11,309	5,421	(6,868)	(1,142)	(1,586)	(2,728)	7,134
Overseas equities	166,883	56,502	(141,367)	19,210	(8,141)	11,069	93,087
	<b>178,192</b>	<b>61,923</b>	<b>(148,235)</b>	<b>18,068</b>	<b>(9,727)</b>	<b>8,341</b>	<b>100,221</b>
Derivatives – forward currency contracts	(1)	434	(352)	(82)	1	(81)	0
<b>Total</b>	<b>1,841,066</b>	<b>258,867</b>	<b>(257,334)</b>	<b>9,167</b>	<b>148,424</b>	<b>157,591</b>	<b>2,000,190</b>
Cash and cash equivalents	80,820						93,824
Amounts receivable for sales of investments	303						86
Investment income due	3,703						3,749
Amounts payable for investment purchases	(222)						0
<b>Net investment assets</b>	<b>1,925,670</b>						<b>2,097,849</b>

## Note 12 Reconciliation of Movements in Investments (cont'd)

2022/23

	31-Mar-22	Purchases and derivative payments	Sales and derivative receipts	Realised gains and (losses)	Unrealised gains and (losses)	Change in Market Value	31-Mar-23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Pooled investment vehicles:							
- Fixed interest securities	152,653	186,670	(100,089)	444	(15,135)	(14,691)	224,543
- Index linked securities	100,315	0	0	0	(30,529)	(30,529)	69,786
- Global equities	1,085,158	1,165	(157,248)	69,733	(95,226)	(25,493)	903,582
- Private equity	57,532	0	(11,301)	1,406	2,639	4,045	50,276
- Property	287,141	1,383	(10,285)	1,455	(31,226)	(29,771)	248,468
- Diversified growth fund	172,294	1,545	(75,908)	15,712	(25,507)	(9,795)	88,136
- Infrastructure	45,325	24,285	0	0	8,474	8,474	78,084
	<b>1,900,418</b>	<b>215,048</b>	<b>(354,831)</b>	<b>88,750</b>	<b>(186,510)</b>	<b>(97,760)</b>	<b>1,662,875</b>
Directly owned assets:							
UK equities	9,604	3,433	(1,850)	496	(374)	122	11,309
Overseas equities	167,909	53,816	(55,293)	(667)	1,118	451	166,883
	<b>177,513</b>	<b>57,249</b>	<b>(57,143)</b>	<b>(171)</b>	<b>744</b>	<b>573</b>	<b>178,192</b>
Derivatives – forward currency contracts	(1)	588	(157)	(431)	(0)	(431)	(1)
<b>Total</b>	<b>2,077,930</b>	<b>272,885</b>	<b>(412,131)</b>	<b>88,148</b>	<b>(185,766)</b>	<b>(97,618)</b>	<b>1,841,066</b>
Cash and cash equivalents	146,415						80,820
Amounts receivable for sales of investments	424						303
Investment income due	3,214						3,703
Amounts payable for investment purchases	(1,315)						(222)
<b>Net investment assets</b>	<b>2,226,668</b>						<b>1,925,670</b>

# Note 13 Analysis of derivatives

Outstanding forward currency contracts are as follows:

Settlement	Currency bought	Local Value	Currency sold	Local Value	Asset Value £'000	Liability Value £'000
Up to one month	USD	81	EUR	(75)		0
Up to one month	USD	27	EUR	(25)	0	
Open forward currency contracts at 31 March 2024					0	0
Net forward currency contracts at 31 March 2024						0
<b>2022/23 Comparator</b>						
Open forward currency contracts at 31 March 2023					0	(1)
Net forward currency contracts at 31 March 2023						(1)

## Note 14a Fair value – basis of valuation

The valuation of financial instruments has been classified into three levels according to the quality and reliability of information used to determine fair values.

### Level 1

Financial instruments at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as Level 1 comprise quoted equities, quoted fixed interest securities, quoted index linked securities and unit trusts. Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

### Level 2

Financial instruments at Level 2 are those where quoted market prices are not available, for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value, and these techniques use inputs that are based significantly on observable market data. This includes NAV based pricing for units held in unquoted pooled funds.

### Level 3

Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data. Such instruments would include unquoted equity investments and hedge fund of funds which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The valuation basis for each category of investment asset is set out below:

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Market quoted investments- equities	Level 1	Published bid market price at end of the accounting period	Not required	Not required
Cash	Level 1	Carrying value is deemed to be fair value	Not required	Not required
Investment receivables and payables	Level 1	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not required
Cash equivalents	Level 2	Closing bid price where bid and offer prices are published; closing single price where single price published	NAV per share	Not required
Pooled funds – equities and bonds	Level 2	Closing bid price where bid and offer prices are published; closing single price where single price published	NAV based pricing set on a forward pricing basis.	Not required
Pooled funds - private equity	Level 2	Most recent valuation	NAV published, cashflow transactions i.e., distributions or capital calls	Not required
Pooled funds - property and infrastructure	Level 2	Closing bid price where bid and offer prices are published; closing single price where single price published	NAV published, cashflow transactions i.e., distributions or capital calls	Not required

The following tables provide an analysis of the financial assets and liabilities of the Pension Fund as held at the custodian, grouped into Levels 1 to 3 based on the Level at which the fair value is observable.

The Pension Fund is a shareholder in London LGPS CIV Limited (the organisation set up to run pooled LGPS investments in London). This unquoted equity holding is carried in the net assets statement at cost of £150,000 and classified as Level 3 in the tables below.

Values at 31 March 2024	Quoted market price Level 1 £'000	Using observable inputs Level 2 £'000	With significant unobservable inputs Level 3 £'000	Total £'000
<b>Assets:</b>				
Cash & currencies	31,583			31,583
Cash equivalents		62,241		62,241
Equities	100,071		150	100,221
Pooled funds		1,899,969		1,899,969
Receivables	3,835			3,835
<b>Total financial assets</b>	<b>135,489</b>	<b>1,962,210</b>	<b>150</b>	<b>2,097,849</b>
<b>Liabilities:</b>				
Payables	0			0
<b>Total financial liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand total</b>	<b>135,489</b>	<b>1,962,210</b>	<b>150</b>	<b>2,097,849</b>

Values at 31 March 2023	Quoted market price Level 1 £'000	Using observable inputs Level 2 £'000	With significant unobservable inputs Level 3 £'000	Total £'000
<b>Assets:</b>				
Cash & currencies	23,636			23,636
Cash equivalents		57,184		57,184
Equities	178,042		150	178,192
Pooled funds		1,662,875		1,662,875
Receivables	4,006			4,006
<b>Total financial assets</b>	<b>205,684</b>	<b>1,720,059</b>	<b>150</b>	<b>1,925,893</b>
<b>Liabilities:</b>				
Payables	(223)			(223)
<b>Total financial liabilities</b>	<b>(223)</b>			<b>(223)</b>
<b>Grand total</b>	<b>205,461</b>	<b>1,720,059</b>	<b>150</b>	<b>1,925,670</b>

## Note 14b Transfers between the Levels

There were no transfers between the Levels during the year.

## Note 14c Classification of financial instruments

	31 March 2023			31 March 2024		
	Fair value through profit & loss £'000	Assets at amortised cost £'000	Liabilities at amortised cost £'000	Fair value through profit & loss £'000	Assets at amortised cost £'000	Liabilities at amortised cost £'000
<b>Financial assets</b>						
Equities and equity funds	1,081,774			1,082,679		
Fixed income funds	224,543			313,396		
Index linked funds	69,786			149,709		
Diversified growth funds	88,136			90,996		
Pooled property funds	248,468			219,949		
Private equity	50,276			47,645		
Pooled infrastructure funds	78,084			95,816		
Forward currency contracts	0			0		
Cash deposits - investments		80,820			93,824	
Investment income due		3,703			3,749	
Amounts receivable from sales		303			86	
Debtors		472			237	
Cash at bank		693			2,445	
	<b>1,841,067</b>	<b>85,991</b>	<b>0</b>	<b>2,000,190</b>	<b>100,341</b>	<b>0</b>
<b>Financial liabilities</b>						
Forward currency contracts	(1)			0		
Amounts payable for purchases			(222)			0
Creditors			(23,827)			(6,677)
<b>Total</b>	<b>1,841,066</b>	<b>85,991</b>	<b>(24,049)</b>	<b>2,000,190</b>	<b>100,341</b>	<b>(6,677)</b>



## Note 15 Net gains and losses on financial instruments

All realised (gains) and losses arise from the sale or disposal of financial assets that have been derecognised in the financial statements.

2022/23 £'000		2023/24 £'000
	Financial assets	
83,094	Fair value through profit and loss	(172,423)
(1,891)	Assets at amortised cost	289
	Financial liabilities	
431	Fair value through profit and loss	0
<b>81,634</b>	<b>Total</b>	<b>(172,134)</b>

## Note 16 Nature & extent of risks arising from financial instruments

### Risk and risk management

The Fund's primary long-term risk is that its assets will fall short of its liabilities (i.e. promised benefits payable to members). The aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price, currency and interest rate risks) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows.

The Fund manages these investment risks as part of its overall Fund risk management programme. Responsibility for the Fund’s risk management strategy rests with the Pension Committee. Risk management policies are established to identify and analyse the risks faced by the Fund and these are regularly reviewed to reflect changes in Fund activities and market conditions.

### Market risk

Market risk is the risk of a loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities particularly through any equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and asset mix. In general, excessive volatility in market risk is managed through diversification of the portfolio in terms of asset class, geographical and industry sectors and individual securities. Regular monitoring of market conditions and analysis is undertaken by the Pension Committee to mitigate market risk whilst optimising return.

### Price risk

Price risk is the risk that the value of investments will fluctuate as a result of changes in market prices, whether caused by factors specific to individual investments or those affecting all securities in the market. The Fund is exposed to price risk through its holdings in equities and pooled investment vehicles. The Fund aims to manage this risk by diversifying investments across asset classes and markets.

The table below shows the estimated change in the net assets available to pay benefits if market prices were to increase or decrease by 10%. The analysis excludes cash and working capital the valuations of which are not directly subject to market risk.

	Value	Value on 10% price increase	Value on 10% price decrease
	£'000	£'000	£'000
As at 31 March 2024	2,000,190	2,200,209	1,800,171
As at 31 March 2023	1,841,066	2,025,173	1,656,959

## Currency risk

Currency risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than Sterling (the functional currency). A strengthening/weakening of Sterling against the various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits. To estimate the potential impacts of currency risk, the currency exchange rate volatility (i.e. % change relative to Sterling) of individual currencies is used as provided by ratesfx.com. For holdings in pooled investment vehicles, the effects of a 10% increase or 10% decrease in the value of Sterling are calculated as a proxy.

The following table summarises the Fund's currency exposure based on its holdings of overseas equities and property as at 31 March 2024:

Currency	Value at 31 March 2024 £'000	Potential change %	Value on increase £'000	Value on decrease £'000
Euro	33,827	3.50%	35,011	32,643
Japanese Yen	20	8.21%	21	18
South Korean Won	3,269	5.31%	3,443	3,095
Swiss Franc	6,346	6.00%	6,726	5,966
US Dollar	54,901	5.76%	58,064	51,739
Danish Krone	1,022	3.50%	1,057	986
Hong Kong Dollar	1,357	5.70%	1,435	1,280
Global basket	982,458	10.00%	1,080,704	884,212
<b>Total Overseas Equity</b>	<b>1,083,200</b>		<b>1,186,461</b>	<b>979,939</b>
Overseas private equity (US\$)	47,645	5.76%	50,389	44,900
Overseas Property (€)	7,114	3.50%	7,363	6,865
Overseas Property (US\$)	60,179	5.76%	63,645	56,712
<b>Total Currency</b>	<b>1,198,138</b>		<b>1,307,858</b>	<b>1,088,416</b>

*The % change for Total Currency includes the impact of correlation across the underlying currencies*

For comparison, the following table summarises the Fund's currency exposure as at 31 March 2023:

Currency	Value at 31 March 2023 £'000	Potential change %	Value on increase £'000	Value on decrease £'000
Euro	66,200	3.84%	68,742	63,658
Japanese Yen	23	7.18%	24	21
South Korean Won	7,942	5.94%	8,414	7,471
Swiss Franc	11,823	5.09%	12,424	11,221
US Dollar	85,342	6.36%	90,770	79,914
Danish Krone	1,852	3.76%	1,921	1,782
Hong Kong Dollar	5,397	6.30%	5,737	5,057
Global basket	903,582	10.00%	993,940	813,224
<b>Total Overseas Equity</b>	<b>1,082,161</b>		<b>1,181,972</b>	<b>982,348</b>
Overseas private equity (US\$)	50,276	6.36%	53,473	47,078
Overseas Property (€)	9,916	3.84%	10,297	9,535
Overseas Property (US\$)	77,592	6.36%	85,527	72,657
<b>Total Currency</b>	<b>1,219,945</b>		<b>1,328,269</b>	<b>1,111,618</b>

### Interest rate risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. The fixed income securities are subject to interest rate risks which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following analysis shows the Fund's exposure to interest rate risk by estimating the potential impacts a 1% change in interest rates would have on the net assets available to pay benefits:

### 31 March 2024

Assets exposed to interest rate risk	Value at 31 March 2024	Potential movement on 1% change in interest rates	Value on increase	Value on decrease
	£'000	£'000	£'000	£'000
Cash deposits	93,824	0	93,824	93,824
Fixed income *	346,127	7,746	338,381	353,873
Index linked securities	149,709	28,295	121,414	178,004
<b>Total</b>	<b>589,660</b>	<b>36,041</b>	<b>553,619</b>	<b>625,701</b>

\* Includes fixed income proportion held within diversified growth funds.

### 31 March 2023

Assets exposed to interest rate risk	Value at 31 March 2023	Potential movement on 1% change in interest rates	Value on increase	Value on decrease
	£'000	£'000	£'000	£'000
Cash deposits	80,820	0	80,820	80,820
Fixed income	257,136	7,354	249,782	264,490
Index linked securities	69,786	13,608	56,178	83,394
<b>Total</b>	<b>407,742</b>	<b>20,962</b>	<b>386,780</b>	<b>428,704</b>

### Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

In essence the Fund's entire investment portfolio is exposed to some form of credit risk however, the selection of high-quality counterparties and financial institutions and legal due diligence carried out on all fund managers and the custodian, minimises the credit risk that may occur through the failure to settle a transaction.

The Fund's on-call sterling and dollar deposits with the custodian are swept into JP Morgan Money Market funds which have an AAA credit rating from Fitch and Standard & Poor agencies.

### Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund actively monitors cash flow and maintains an adequate level of liquidity to meet its commitments. Liquidity is managed by:

- regular daily monitoring of cash balances to ensure sufficient funds are available
- annual reviews of the projected cash flows taking into consideration contributions receipts, benefits payments and fees and expenses
- maintaining access to short-term funding options in the event of any unexpected cash flow requirements.

### Single investment risk

The following singular investments represent more than 5% of the net assets of the Fund. Each of the investments below is a pooled investment vehicle constituted from a large number of underlying assets. None of the underlying assets represents more than 5% of the Fund.

Investment	Value at 31 March 2023 £'000	% of Total Fund	Value at 31 March 2024 £'000	% of Total Fund
Legal & General Future World Global Equity Index	279,641	14.5%	339,614	16.2%
LCIV Multi Asset Credit Fund	224,543	11.7%	313,396	14.9%
Legal & General North America Equity Index Fund	247,878	12.9%	313,237	14.9%
LCIV Global Alpha Paris-Aligned Fund	222,872	11.6%	157,596	7.5%
Legal & General Over 5y Index-Linked Gilts Fund	69,786	3.6%	149,709	7.1%

The Fund has policies in place to ensure that exposure to any one investment is monitored and remains within acceptable limits to prevent excessive concentration of risk.

## Note 17 Funding arrangements

In line with the Local Government Pension Scheme Regulations 2013, the Fund is subject to actuarial valuation every three years at which time, its actuary is required to specify the employers' contribution rates to the Fund necessary to ensure that present and future commitments can be met. The latest completed actuarial valuation of the Fund was carried out by Hymans Robertson LLP as at 31 March 2022 and the revised contribution rates were effective from 1 April 2023. The next formal actuarial valuation is due as at 31 March 2025 with new contribution rates for employers then taking effect from 1 April 2026. The full 2022 valuation report can be accessed [here](#).

The market value of the Fund's assets at the 31 March 2022 valuation date was £1.973bn and the actuarial value of the Fund's accrued liabilities, allowing for future pay increases, was £1.741bn. There was, therefore, a surplus of assets over liabilities of £232m and the Fund was said to be 113% funded.

Liabilities were calculated using the projected unit actuarial method and the main actuarial assumptions were as follows:

Financial assumptions		
Year ended	31 March 2019	31 March 2022
Pension increase rate (CPI)	2.30% p.a.	2.70% p.a.
Salary increase rate	2.70% p.a.	3.20% p.a.
Discount rate	4.50% p.a.	4.40% p.a.

In the 31 March 2019 actuarial valuation, assets were valued using a discount rate derived from a 70% likelihood that the Fund's investments will return at least 4.5% over the next 20 years (based on stochastic asset projection). For 31 March 2022, the discount rate was derived from a 70% likelihood that the Fund's investments will return at least 4.4% over the next 20 years based on similar stochastic asset projection.

At 31 March 2019, the assets were sufficient to meet 103% of the liabilities and at 31 March 2022, the actuary estimated, assuming reasonable future investment returns, the Fund was 113% funded. The average employee contributions rate is 7% of pensionable pay (2022: 7%) and the total contributions expected to be received over the current triennial cycle, years 2023/24, 2024/25 and 2025/26, will be similar to the 2019-2022 cycle. After consultation with the actuary, the Fund has agreed a contribution strategy with a cap of 1% on increases (and decreases) to main employer contribution rates. In 2023/24, the expected overall contribution rate (primary plus secondary) for the Administering Authority was 29.6% (2022/23: 31.5%).

# Note 18 Actuarial present value of promised retirement benefits

In addition to the triennial valuation, the Fund's Actuary, Hymans Robertson LLP, also undertakes a valuation of the pension fund liabilities every year using assumptions in line with IAS 19 to provide an estimate of the actuarial present value of promised retirement benefits. As an actuarial valuation has not been prepared at the date of these financial statements, the promised retirement benefits at 31 March 2024 have been projected using a roll forward approximation from the latest formal funding valuation at 31 March 2022.

The Actuary estimated the defined benefit obligation to be £1,873m as at 31 March 2024.

Present value of promised retirement benefits		
Year ended	31 March 2023	31 March 2024
Active members (£m)	(589)	(633)
Deferred members (£m)	(422)	(417)
Pensioners (£m)	(841)	(823)
<b>Total (£m)</b>	<b>(1,852)</b>	<b>(1,873)</b>
Fair value of Fund assets (bid value)	1,926	2,098
<b>Net asset/(liability) (£m)</b>	<b>74</b>	<b>225</b>

These figures are prepared only for the purposes of providing the information required by IAS26, they are not relevant for calculations undertaken for funding purposes.



The key assumptions used are:

<b>Financial assumptions</b>		
<b>Year ended</b>	<b>31 March 2023</b>	<b>31 March 2024</b>
Pension increase rate (CPI)	3.00% p.a.	2.80% p.a.
Salary increase rate	3.50% p.a.	3.30% p.a.
Discount rate	4.75% p.a.	4.80% p.a.

The longevity assumptions have changed since the previous IAS26 disclosure for the Fund. Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

<b>Demographic assumptions</b>		
	<b>Males</b>	<b>Females</b>
Current pensioners	21.3 years	24.1 years.
Future pensioners (assumed to be aged 45 at the latest valuation date)	22.6 years	25.6 years

All other demographic assumptions are unchanged from 2023 and are as per the latest funding valuation of the Fund.

## Note 19 Current assets

31 March 2023 £'000		31 March 2024 £'000
693	Pension Fund bank account	2,445
84	Contributions receivable – employers	105
19	Contributions receivable - employees	32
369	Debtors	100
<b>1,165</b>	<b>Total</b>	<b>2,682</b>

## Note 20 Current and long term liabilities

31 March 2023 £'000		31 March 2024 £'000
	<b>Current Liabilities</b>	
(945)	Creditors	(1,040)
(1,446)	Benefits payable	(643)
<b>(2,391)</b>	<b>Total Current Liabilities</b>	<b>(1,683)</b>
	<b>Long Term Liabilities</b>	
(21,436)	Net amount due to London Borough of Camden	(4,994)
<b>(21,436)</b>	<b>Total Long Term Liabilities</b>	<b>(4,994)</b>

## Note 21 Additional voluntary contributions

Additional voluntary contributions (AVCs) are not included in the Pension Fund Accounts in accordance with Regulation 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016. The Council has appointed Phoenix Life Limited and Prudential Assurance Company Limited as its AVC providers. Phoenix Life operates two funds, the deposit fund and the managed fund and employees can contribute to either. Prudential Assurance offers a choice of funds catering for risk appetites ranging from minimal to higher risk. Members have the option to choose a combination of these funds or to invest in the default fund (with profits) or a lifestyle option. The lifestyle option commences with higher risk investments and is gradually switched to lower risk investments as the member moves closer to retirement. The values and transaction summaries of the AVC funds are shown below. Note, the Phoenix Life accounts are produced on a calendar year basis so their numbers below are for the years ended 31 December 2022 and 31 December 2023.

	Prudential £'000		Prudential £'000
<b>Value at 1 April 2022</b>	<b>2,421</b>	<b>Value at 1 April 2023</b>	<b>2,919</b>
Contributions & transfers received	971	Contributions & transfers received	1,861
Investment return	(18)	Investment return	248
Paid out	(455)	Paid out	(567)
<b>Value at 31 March 2023</b>	<b>2,919</b>	<b>Value at 31 March 2024</b>	<b>4,461</b>

	Phoenix Life Ltd £'000		Phoenix Life Ltd £'000
<b>Value at 1 January 2022</b>	<b>817</b>	<b>Value at 1 January 2023</b>	<b>668</b>
Contributions & transfers received	9	Contributions & transfers received	5
Investment return	(42)	Investment return	44
Paid out	(116)	Paid out	(120)
<b>Value at 31 December 2022</b>	<b>668</b>	<b>Value at 31 December 2023</b>	<b>597</b>

## Note 22 Related party transactions

The London Borough of Camden Pension Fund is administered by the London Borough of Camden Council and consequently, there is a strong relationship between the Council and the Pension Fund. The Council is the single largest employer of members of the Pension Fund with contributions as presented in Note 5.

In 2023/24 £159k was paid to the Council for finance and accountancy services (£130k in 2022/23), and £533k was paid to the Pensions Shared Service located at Wandsworth Council for providing the pensions administration service (£537k in 2022/23).

At 31 March 2024, there was a net amount of £4.9m due from the Pension Fund to the Council (31 March 2023: £21.4m). Subsequent to the year end on 17 April 2024, the Pension Fund cleared the debt to the Council with a payment of £10.8m.

The Council, via the Pension Fund, is a shareholder in London LGPS CIV Limited and the net assets statement includes unquoted shares at cost £150k (31 March 2023: £150k). Fees invoiced to the Fund by LCIV for the year were £417,446 (2022/23: £451,662) of which £176,097 was outstanding for payment at 31 March 2024.

### Governance

Councillors are no longer permitted to participate in LGPS schemes but may be deferred or pensioner members. Each member of the Pension Fund Committee is required to declare their interests at each meeting.

### Key Management Personnel

The Head of Treasury and Financial Services held a key position in the management of the Pension Fund for the year to 31 March 2024.

No other material transactions with related parties of the Fund during 2023/24 were identified.

## Note 23 Contractual capital

### Property

The Fund has undrawn contractual capital in relation to three unquoted limited partnership funds in global property; one Euro denominated Luxembourg 'SICAR' and two US Dollar denominated Guernsey Limited Partnerships. These are drawn down in tranches over time as and when the manager needs the cash to invest in underlying investments. The Euro fund had £2.166m of undrawn contractual capital outstanding as at 31 March 2024 (£2.226m as at 31 March 2023) and the US Dollar funds had a total of £44.980m of undrawn contractual capital outstanding as at 31 March 2024 (£46.715m as at March 2023). These amounts are not required to be included in the Pension Fund accounts.

In December 2023, the Fund agreed to invest £97m in the London CIV UK Housing Fund. This investment will also be made in tranches over time as and when the manager needs the cash to invest in underlying investments. The first drawdown was called in April 2024 for £10.7m.

### Private equity

The Fund has a further commitment in relation to its private equity mandate via the HarbourVest 2016 Global AIF Limited Partnership. This commitment is drawn down in tranches over time as and when the manager requests cash to fund underlying investments. The fund is denominated in US Dollars and had £10.930m of commitments outstanding as at 31 March 2024 (£16.053m as at 31 March 2023). This amount is not required to be included in the Pension Fund accounts.

### Infrastructure

The Fund made an initial commitment of £106m to the London Collective Investment Vehicle's Infrastructure Fund on 31 October 2019 with an additional commitment of £76m being agreed during 2023/24. At 31 March 2024, the commitment outstanding was £98m (£37m outstanding at 31 March 2023).

## Note 24 Events after the reporting period

The Fund has carried out a review and can confirm there were no significant events occurring after the reporting period that require disclosure in these accounts.



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# Glossary and Contacts

# Glossary of terms

## Accrual

The accruals principle is that income is recorded when it is earned rather than when it is received, and expenses are recorded when goods or services are received rather than when the payment is made.

## Actuarial Gains and Losses Re-measurement of Net Defined Benefit Liability

The Actuary assess financial and non-financial information provided by the Council to project levels of future pension fund requirements.

Changes in actuarial deficits or surpluses can arise leading to a loss or gain because:

- Events have not coincided with the actuarial assumptions made for the last valuation;
- The actuarial assumptions have changed.

## Agency Services

These are services that are performed by or for another Authority or public body, where the principal (the Authority responsible for the service) reimburses the agent (the Authority carrying out the work) for the costs of the work.

## Appointed Auditors

The Public Sector Audit Appointments appoints external auditors to every Local Authority, from one of the major firms of registered auditors. Mazars are the Council's appointed Auditor.

## Associate Companies

This is an entity other than a subsidiary or joint venture in which the reporting Authority has a participating interest and over who's operating and financial policies the reporting Authority is able to exercise significant influence.

## Authorised Limit

This represents the legislative limit on the Council's external debt to finance capital expenditure under the Local Government Act 2003.

## Balances

The balances of the Authority represent the accumulated surplus of income over expenditure on any of the Funds.

## Capital Adjustment Account

The Account accumulates (on the debit side) the write-down of the historical cost of Property, Plant and Equipment as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure. The same process applies to capital expenditure that is only capital by statutory definition (revenue expenditure funded by

capital under statute). The balance on the account thus represents timing differences between the amount of the historical cost of fixed assets that has been consumed and the amount that has been financed in accordance with statutory requirements.

#### Capital Expenditure

This is expenditure on the acquisition of property, plant and equipment, or expenditure, which adds to, and not merely maintains, the value of an existing fixed asset.

#### Capital Financing Charges

This is the annual charge to the revenue account in respect of interest and principal repayments and payments of borrowed money, together with leasing rentals.

#### Capital Receipts

Income received from the sale of land or other capital assets, a proportion of which may be used to finance new capital expenditure, subject to the provisions contained within the Local Government Act 2003.

#### Carrying Amount

The Balance Sheet value recorded of either an asset or a liability.

#### Community Assets

This is a category of Property, Plant and Equipment that the Council intends to hold in perpetuity which have no determinable finite useful life and, in addition, may have restrictions on their disposal. Examples include parks and historical buildings not used for operational purposes.

#### Contingency

This is money set aside in the budget to meet the cost of unforeseen items of expenditure, or shortfalls in income, and to provide for inflation where this is not included in individual budgets.

#### Contingent Liabilities or Assets

These are amounts potentially due to or from individuals or organisations which may arise in the future but which at this time cannot be determined accurately, and for which provision has not been made in the Council's accounts.

#### Creditors

Amounts owed by the Council for work done, goods received or services rendered, for which payment has not been made at the date of the balance sheet.



#### Current Service Cost

This is the increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period, i.e. the ultimate pension benefits "earned" by employees in the current year's employment.

#### Debtors

These are sums of money due to the Council that have not been received at the date of the Balance Sheet.

#### Dedicated Schools Grant

A specific grant for the funding of schools and which is ring-fenced to the Schools Budget.

#### Deferred Capital Income

This consists mainly of income due from former tenants who have purchased their homes and taken out mortgages with the Council.

#### Defined Benefit Scheme

This is a pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

#### Defined Contribution Scheme

A Defined Contribution Scheme is a pension or other retirement benefit scheme into which an employer pays regular contributions as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

#### Depreciation

This is the measure of the wearing out, consumption, or other reduction in the useful economic life of Property, Plant and Equipment.

#### De-recognition

Financial assets and liabilities will need to be removed from the Balance Sheet once performance under the contract is complete or the contract is terminated.

#### Earmarked Reserves

Amounts set aside for a specific purpose to meet future commitments or potential liabilities, for which it is not appropriate to establish provisions.

#### External Audit

The independent examination of the activities and accounts of Local Authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure the Authority has made proper arrangements to secure value for money in its use of resources.

#### Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### Finance Lease

A finance lease is a lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

#### Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term 'financial instrument' covers both financial assets and financial liabilities and includes both the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

#### Financial Regulations

These are the written code of procedures approved by the Council, intended to provide a framework for proper financial management. Financial regulations usually set out rules on accounting, audit, administrative and budgeting procedures.

#### General Fund

This is the main revenue fund of the Authority and includes the net cost of all services financed by local taxpayers and Government grants.

#### Heritage Asset

A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

#### Housing Benefit

This is an allowance to persons on low income (or none) to meet, in whole or part, their rent. Benefit is allowed or paid by Local Authorities but Central Government refunds part of the cost of the benefits and of the running costs of the services to Local Authorities. Benefits paid to the Council's own tenants are known as rent rebate and that paid to private tenants as rent allowance.

### Housing Revenue Account (HRA)

Local Authorities are required to maintain a separate account - the Housing Revenue Account - which sets out the expenditure and income arising from the provision of Council housing. Other services are charged to the General Fund.

### Impairment

A reduction in the value of a fixed asset below its value brought forward in the Balance Sheet. Examples of factors which may cause such a reduction in value include general price decreases, a significant decline in a fixed asset's market value and evidence of obsolescence or physical damage to the asset.

### Infrastructure Assets

A category of Property, Plant and Equipment which generally cannot be sold and from which benefit can be obtained only by continued use of the asset created. Examples of such assets are highways, footpaths, bridges and water and drainage facilities.

### Intangible Assets

These are assets that do not have physical substance but are identifiable and controlled by the Council. Examples include software, licenses and patents.

### Liabilities

These are amounts due to individuals or organisations which will have to be paid at some time in the future.

### Materiality

An item would be considered material to the financial statements if, through its omission or non-disclosure, the financial statements would no longer show a true and fair view.

### Minimum Revenue Provision (MRP)

MRP is the minimum amount which must be charged to an Council's revenue account each year and set aside as provision for credit liabilities, as required by the Local Government and Housing Act 1989.

### Operating Lease

This is a type of lease, usually of computer equipment, office equipment, furniture, etc. where the balance of risks and rewards of holding the asset remains with the lessor. The asset remains the property of the lessor and the lease costs are revenue expenditure to the Authority.

### Provisions

Amounts set aside to meet liabilities or losses which it is anticipated will be incurred but where the amount and/or the timing of such costs are uncertain.

#### Private Finance Initiative (PFI)

A Central Government initiative which aims to increase the level of funding available for public services by attracting private sources of finance. The PFI is supported by a number of incentives to encourage Authorities' participation.

#### Related Parties

Related parties are Central Government, other Local Authorities, precepting and levying bodies, subsidiary and associated companies, Elected Members, all senior officers from Director and above and the Pension Fund. For individuals identified as related parties, the following are also presumed to be related parties:

- Members of the close family, or the same household; and
- Partnerships, companies, trusts or other entities in which the individual, or member of their close family or the same household, has a controlling interest.

#### Revaluation Reserve

The Reserve records the accumulated gains on the fixed assets held by the Authority arising from increases in value as a result of inflation or other factors (to the extent that these gains have not been consumed by subsequent downward movements in value).

#### Revenue Expenditure from Capital under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provision but that does not result in the creation of a non-current asset that has been charged as expenditure to the CIES.

#### Revenue Expenditure

Spending on day-to-day items, including salaries and wages, premises costs and supplies and services.

#### Transfer Payments

Benefits paid over to tenants and homeowners towards rent and council tax which is then reimbursed by central government.

#### Trust Funds

These are funds administered by the Council on behalf of charitable organisations and/or specific organisations.

# Abbreviations

AVC  
Additional Voluntary Contributions

BSF  
Building Schools for the Future

BVCA  
British Venture Capital Association

CCG  
Clinical Commissioning Group

CFR  
Capital Financing Requirement

CGRA  
Capital Grants Received in Advance

CIPFA  
Chartered Institute of Public Finance and Accountancy

CPFA  
Chartered Public Finance Accountant

CPI  
Consumer Price Index

DLUHC  
Department for Levelling Up, Housing and Communities

DMO  
Debt Management Office

DRC

Depreciated replacement cost

DSG

Dedicated Schools Grant

DWP

Department of Work and Pensions (Central Government)

EUV

Existing Use Value

FMV

Fair Market Value

FTE

Full Time Equivalent

GLA

Greater London Authority

HMRC

His Majesty's Revenue & Customs

HRA

Housing Revenue Account

IAS

International Accounting Standards

ICT

Information Communication Technology

IFRIC

International Financial Reporting Interpretations Committee

IFRS

International Financial Reporting Standards

ILEA

Inner London Education Authority

IPSAS

International Public Sector Accounting Standards

ISB

Independent School Bursary Scheme

LEP

Local Education Partnership

LGPS

Local Government Pension Scheme

LOBO

Lender's Option Borrower's Option financial instrument

LPFA

London Pensions Fund Authority

LRB

The former London Residuary Body (residual functions of the Greater London Council and ILEA)

MHCLG

Ministry of Housing Communities and Local Government

MMI

Municipal Mutual Insurance

MRP

Minimum Revenue Provision

NBV  
Net Book Value

NNDR  
National Non Domestic Rates (Business Rates)

NPV  
Net Present Value

NLWA  
North London Waste Authority

PFI  
Private Finance Initiative

PPE  
Property, Plant and Equipment

PWLB  
Public Works Loan Board

REFCUS  
Revenue Expenditure Funded From Capital Under Statute

RICS  
Royal Institution of Chartered Surveyors

SEN  
Special Education Needs

SLA  
Service Level Agreement

UCL  
University College London



*NOTE: values throughout these accounts are presented rounded to whole numbers. Totals in supporting tables and notes may not appear to cast, cross-cast, or exactly match to the primary statements or other tables due to rounding differences.*

# Contact Information

This document gives details of London Borough of Camden's Annual Accounts and is available on the Council's website at [camden.gov.uk](https://www.camden.gov.uk).

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