Annual Financial Report
London Borough of Camden
2021/22

Camden

Camden Lock

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Regent's Canal

Narrative Report

Jon Rowney
Executive Director Corporate Services and Responsible Financial Officer

I am pleased to present the Council's 2021/22 Annual Financial Report. This foreword provides a guide to the most significant matters reported in the Council's accounts. Camden's financial statements for 2021/22 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 2021/22 as prescribed by the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, 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 the Camden Plan, 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 2021/22
- 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

In Camden our politics, our people, and our resources are what make us different. Together with our citizens, we developed We Make Camden – our shared vision for the future of the borough. This sets out a desire where:

“We want to make Camden a better borough - a place where everyone has a chance to succeed and nobody gets left behind. Together, we will create a place that works for everyone and where everybody has a voice.”

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 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 20 years earlier 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 fewer families living in Temporary Accommodation, 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 a decade of funding reductions from central government, combined with increasing pressure on our services and the ongoing uncertainty created from Brexit and impact of the Covid-19 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 Make Camden & Our Camden Plan

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.

Four years ago, we invited citizens from across the borough to tell us what they thought Camden should be like in 2025, to develop shared priorities that should be at the heart of our vision for the future of the borough.

Over 80 residents joined our Citizens’ Assembly, and thousands shared their views online, at public events in libraries and via resident surveys. A central theme was how citizens, community organisations and partners can work together to tackle challenges in new ways.

Five themes stood out from these conversations that form our shared key ambitions for Camden in 2025:

- Homes and housing
- Strong growth and access to jobs
- Safe, strong and open communities
- Clean, vibrant and sustainable places
- Healthy and independent lives

Our Camden Plan is the Council's response to the Camden 2025 vision and explains how we as an organisation will deliver on our ambitions.

Both Camden 2025 and Our Camden Plan have been communicated to our citizens and workforce using a variety of channels, including our magazine that goes through every letterbox in the borough, social media, our website, emails and staff communication channels. We continue to keep our citizens and workforce updated on our progress and invite everyone to get involved in developing and delivering our plans.

More information is available on:

www.Camden.gov.uk/camden2025

The Renewal of the Borough

COVID-19 has shone a spotlight on the inequalities that exist in our society, and in some cases has made these worse.

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.

We're joining together to renew the borough with bold and ambitious missions, using recovery as an opportunity and a catalyst for reimagining Camden's future.

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.

Financial context

Like the rest of local government and the wider public sector, the Council is currently facing an unprecedented crisis following the outbreak of the global coronavirus pandemic that has impacted 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.

The Council's new corporate strategy We Make Camden sets out a 2030 renewal mission around access to nutritious and sustainable food, and a focus on poverty reduction, debt and financial security.

Prior to the outbreak, the Council was already addressing the challenge of cumulative annual 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.

In December 2018, Cabinet agreed a Medium Term Financial strategy (MTFS) that sought to provide the financial framework for the three years from 2019/20 to 2021/22. The programme, developed through an outcomes based budgeted approach, was developed to address a projected deficit of between £35-£40m over the three year period. This followed a period of 8 years where the Council had been obliged to make an unprecedented £169m of savings and to reduce its workforce by 23% (1,140 full time equivalents). Our MTFS remains a central element of our financial response to the future – though, we acknowledge that this will need to be considered in the light of the current crisis.

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.

Covid-19 Impact

The impact of the Covid pandemic over the past two years has placed considerable strain on the Council's finances. The consequences are still being felt, with a reducing local tax base and less income from commercial rents as well as additional expenditure outlay in supporting the most vulnerable in the borough. Increased pressure on Public Health and Social Care services is also prevalent creating additional demand and cost pressure on those services. The impact on local residents, businesses and all of our community has been profound and will continue to be felt for the foreseeable future.

At the same time, the global pandemic is having a fundamental and negative impact on the economy and presents a series of significant challenges for the economic health of the country and its public finances in both the short and medium term. As such, the outlook for local government funding remains unclear.

The impact of the Covid pandemic and the need for the Council to mobilise to support the residents and businesses of the borough has meant that the Council has delayed the planned deliver of some of the MTFS until 2022/23 to allow services to focus on the emergency response to Covid including administering large numbers of national support schemes.

The Covid-19 crisis has had a significant financial impact and will have a long term effect on the level of resources available to the

Council. That said, there remains considerable uncertainty and difficulty in defining the full impact of the crisis and our understanding will be refined and improved over time. As we move forward, we will need to consider how the Council remains financially resilient and sustainable in what are very uncertain times for our borough and our country.

The pandemic had a significant impact on the Council's finances which continued to be felt during 2021/22. It is estimated that the Council spent an additional £13.6m as a direct result of Covid whilst losing £5.6m worth of income plus £1.2m of its share of Council Tax receipts – a total financial impact of £20.4m. It should be noted that as are response to the Covid pandemic became embedded in our 'business as usual' service delivery the exact additional financial impact of Covid becomes more difficult to accurately account for as a separate cost from the overall cost of service delivery.

Covid-19 Government Support

During the pandemic, Government Departments largely adopted a piecemeal approach in introducing a range of grants to relieve the financial pressures faced by local authorities, some of which were ring-fenced. Throughout the pandemic the Council has taken an outcomes-based approach to all of the money we've spent and services we've invested in with action taken to ensure our key aims have been met. This has often meant making spending decisions in advance of any funding announcements from the government to ensure that we can continue to support our communities, which has placed additional strain on our budgets. Much of the work to support residents and businesses has been embedded in the Council's core work and delivered alongside the Council's core support to the borough.

Much of the government funding relating to Covid-19 was received during 2020/21 and was one-off funding that was not repeated, however many of the financial impacts of Covid-19 will be felt over a number of years and as such the Council has planned to use some of the grants in line with the financial pressures it is facing.
Some government funding was received in 2021/22 to support Council budget pressures and new burdens from continuing national schemes and policy decisions.

Covid-19 Government Support	£m
New Burdens Support	
Containing the Outbreak Management Fund (COMF)	-£2.33
Outbreak Community Testing	-£1.50
Practical Support Payments	-£0.59
Clinically Extremely Vulnerable	-£0.41
New burdens funding administering Business Support Grants	-£0.41
Administration to deliver Restart and additional restrictions grant scheme	-£0.21
New Burdens Omicron Hospitality and Leisure Grant and the Additional	-£0.08
Test and Trace Support Payments programme cost	-£0.22
Test and Trace Support Payments administration cost	-£0.03
Test and Trace Support Payments Discretionary admin cost	-£0.25
Local Covid Support Grant	-£0.92
Cabinet Office Local Elections Funding	-£0.08
Community Vaccine Champions	-£0.49
Omicron Support Fund	-£0.32
Protect and Vaccinate	-£0.90
ASC Rapid Testing Fund (infection control and testing fund)	-£0.66
Rough Sleeping LA Grant	-£0.85
Domestic Abuse Support to victims	-£0.04
Total	**-£10.29**

Compensation for Budget Pressures

Covid LA Support Grant final tranche	-£9.04
Sales, Fees, and Charges Compensation Support	-£0.63
Total	**-£9.67**

Several grants received in year were ring-fenced to specific activities and as such were not all utilised in 2021/22. These grants continue to be utilised as the Council incurs additional cost pressures relating to the Covid pandemic.

Administering National Support Schemes

The Council has played a key role in distributing support to local businesses and local residents as part of national schemes established by the government in response to the covid pandemic. It is important to clarify the role that the Council has in these activities as well as the nature of the sums being paid to the Council for redistribution. In this context the Council will act as either principal or agent in the redistribution of support sums and the sums themselves will either be specific or non-specific based on the guidelines for each grant scheme. The following outlines how these differences are defined;

Principal/Agent

- Principal – the Council acts as a principal where it has some control over the timing of payments and who they are paid to. The Council receives some direct benefit from the receipt of the grant.
- Agent – the Council acts as an agent where it administers the grant on behalf of another body, usually government. Payments are made against a set of pre-determined criteria.

The following tables set out the grants made available to the Council to support local businesses and local residents affected by the pandemic.

Covid-19 Government Support	**Amount Received in Year**	**Amount Applied in Year**	**Role of the Council**
To be provided to Local Businesses	**£m**	**£m**	
Welcome Back Fund	-£0.29	-£0.29	Principal
Additional Restrictions Grant	-£7.09	-£7.09	Agent
Restart Grant	-£35.15	-£25.84	Agent
Omicron Hospitality and Leisure Grant	-£6.52	-£5.03	Agent
ASC Workforce Recruitment and Retention Fund	-£0.87	-£0.87	Principal
ASC Workforce Recruitment and Retention Fund 2	-£1.61	-£1.61	Principal
Total	**-£51.53**	**-£40.73**	
To be provided to local individuals			
Household Support Fund	-£1.09	-£1.09	Principal
Total	**-£1.09**	**-£1.09**	

Key achievements from our capital investment

Community Investment Programme (CIP)

The Community Investment Programme 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.

We have directly built 618 new council homes helping to house over 1,500 people in new, bigger, safer, warmer homes. 650 children are living in new social homes with 337 having their bedrooms and space to learn, sleep and play. 40 households were previously under-occupying and have moved to right-sized accommodation.

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. We have invested in new community facilities such as the new St Pancras Community Centre. We have also acquired 85 additional homes for homeless families through the Temporary Accommodation Purchasing Programme (TAPP).

CIP is also helping to support and empower some of our most vulnerable residents. We've completed new hostels at Mount Pleasant and Holmes Road with 109 rooms to offer a place to call home and training opportunities to homeless people. Over 140 residents with learning disabilities and mental health issues regularly use the Greenwood Centre; Camden's innovative Centre for Independent Living, run by disabled people for disabled people.

Despite the challenges of the pandemic CIP has continued to provide new homes, new community facilities and new schools. 39 new homes were completed in 2021/22. Phase 2 of the development in the Abbey Area in Kilburn has seen a new health and community centre, keeping up our track record of building new community infrastructure and improving places alongside new delivery of new homes.

There are currently a further 285 homes under construction and planning approval and agreement for a further 1,000 more homes.

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 2021/22 is set out below:

	Net Budget £m	Outturn £m	Variance to Budget £m
Directorates			
Corporate services	(7.1)	(8.0)	(0.9)
Public Health	21.9	21.9	0
Supporting Communities	108.4	112.6	4.2
Supporting People	167	165	(2.0)
Cross-Cutting Budgets:			
Government Grants	(77.2)	(81.8)	(4.6)
Pensions	15.6	15.8	0.2
Financing and Interest	0.2	1.5	1.3
Housing benefit	(0.7)	(1.6)	(0.9)
Other Items and Adjustments	5.1	7.5	2.4
Total	233.2	232.9	(0.3)

The Council had a net revenue budget of £233m in 2021/22 and delivered a final outturn underspend after agreed transfer from reserves of £0.3m. The small underspend is indicating that the Council continues to be efficient in using its resources even with the impact felt through the pandemic.

Gross expenditure was funded from a variety of sources, including:

- Government grants – £393.1m. This includes grants for specific functions, such as Dedicated Support Grant, as well as non-specific grant income.
- Rents, fees and other income - £173.7m
- Council tax - £119.5m
- Retained Business rates - £95.2m

Capital

The Council has a large capital programme with planned expenditure running through to 2028/29. 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 £173.3m. The main areas of investment were as follows:

- Property Management spent £56.6m making improvements to the council's existing buildings and purchasing properties for use as temporary accommodation, a large proportion of the spend relates to the Better Homes programme, fire safety works and making improvements to existing schools.

- Development spent £88.1m 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 £20.6m 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 parks and green spaces.

The total capital spend of £173.3m in 2021/22 was financed from a number of sources including:

- £5.2m from Section 106, Community Infrastructure Levy and other contributions
- £33.7m from capital grants
- £77.8m from capital receipts
- £4.8m from General Fund prudential borrowing
- £13.2m from revenue contributions (General Fund)
- £34.4m from HRA reserves; and
- £4.2m from HRA prudential borrowing

Housing Revenue Account

The Housing Revenue Accounts (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 23,145 units at 31 March 2022. In 2021/22 average council rents (excluding service charges) were £113.32 per week.

In 2021/22, the HRA had a net deficit of £5.4m, which when taken to its existing reserves of £21.7m along with a £1.0m contribution to reserves, resulted in £17.3m being carried forward as at 31 March 2022.

The deficit was mainly caused by a £3.2m overspend on repairs budgets due to some work being held because of the pandemic, a £1.6m underachievement of dwelling rents due to stock levels being lower than budgeted and void loss exceeding budget and £0.8m underachievement of interest receivable due to low interest rates. These were partially offset by £1.9m lower than budgeted bad debt provision based on improved leaseholder collection and better than planned commercial collection.

As part of budget setting for 2022/23, at January Cabinet 2022, additional budget was added to service budgets in anticipation of cost inflation including the increase in employers' National Insurance contributions, and to the building safety budget to help the HRA comply with the Fire Safety Act 2021 and the Building Safety Act 2022. Budget was also being set aside to start rebuilding the HRA reserve, to ensure sufficient financial resilience.

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 2021/22, we collected £157.2m from council tax, with a collection rate of 94.15% by the end of the financial year. In 2021/22, Camden's element of band D council tax was £1,355.81.

The amount of business rates Camden collects is one of the highest in the country. The amount collected in relation to 2021/22 was £536.60m, with a collection rate of 96.29%. 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 £86.41m deficit – made up of £94.08m business rate deficit (to be distributed between Government, GLA and Camden) and £7.67m council tax surplus. The business rates deficit is due to the awarding of additional rate relief for businesses for which the Council will receive compensating grants to support the deficit.

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 2021/22 total contributions paid in were £48.2m, of which

- employers contributed £35.7m and
- employees contributed £12.5m.

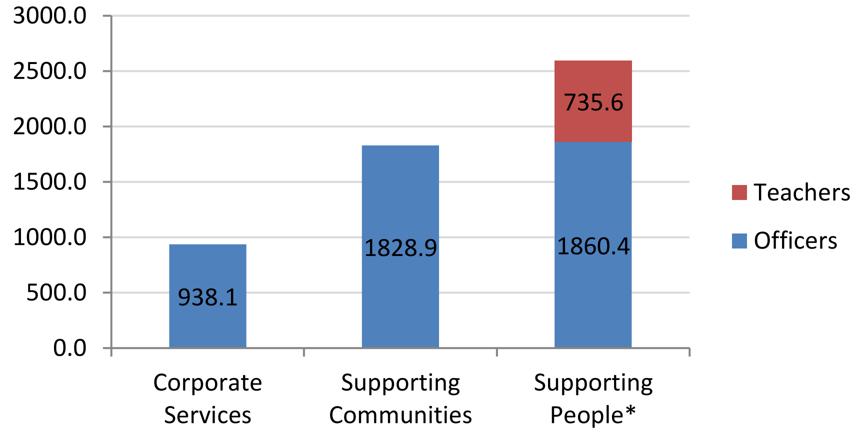
Total Benefits paid out were £64.5m, this comprised of

- £54.2m monthly pension payments,
- £9.0m of lump sum retirement grants and
- £1.3m in death grants

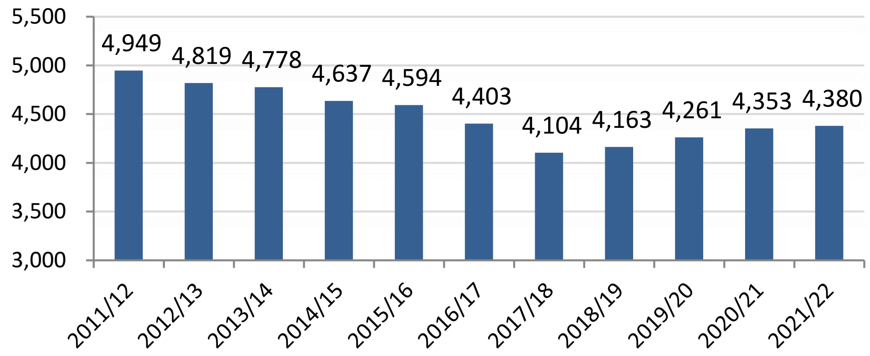
The value of investment assets increased by 6.4% in the 2021/22 financial year to £2.22bn, as set out in the accounts. The Fund is assessed to be 113% funded as at the date of the triennial actuarial valuation on 31 March 2022. Camden is one of the largest of the London Borough funds in terms of assets, and with over 22,000 members, 19 admitted bodies and 6 scheduled bodies.

Staffing trends over recent years

The graph below shows Camden's staff numbers in 2021/22 for each directorate, expressed in terms of the number of full-time equivalents in post in each category of employment at 31 March 2022. 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 569 (11.5%) over the period 2011/12 to 2021/22, but has increased by 276 (6.7%) from the low point of 2017/18.



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 2022. 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 2021/22, which in turn is underpinned by International Financial Reporting Standards.

Comprehensive Income and Expenditure Statement - This statement, as set out on page 30, 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 32, 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 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 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.

Balance Sheet - The Balance Sheet, as set out on page 35, 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 Authority. 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 36 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 audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of London Borough of Camden (‘the Council’) for the year ended 31 March 2022, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account (HRA), the Movement on the Housing Revenue Account Statement, the Collection Fund Account and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (“the Code Update”), published in November 2022.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Council as at 31st March 2022 and of the Council’s expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Code Update.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities section of our report. We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Executive Director Corporate Services use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, and taking into account the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Code Update, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Council's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Executive Director Corporate Services with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the Annual Governance Statement and information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Executive Director Corporate Services is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Executive Director Corporate Services for the financial statements

As explained more fully in the Statement of Responsibilities, the Executive Director Corporate Services is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Code Update, and for being satisfied that they give a true and fair view. The Executive Director Corporate Services is also responsible for such internal control as the Executive Director Corporate Services determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Executive Director Corporate Services is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Code Update and prepare the financial statements on a going concern basis, on the assumption that the functions of the Council will continue in operational existence for the foreseeable future. The Executive Director Corporate Services is responsible for assessing each year whether or not it is appropriate for the Council to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Council, we identified that the principal risks of non-compliance with laws and regulations related to the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, and the Accounts and Audit Regulations 2015, and the Local Government and Housing Act 1989 and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Executive Director Corporate Services incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with management and the Audit and Corporate Governance Committee the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Council which were contrary to applicable laws and regulations, including fraud

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Audit and Corporate Governance Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Audit and Corporate Governance Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

We are also required to conclude on whether the Executive Director Corporate Services use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in November 2024.

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

Report on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception
We are required to report to you if, in our opinion, we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

We have nothing to report in this respect.

Responsibilities of the Council
The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources
We are required under section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024.

Matters on which we are required to report by exception under the Code of Audit Practice
We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;

- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Use of the audit report

This report is made solely to the members of London Borough of Camden, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.

Certificate

We certify that we have completed the audit of London Borough of Camden in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Suresh Patel

Key Audit Partner For and on behalf of Mazars LLP
30 Old Bailey,
London
EC4M 7AU

Date: 27 November 2024

Report on the audit of the Pension Fund financial statements

Opinion on the financial statements of London Borough of Camden Pension Fund

We have audited the financial statements of London Borough of Camden Pension Fund (‘the Pension Fund’) for the year ended 31 March 2022, which comprise the Fund Account, the Net Assets Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

In our opinion the financial statements:

- give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2022, and the amount and disposition of the Pension Fund’s assets and liabilities as at 31 March 2022; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities section of our report. We are independent of the Council, as administering authority for the Pension Fund, in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Executive Director Corporate Services use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Pension Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Executive Director Corporate Services with respect to going concern are described in the relevant sections of this report.

Other information

The Executive Director Corporate Services is responsible for the other information. The other information comprises the and information included in the Statement of Accounts, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Executive Director Corporate Services for the financial statements

As explained more fully in the Statement of the Executive Director Corporate Services' Responsibilities, the Executive Director Corporate Services is responsible for the preparation of the Statement of Accounts, which includes the Pension Fund's financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, and for being satisfied that they give a true and fair view. The Executive Director Corporate Services is also responsible for such internal control as the Executive Director Corporate Services determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Executive Director Corporate Services is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and prepare the financial statements on a going concern basis, unless the Council is informed of the intention for dissolution of the Pension Fund without transfer of services or function to another entity. The Executive Director Corporate Services is responsible for assessing each year whether or not it is appropriate for the Pension Fund to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Pension Fund's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Pension Fund, we identified that the principal risks of non-compliance with laws and regulations related to the Public Service Pensions Act 2013, the Local

Government Pension Scheme Regulations 2013 (as amended) and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Executive Director Corporate Services' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the management and the Audit and Governance Committee the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Fund which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Audit and Governance Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Audit and Governance Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Executive Director Corporate Services' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in November 2024.

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

Matters on which we are required to report by exception under the Code of Audit Practice
We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Use of the audit report
This report is made solely to the members of London Borough of Camden Council, as a body and as administering authority for the London Borough of Camden Pension Fund, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.

Suresh Patel

Key Audit Partner For and on behalf of Forvis Mazars LLP

Date: 27 November 2024

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 (which includes the financial statements) 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 2021/22.

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 2022 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 26 September 2024, 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.

Cllr Meric Apak

Chair, Audit and Corporate Governance Committee

2 Primary Financial Statements

The Shaw Theatre and British Library

Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement (CIES) summarises the income it 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.

Comprehensive Income and Expenditure Statement

Restated* 2020/21 Gross Expenditure £'000	Restated* 2020/21 Gross Income £'000	Restated* 2020/21 Net Expenditure £'000		2021/22 Gross Expenditure £'000	2021/22 Gross Income £'000	2021/22 Net Expenditure £'000
288,053	(137,674)	150,379	Supporting People	377,179	(152,207)	224,972
119,315	(53,579)	65,736	Supporting Communities	156,913	(52,271)	104,642
319,529	(208,748)	110,781	Corporate Services	182,782	(280,012)	(97,230)
23,569	(1,156)	22,413	Public Health	25,761	(3,890)	21,871
172	(27)	145	Cross Cutting	323	(19)	304
204,403	(183,167)	21,236	Housing Revenue Account	53,640	(187,047)	(133,407)
161,926	(165,352)	(3,426)	Dedicated Schools Grant	166,930	(171,394)	(4,464)
1,116,967	**(749,703)**	**367,264**	**Cost Of Services**	**963,528**	**(846,840)**	**116,688**
		1,866	Other Operating Expenditure (*Note 9*)			(18,866)
		15,399	Financing and Investment Income and Expenditure (*Note 10*)			12,420
		(343,058)	Taxation and Non-Specific Grant Income (*Note 11*)			(306,513)
		41,471	**(Surplus) or Deficit on Provision of Services**			**(196,271)**
		(14,557)	(Surplus) or deficit on revaluation of Property, Plant and Equipment			(112,046)
		120,373	Remeasurements of the net defined benefit liability / (asset)			(238,090)
		105,816	**Other Comprehensive Income and Expenditure**			**(350,136)**
		147,287	**Total Comprehensive Income and Expenditure**			**(546,407)**

*refer to Note 6a for detail of Prior Period Adjustment

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

2021/22	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
Balance at 31 March 2021 brought forward	**(14,808)**	**(4,366)**	**(204,626)**	**(63,955)**	**0**	**(9,946)**	**(297,701)**	**(2,966,017)**	**(3,263,718)**
(Surplus)/Deficit on provision of services	(51,373)	(144,897)		0	0	0	(196,270)	0	(196,270)
Other Comprehensive Income and Expenditure	0	0		0	0	0	0	(350,136)	(350,136)
Total Comprehensive Income and Expenditure	**(51,373)**	**(144,897)**		**0**	**0**	**0**	**(196,270)**	**(350,136)**	**(546,406)**
Adjustments between accounting basis & funding under regulations (*Note 7*)	(2,515)	153,693	0	(4,392)	(3,391)	(3,650)	139,745	(139,745)	0
Net (increase)/decrease before Transfers to Earmarked Reserves	**(53,888)**	**8,796**	**0**	**(4,392)**	**(3,391)**	**(3,650)**	**(56,525)**	**(489,880)**	**(546,405)**
Transfer to or from Earmarked reserves	53,838	(7,433)	(46,405)	0	0	0	0	0	0
(Increase)/Decrease in Year	**(50)**	**1,363**	**(46,405)**	**(4,392)**	**(3,391)**	**(3,650)**	**(56,525)**	**(489,880)**	**(546,405)**
Balance at 31 March 2022 carried forward	**(14,858)**	**(3,003)**	**(251,031)**	**(68,347)**	**(3,391)**	**(13,596)**	**(354,226)**	**(3,455,896)**	**(3,810,122)**

Movement in Reserves Statement

Restated 2020/21*	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
Balance at 31 March 2020 brought forward	**(13,992)**	**(23,727)**	**(109,257)**	**(80,864)**	**(36,589)**	**(5,078)**	**(269,507)**	**(3,141,498)**	**(3,411,005)**
Adjustment to realign and correct opening balances	0	0	0	(1)	0	0	(1)	1	0
Realigned Opening Balances	**(13,992)**	**(23,727)**	**(109,257)**	**(80,865)**	**(36,589)**	**(5,078)**	**(269,508)**	**(3,141,497)**	**(3,411,005)**
(Surplus)/Deficit on provision of services	28,120	13,351		0	0	0	41,471	0	41,471
Other Comprehensive Income and Expenditure	0	0		0	0	0	0	105,816	105,816
Total Comprehensive Income and Expenditure	**28,120**	**13,351**		**0**	**0**	**0**	**41,471**	**105,816**	**147,287**
Adjustments between accounting basis & funding under regulations (*Note 7*)	(107,004)	(11,291)	0	16,910	36,589	(4,868)	(69,664)	69,664	0
Net (increase)/decrease before Transfers to Earmarked Reserves	**(78,884)**	**2,060**	**0**	**16,910**	**36,589**	**(4,868)**	**(28,193)**	**175,480**	**147,287**
Transfer to or from Earmarked reserves	78,068	17,301	(95,369)	0	0	0	0	0	0
(Increase)/Decrease in Year	**(816)**	**19,361**	**(95,369)**	**16,910**	**36,589**	**(4,868)**	**(28,193)**	**175,480**	**147,287**
Balance at 31 March 2021 carried forward	**(14,808)**	**(4,366)**	**(204,626)**	**(63,955)**	**0**	**(9,946)**	**(297,701)**	**(2,966,017)**	**(3,263,718)**

*refer to Note 6a for detail of Prior Period Adjustment

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-20 £'000	Restated* 31-Mar-21 £'000		Note	31-Mar-22 £'000
4,254,008	4,282,581	Property, Plant & Equipment	12	4,520,123
841	841	Heritage Assets	13	841
131,900	112,308	Investment Property	14	143,010
2,671	2,618	Intangible Assets	15	1,771
4,116	4,116	Long Term Investments	16	4,057
7,169	28,578	Long Term Debtors	16	37,250
4,400,705	**4,431,042**	**Long Term Assets**		**4,707,052**
115,842	41,077	Short Term Investments	16	109,861
36,896	16,087	Assets held for sale	19	18,060
407	443	Inventories		371
150,097	308,420	Short Term Debtors	17	258,746
75,894	172,683	Cash and Cash Equivalents	18	193,870
379,136	**538,710**	**Current Assets**		**580,908**
(2,478)	(2,914)	Short Term Borrowing	16	(10,112)
(239,355)	(469,428)	Short Term Creditors	20	(369,389)
(578)	(12,130)	Short Term Grants Received in Advance - Capital	34	(68,328)
(19,261)	(10,036)	Short Term Provisions	21	(4,084)
(261,672)	**(494,508)**	**Current Liabilities**		**(451,913)**
(6,499)	(9,199)	Long Term Provisions	21	(9,699)
(334,118)	(334,133)	Long Term Borrowing	16	(322,238)
(48,624)	(51,351)	Other Long Term Liabilities	16	(45,135)
(72,305)	(74,041)	Long Term Grants Receipts in Advance - Capital	34	(68,580)
(645,618)	(742,802)	Net Pensions Liability	41	(580,272)
(1,107,164)	**(1,211,526)**	**Long Term Liabilities**		**(1,025,924)**
3,411,005	**3,263,718**	**Net Assets**		**3,810,123**
(269,507)	(297,701)	**Usable Reserves**	8	(354,226)
(3,141,498)	(2,966,017)	**Unusable Reserves**	22	(3,455,897)
(3,411,005)	**(3,263,718)**	**Total Reserves**		**(3,810,123)**

*refer to Note 6a for detail of Prior Period Adjustment

Cash Flow Statement

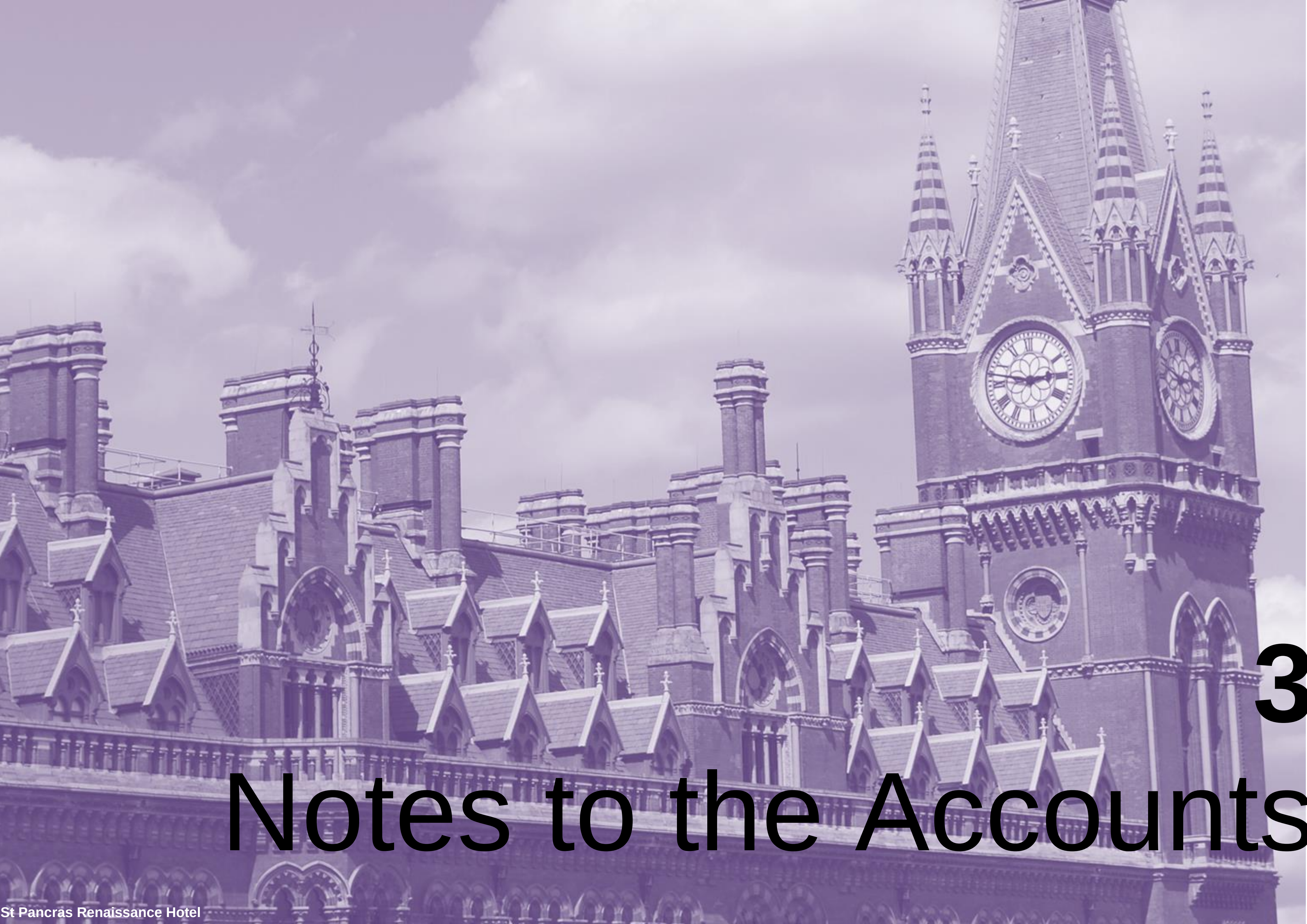
The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

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.

2020/21 restated* £'000		2021/22 £'000
(41,471)	Net surplus or (deficit) on the provision of services	196,271
255,668	Adjustment to surplus or deficit on the provision of services for noncash movements (note 23)	66,195
(67,613)	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities (note 23)	(123,621)
146,584	**Net Cash flows from operating activities**	**138,845**
(52,973)	Net Cash flows from Investing Activities (note 24)	(106,745)
3,178	Net Cash flows from Financing Activities (note 25)	(10,913)
96,789	**Net increase or decrease in cash and cash equivalents**	**21,187**
75,894	Cash and cash equivalents at the beginning of the reporting period	172,683
172,683	**Cash and cash equivalents at the end of the reporting period** (note 18)	**193,870**

*refer to Note 6a for detail of Prior Period Adjustment



3
Notes to the Accounts

St Pancras Renaissance Hotel

Note 1 Accounting Policies

1. CONCEPTS AND PRINCIPLES

1.1. General Principles

The Statement of Accounts summarises the Council's transactions for the 2021/22 financial year and its position at the financial year ending 31 March 2022. 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 practices'. These practices are set out in the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, based on International Financial Reporting Standards and statutory guidance.

The accounting convention adopted in the Statement of Accounts is principally Historical cost, 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 equal to either an amount calculated on a prudent basis as determined by the Council in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance (known as the Minimum Revenue Provision (MRP)), by way of adjusting the capital adjustment account in the movement in reserves statement for the difference between the two.

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 (NNDR)

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, this is currently 50 years.
- 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 2012 (SI2012/1424).

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 30% of the cost of the replacement homes within a 3 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 comprising

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 spilt 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. Annual Improvements to IFRS Standards 2018–2020. The annual IFRS improvement programme notes 4 changed standards:
    - IFRS 1 (First-time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS
    - IAS 37 (Onerous contracts) – clarifies the intention of the standard
    - IFRS 16 (Leases) – amendment removes an example that is not referenced in the Code material
    - IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.

b. Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).

There are no changes in accounting requirements for 2022/23 that are anticipated to have a material impact on the council's financial performance or financial position.

For information, the introduction of accounting standard IFRS 16 for the treatment of leases has been deferred from April 2022 until April 2024

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.

The items in the Council's Balance Sheet at 31 March 2022 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:
The COVID-19 pandemic has had a major impact on the council's resources and cash flows during the year, which have been outlined elsewhere in this report, most notable in the Narrative report.

While there are signs of recovery, there is also an assumption that the impact will continue to be seen in the finances of the council for the forthcoming years, although it is currently not totally clear how this will materialise.

Item	Uncertainty	Affect if actual results differ from assumptions
Pensions Liability	Estimation of the pensions 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 £580.3m at 31 March 2022 (£742.8m at 31 March 2021). A firm of actuaries has been engaged to provide the Authority with expert advice about the assumptions to be applied for both the: London Borough of Camden Pension Fund, and London Borough of Camden pension element of the London Pension Fund Authority	See note 41 for the details of the Pensions liability.

Item	Uncertainty	Affect if actual results differ from assumptions
Property, Plant and Equipment (Depreciation)	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 maintenance over the medium term, thus bringing into doubt the useful lives assigned to assets.	The total depreciation charge for PPE and Infrastructure for 2021/22 is £81.9m (£75.3m in 2020/21) on assets with total net book value of £4bn. If the useful life of assets is reduced, depreciation increases and the carrying amount of the asset falls. It should be recognised that: • The margin of error in a change in depreciation due to a change in useful lives is not considered to be material. • 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.
Valuation of Land and Buildings	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. The valuation of the Council's land and buildings as at 31 March 2020 may have been affected by the effects of the Covid 19 pandemic. The outbreak of Covid-19 may have had a significant impact on property markets and less weight should be attached to market evidence to inform opinions of value as at that valuation date. The total value of land and buildings valued at March 2020 was £253m (as per Note 12).	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. If the value of council land and buildings valued at 31 March 2020 were to change by 10% this would lead to a change in value of £25.3m.

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.

2020/21 restated*				**2021/22**		
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
191,489	(41,110)	150,379	Supporting People	229,506	(4,534)	224,972
49,563	16,173	65,736	Supporting Communities	65,281	39,361	104,642
5,042	105,739	110,781	Corporate Services	(96,075)	(1,154)	(97,229)
22,413	0	22,413	Public Health	21,871	0	21,871
259	(114)	145	Cross Cutting	335	(31)	304
13,711	7,525	21,236	Housing Revenue Account	(4,518)	(128,890)	(133,408)
(3,426)	0	(3,426)	Dedicated Schools Grant	(4,464)	0	(4,464)
279,051	**88,213**	**367,264**	**Net Cost of Services**	**211,936**	**(95,248)**	**116,688**
(355,875)	30,082	(325,793)	Other Income and Expenditure	(257,028)	(55,931)	(312,959)
(76,824)	**118,295**	**41,471**	**(Surplus) or Deficit**	**(45,092)**	**(151,179)**	**(196,271)**
(146,976)			**Opening General Fund and HRA Balance**	**(223,800)**		
(76,824)			Less/Plus (Surplus) or Deficit on General Fund and HRA Balance in Year	(45,092)		
(223,800)			**Closing General Fund and HRA Balance at 31 March**	**(268,892)**		

*refer to Note 6a for detail of Prior Period Adjustment

Please see note 27 for further details on Expenditure and Funding Analysis.

Note 5b Expenditure and Income analysed by Nature

The Authority income and expenditure is analysed as follows:

2020/21 restated* £'000	Nature of Expenditure or Income	2021/22 £'000
80,011	Depreciation, amortisation, and impairment	82,847
391,679	Employee benefit expenses	439,327
(4,622)	(Gain) or loss on disposal on non-current assets	(25,325)
63,429	Interest payments and other financing charges	68,392
583,274	Other service expenses	558,921
4,739	Payments to Housing Capital Receipts Pool	4,739
105,862	Precepts and levies	102,714
63,919	Revaluation	(130,591)
1,288,551	**Expenditure Total**	**1,101,024**
(289,031)	Fees charges and other service income	(289,072)
(453,355)	Government grants and contributions	(669,910)
(463,838)	Income from council tax and non-domestic rates	(284,089)
(33,047)	Interest and investment income	(53,579)
(7,549)	Recharges to external Bodies	(645)
(1,246,820)	**Income Total**	**(1,297,295)**
41,471	**(Surplus) or deficit on provision of Services**	**(196,271)**

*refer to Note 6a for detail of Prior Period Adjustment

Revenue from fees, charges and other service income can be further disaggregated as follows

2020/21 £'000	Fees Charges and other Service Income	2021/22 £'000
(158,137)	Rents and Property Leases	(143,342)
(43,980)	Service Charges	(36,122)
(33,829)	Parking Services	(46,637)
(7,940)	Social Care Fairer Charging	(10,560)
(45,144)	Other	(52,410)
(289,031)	**Total**	**(289,072)**

Note 6 Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Executive Director Corporate Services on 5 April 2024. 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 2022, 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 6a Prior Period Adjustment 2020/21

Camden has identified an error relating to its 2020/21 published accounts detailed below and adjusted for these in the 2021/22 statement of accounts.

Incorrect treatment of prepayment of pension deficit contribution

The London Borough of Camden pays employer's pension contributions to the Camden Pension Fund as required by the Fund's actuary. These include a deficit recovery payment for past service. In the 2019 triennial valuation the actuary set out the deficit recovery payments due for the three years 2020/21 to 2022/23. With the actuary's agreement the Council paid all three years (£58m) in 2020/21, effectively pre-paying the contributions due for 2021/22 and 2022/23. This had been reflected as a payment in advance and a debtor on the balance sheet, but following advice has been corrected as a contribution in year and adjustment made to the pension reserve and pension liability in 2020/21.

Effect on the comprehensive income and expenditure account 2020/21

	2020/21 Published £'000	2020/21 Restated £'000	Correction £'000
Cost of Services	423,524	367,264	(56,260)
Remeasurements of the net defined benefit liability	24,882	120,373	95,491
Total Comprehensive Income and Expenditure	**108,056**	**147,287**	**39,231**

Effect on the balance sheet as at 1 April 2020 and 31 March 2021

	01-Apr-20 £'000	31-Mar-21 Published £'000	31-Mar-21 Restated £'000	Correction £'000
Short term debtors	150,097	347,651	308,420	(39,231)
Net Assets	**3,411,005**	**3,263,718**	**3,302,949**	**(39,231)**
Unusable Reserves	(3,141,498)	(3,005,248)	(2,966,017)	39,231
Total Reserves	**(3,411,005)**	**(3,302,949)**	**(3,263,718)**	**39,231**

Effect on the Movement in Reserves Statement (MIRS) 2020/21

	2020/21 Published £'000	2020/21 Restated £'000	Correction £'000
Surplus or deficit on the provision of services	**97,731**	**41,471**	**(56,260)**
Other comprehensive income and expenditure	**10,325**	**105,816**	**95,491**
Increase/(decrease) in the year	**108,056**	**147,287**	**39,231**
Balance at the end of reporting period	**(3,302,949)**	**(3,263,718)**	**39,231**

Effect on the Cashflow statement 2020/21

	2020/21 Published £'000	2020/21 As Restated £'000	Correction £'000
Net surplus or (deficit) on the provision of services	**(97,731)**	**(41,471)**	**56,260**
Adjustment to surplus or deficit on the provision of services for noncash movements (note 23)	**311,928**	**255,668**	**(56,260)**
Cash and cash equivalents at the end of the reporting period (note 18)	**172,683**	**172,683**	**0**

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.

2021-22	Useable Reserves 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
Reversal of items debited or credited to the CIES							
Depreciation, Amortisation and Impairments	(44,861)	(37,787)	0	0	0	**82,648**	**Capital Adjustment Account**
Revaluation gains on property, plant and equipment	(18,821)	135,703	0	0	0	**(116,882)**	
Movements in the market value of Investment Properties	13,025	0	0	0	0	**(13,025)**	
Revenue expenditure funded from capital under statute	(1,610)	(808)	0	0	0	**2,418**	
Non-current assets written out on disposal	(30,044)	(31,108)	0	0	0	**61,152**	
Grant income transferred to Capital Grants Unapplied	8,888	0	0	0	(8,888)	**0**	
Transfers between revenue and capital resources							
Transfer of sale proceeds from revenue to the Capital Receipts Reserve	41,472	45,753	(87,225)	0	0	**0**	
Administrative costs of non-current asset disposals	0	(263)	263	0	0	**0**	
Payments to the government housing receipts pool	0	(4,739)	4,739	0	0	**0**	
Transfer to/from the major repairs reserve	0	37,854	0	(37,854)	0	**0**	
Minimum Revenue Provision	6,752	129	0	0	0	**(6,881)**	**Capital Adjustment Account**
Capital expenditure charged to revenue balances	11,673	1,479	0	0	0	**(13,152)**	
Adjustments to capital resources							
Use of Capital Receipts to finance capital expenditure	0	0	77,831	0	0	**(77,831)**	**Capital Adjustment Account**
Use of Major Repairs Reserve to finance capital expenditure				34,463		**(34,463)**	
Application of capital grants and other contributions to finance capital expenditure	15,848	17,822	0	0	5,238	**(38,908)**	
Adjustments between accounting and funding basis under regulations							
Reversal of items relating to retirement benefits and employer's pensions contributions in the year	(48,422)	(7,522)		0	0	**55,943**	**Pensions Reserve**
Statutory adjustments in respect of financial instruments	75	0	0	0	0	**(75)**	**Financial Instrument Adjustment Account**
Council Tax and NNDR	39,783	0	0	0	0	**(39,783)**	**Collection Fund Adjustment Account**
Holiday Pay	1,088	(183)		0	0	**(905)**	**Accumulated Absences Account**
Total Adjustments	**(5,154)**	**156,330**	**(4,392)**	**(3,391)**	**(3,650)**	**(139,744)**	

2020-21 restated*	Useable Reserves						
	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
Reversal of items debited or credited to the CIES							
Depreciation, Amortisation and Impairments	(41,201)	(38,810)	0	0	0	**80,011**	**Capital Adjustment Account**
Revaluation gains on property, plant and equipment	(26,526)	(37,206)	0	0	0	**63,732**	
Movements in the market value of Investment Properties	(187)	0	0	0	0	**187**	
Revenue expenditure funded from capital under statute	(623)	(330)	0	0	0	**953**	
Non-current assets written out on disposal	(18,589)	(19,651)	0	0	0	**38,240**	
Grant income transferred to Capital Grants Unapplied	8,125	0	0	0	(8,125)	**0**	
Transfers between revenue and capital resources							
Transfer of sale proceeds from revenue to the Capital Receipts Reserve	19,784	23,079	(42,863)	0	0	**0**	
Administrative costs of non-current asset disposals	0	(86)	86	0	0	**0**	
Payments to the government housing receipts pool	(4,739)	0	4,739	0	0	**0**	
Transfer to/from the major repairs reserve	0	46,247	0	(46,247)	0	**0**	
Minimum Revenue Provision	6,252	123	0	0	0	**(6,375)**	**Capital Adjustment Account**
Capital expenditure charged to revenue balances	16,298	2,701	0	0	0	**(18,999)**	
Adjustments to capital resources							
Use of Capital Receipts to finance capital expenditure	0	0	54,948	0	0	**(54,948)**	**Capital Adjustment Account**
Use of Major Repairs Reserve to finance capital expenditure				82,836		**(82,836)**	
Application of capital grants and other contributions to finance capital expenditure	19,023	9,534	0	0	3,257	**(31,814)**	
Adjustments between accounting and funding basis under regulations							
Reversal of items relating to retirement benefits and employer's pensions contributions in the year	(19,160)	3,118		0	0	**16,042**	**Pensions Reserve**
Statutory adjustments in respect of financial instruments	72	0	0	0	0	**(72)**	**Financial Instrument Adjustment Account**
Council Tax and NNDR	(64,498)	0	0	0	0	**64,498**	**Collection Fund Adjustment Account**
Holiday Pay	(1,035)	(10)		0	0	**1,045**	**Accumulated Absences Account**
Total Adjustments	**(107,004)**	**(11,291)**	**16,910**	**36,589**	**(4,868)**	**69,664**	

*refer to Note 6a for detail of Prior Period Adjustment

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 2021/22.

	Balance at 31 March 2021 £'000	**Balance at 31 March 2022** £'000
General fund & HRA Reserves		
Earmarked Reserves	(204,626)	(251,031)
General Fund Balance	(14,808)	(14,858)
HRA Balance	(4,366)	(3,003)
Usable Capital Reserves	(73,901)	(85,334)
Total General Fund & HRA Reserves	**(297,701)**	**(354,226)**

	Balance at 31 March 2020 £'000	Transfers In £'000	Transfers Out £'000	Balance at 31 March 2021 £'000	Transfers In £'000	Transfers Out £'000	Balance at 31 March 2022 £'000
General Reserve Balances							
General Fund Balances	**(13,992)**	(816)	0	**(14,808)**	(125)	75	**(14,858)**
	(13,992)	**(816)**	**0**	**(14,808)**	**(125)**	**75**	**(14,858)**
Housing Revenue Account Balance							
Housing Revenue Account Balance	**(23,727)**	0	19,361	**(4,366)**	(4,035)	5,398	**(3,003)**
	(23,727)	**0**	**19,361**	**(4,366)**	**(4,035)**	**5,398**	**(3,003)**

	Balance at 31 March 2020 £'000	Transfers In £'000	Transfers out £'000	Balance at 31 March 2021 £'000	Transfers In £'000	Transfers out £'000	Balance at 31 March 2022 £'000	Purpose of Reserves
Reserves to support on-going revenue activity								
Dedicated Schools Grant	**(5,314)**	(3,425)	0	**(8,739)**	(4,464)	0	**(13,203)**	A
Schools Budgets (delegated)	**(13,517)**	(2,236)	0	**(15,753)**	(1,718)	0	**(17,471)**	B
Multi Year Budget Reserve	**(41,011)**	(38,818)	17,101	**(62,728)**	(34,943)	32,165	**(65,506)**	C
Education Commission	**(709)**	(109)	526	**(292)**	0	279	**(13)**	D
Grant for various initiatives	**(2,430)**	0	1,619	**(811)**	0	0	**(811)**	E
	(62,981)	**(44,588)**	**19,246**	**(88,323)**	**(41,125)**	**32,444**	**(97,004)**	
Reserves to support the council's service remodelling programme								
Workforce Remodelling/ Cost of Change	**(5,293)**	(4,111)	1,480	**(7,924)**	0	4,035	**(3,889)**	F
Camden Plan	**(1,716)**	(500)	816	**(1,400)**	(1,024)	808	**(1,616)**	G
	(7,009)	**(4,611)**	**2,296**	**(9,324)**	**(1,024)**	**4,843**	**(5,505)**	
Reserves to support on-going capital activity and asset management								
Future Capital Schemes	**(23,110)**	(13,863)	16,511	**(20,462)**	(26,178)	29,656	**(16,984)**	H
Commercial and other property	**(776)**	0	776	**0**	0	0	**0**	I
Haverstock School PFI Reserve	**(1,369)**	(130)	260	**(1,239)**	0	130	**(1,109)**	J
Schools PFI Equalisation Reserve	**(2,518)**	(482)	0	**(3,000)**	(167)	0	**(3,167)**	K
Building Schools for the Future	**(464)**	0	0	**(464)**	(350)	0	**(814)**	L
Accommodation Strategy	**(4,247)**	(1,464)	0	**(5,711)**	(932)	0	**(6,643)**	M
	(32,484)	**(15,939)**	**17,547**	**(30,876)**	**(27,627)**	**29,786**	**(28,717)**	

	Balance at 31 March 2020 £'000	Transfers In £'000	Transfers out £'000	Balance at 31 March 2021 £'000	Transfers In £'000	Transfers out £'000	Balance at 31 March 2022 £'000	Purpose of Reserves
HRA Earmarked Reserves								
Future Cost Reserve HRA	**0**	(4,897)	0	**(4,897)**	(12,566)	0	**(17,463)**	S
HRA EMR DMC	**0**	(144)	0	**(144)**	(95)	0	**(239)**	T
HRA EMR Feasibility	**0**	(4,064)	0	**(4,064)**	0	2,284	**(1,780)**	T
HRA EMR Cost of Change	**0**	(131)	0	**(131)**	0	0	**(131)**	T
HRA EMR Lease Ends	**0**	(1,300)	0	**(1,300)**	0	0	**(1,300)**	T
HRA EMR Legal Fees	**0**	(846)	0	**(846)**	0	846	**0**	T
HRA EMR Insurance	**0**	(2,500)	0	**(2,500)**	0	0	**(2,500)**	T
HRA EMR Heating Pool Surplus	**0**	(3,418)	0	**(3,418)**	0	0	**(3,418)**	T
	0	**(17,300)**	**0**	**(17,300)**	**(12,661)**	**3,130**	**(26,831)**	
Reserves to mitigate future service risk								
Self-Insurance Reserve	**(3,500)**	0	1,000	**(2,500)**	0	0	**(2,500)**	N
Business Rates Safety Net Reserve	**(3,270)**	(33,156)	6,117	**(30,309)**	(49,131)	11,040	**(68,400)**	O
Future Cost Reserve GF	**0**	(22,063)	0	**(22,063)**	0	1	**(22,062)**	P
Tax income guarantee	**0**	(3,915)	0	**(3,915)**	0	3,915	**0**	Q
	(6,770)	**(59,134)**	**7,117**	**(58,787)**	**(49,131)**	**14,956**	**(92,962)**	
Reserves to support charitable activity								
Mayors Charity Reserve	**(13)**	(1)	0	**(14)**	0	2	**(12)**	R
	(13)	**(1)**	**0**	**(14)**	**0**	**2**	**(12)**	
Total Earmarked Reserves	**(109,257)**	**(141,573)**	**46,206**	**(204,626)**	**(131,568)**	**85,161**	**(251,033)**	

Capital Usable Reserves							
Capital Receipts Reserve	**(80,864)**	(42,863)	59,772	**(63,955)**	(87,736)	83,344	**(68,347)**
Capital Grants Unapplied	**(5,078)**	(8,125)	3,257	**(9,946)**	(8,888)	5,238	**(13,596)**
Major Repairs Reserve	**(36,589)**	(46,247)	82,836	**0**	(75,872)	72,481	**(3,391)**
	(122,531)	**(97,235)**	**145,865**	**(73,901)**	**(172,496)**	**161,063**	**(85,334)**

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	Tax Income Guarantee	To provide funding to cover 75% Tax Income Guarantee to support Collection Fund deficit
R	Mayors Charity Reserve	To hold donations to the Mayor’s Charity.
S	Future Costs Reserve HRA	To provide funding to deal with future years cost pressures within the Housing Revenue Account (HRA)
T	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.

2020/21 £'000		2021/22 £'000
1,749	Levies	1,720
4,739	Payments to the Government Housing Capital Receipts Pool	4,739
(4,622)	(Gains)/losses on the disposal of non-current assets	(25,325)
1,866	**Total**	**(18,866)**

Note 10 Financing and Investment Income and Expenditure

2020/21 £'000		2021/22 £'000
16,679	Interest payable and similar charges	16,191
15,072	Net interest on the defined benefit liability	15,431
(1,369)	Interest receivable and similar income	(1,068)
(14,983)	Income and expenditure in relation to investment properties and changes in their fair value	(18,134)
15,399	**Total**	**12,420**

Note 11 Taxation and Non-Specific Grant Income

2020/21 £'000		2021/22 £'000
(102,262)	Council Tax Income (Precept & Prior Year Collection Fund (surplus)/deficit)	(122,933)
(121,317)	Non Domestic Rates	(60,161)
(82,796)	Non-ring-fenced government grants	(82,285)
(36,683)	Capital grants and contributions	(41,134)
(343,058)	**Total**	**(306,513)**

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.

The Council is reporting some opening balance adjustments where the closing balances in the 2020/21 statement of accounts are different to opening balances, primarily in respect of Other Land and Buildings. The Council reclassified its Housing Revenue Account (HRA) commercial portfolio from Investment Properties to Other Land and Buildings as at 1 April 2018. Due to timing issues, the changes in accounting values had to be calculated outside of the Council's asset accounting software. The Council has now completed an upload of figures related to the HRA commercial portfolio into the asset accounting system at 1 April 2021 and in doing so the system has recalculated some of the previous balances requiring an adjustment to opening balances.

Although the net balance was accurate, there was also an imbalance between gross book value and accumulated depreciation for vehicles, plant and equipment which has been reflected in opening balance adjustments. Other adjustments reflect rounding errors.

Movement on balances in 2021/22

2021/22 Cost or Valuation - Gross Book Value	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant and Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total PPE except Infrastructure £'000
At 1 April 2021	**2,577,566**	**1,271,615**	**45,948**	**30,722**	**45,014**	**111,872**	**4,082,737**
Opening Balance Adjustments	(1)	1,197	(50)	0	(1)	1	1,146
Additions	46,497	6,834	7,285	2,922	208	87,511	151,257
Accumulated depreciation / impairment written off on revaluation to gross book value	(36,941)	(13,540)	0	0	0	0	(50,481)
Revaluation increases/(decreases) recognised in the revaluation reserve	80,952	31,094	0	0	0	0	112,046
Revaluation increases/(decreases) recognised in the surplus/(deficit) on the provision of services	139,317	(23,912)	0	0	0	0	115,405
Derecognition (disposal)	(5,820)	(3,790)	(12,428)	0	(35,883)	(1,086)	(59,007)
Assets reclassified (to)/from Held for Sale	0	0	0	0	(9,111)	(8,765)	(17,876)
Assets reclassified (to)/from Investment Property	0	(18,240)	0	0	(9)	(718)	(18,967)
Other movements in cost or valuation	6,133	(3,282)	0	0	(218)	(3,125)	(492)
At 31 March 2022	**2,807,703**	**1,247,976**	**40,755**	**33,644**	**0**	**185,690**	**4,315,768**

2021/22 Accumulated Depreciation and Impairment	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant and Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total PPE except infrastructure £'000
At 1 April 2021	**(2,228)**	**(45,022)**	**(33,486)**	**(2,496)**	**(360)**	**(3,148)**	**(86,740)**
Opening Balance Adjustment	0	1,035	50	1	1	0	1,087
Depreciation charge	(34,947)	(19,485)	(2,096)	(529)	(33)	0	(57,090)
Accumulated depreciation written off on revaluation to gross book value	35,661	13,450	0	0	0	0	49,111
Accumulated impairment written off on revaluation to gross book value	1,280	390	0	0	0	0	1,670
Impairment losses/(reversals) recognised in the revaluation reserve	0	(6)	0	0	0	0	(6)
Impairment losses/(reversals) recognised in the surplus/deficit on the provision of services	0	(99)	0	0	0	0	(99)
Derecognition (disposal)	79	925	12,428	0	3	957	14,392
Assets reclassified (to)/from Investment Property	0	405	0	0	0	0	405
Assets reclassified (to)/from Held for Sale	0	0	0	0	389	0	389
Other movements in depreciation or impairment	(729)	1,176	0	0	0	(441)	6
At 31 March 2022	**(884)**	**(47,231)**	**(23,104)**	**(3,024)**	**0**	**(2,632)**	**(76,875)**

Net Book Value	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant and Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total PPE except infrastructure £'000
At 1 April 2021	**2,575,338**	**1,226,593**	**12,462**	**28,226**	**44,654**	**108,724**	**3,995,997**
At 31 March 2022	**2,806,819**	**1,200,745**	**17,651**	**30,620**	**0**	**183,058**	**4,238,893**

Comparative Movement on balances in 2020/21

2020/21 Cost or Valuation	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant and Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total PPE except infrastructure £'000
At 1 April 2020	**2,565,452**	**1,271,136**	**45,144**	**28,790**	**21,611**	**111,301**	**4,043,434**
Additions	69,053	3,825	804	1,932	270	53,496	129,380
Accumulated depreciation written off on revaluation to gross book value	(34,341)	(8,147)	0	0	0	0	(42,488)
Revaluation increases/(decreases) recognised in the revaluation reserve	2,216	12,772	0	0	0	0	14,988
Revaluation increases/(decreases) recognised in the surplus/(deficit) on the provision of services	(34,282)	(29,449)	0	0	0	0	(63,731)
Assets reclassified (to)/from Assets under Construction	0	6,300	0	0	0	(6,300)	0
Assets reclassified (to)/from Held for Sale	0	0	0	0	218	0	218
Assets reclassified (to)/from Investment Property	0	0	0	0	20,000	(148)	19,852
Derecognition (disposal)	(12,684)	(2,693)	0	0	(3,539)	0	(18,916)
Other movements in cost or valuation	22,152	17,871	0	0	6,454	(46,477)	0
At 31 March 2021	**2,577,566**	**1,271,615**	**45,948**	**30,722**	**45,014**	**111,872**	**4,082,737**

2020/21 Accumulated Depreciation and Impairment	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant and Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total PPE except infrastructure £'000
At 1 April 2020	**(1,894)**	**(32,765)**	**(30,321)**	**(2,002)**	**(3)**	**0**	**(66,985)**
Depreciation charge	(34,751)	(20,906)	(3,165)	(472)	0	0	(59,294)
Accumulated depreciation written off on revaluation to gross book value	34,253	8,147	0	0	0	0	42,400
Accumulated impairment written off on revaluation to gross book value	88	0	0	0	0	0	88
Impairment losses/(reversals) recognised in the surplus/deficit on the provision of services	(89)	(296)	0	(22)	(37)	(3,296)	(3,740)
Depreciation written out to the revaluation reserve	0	(28)	0	0	0	0	(28)
Derecognition (disposals)	165	506	0	0	0	0	671
Assets reclassified (to)/from Investment Property	0	0	0	0	0	148	148
Other movements in depreciation and impairment	0	320	0	0	(320)	0	0
At 31 March 2021	**(2,228)**	**(45,022)**	**(33,486)**	**(2,496)**	**(360)**	**(3,148)**	**(86,740)**

Net Book Value	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant and Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total PPE except infrastructure £'000
At 1 April 2020	**2,563,558**	**1,238,371**	**14,823**	**26,788**	**21,608**	**111,301**	**3,976,449**
At 31 March 2021	**2,575,338**	**1,226,593**	**12,462**	**28,226**	**44,654**	**108,724**	**3,995,997**

Infrastructure Assets

Modified Historical Cost	2020/21 £'000	2021/22 £'000
Net Book Value at 1 April	**277,596**	**286,584**
Additions	24,988	19,446
Derecognition	0	0
Depreciation	(15,999)	(24,800)
Impairment	0	0
Other Movements in Cost	0	0
Net Book Value at 31 March	**286,584**	**281,230**

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

Total Property, Plant and Equipment

Net Book Value	31 March 2021 £'000	31 March 2022 £'000
Infrastructure assets	286,584	281,230
Other PPE assets	3,995,997	4,238,893
Total PPE assets	**4,282,581**	**4,520,123**

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: 10 - 20 years

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Capital Commitments

At 31 March 2022, 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
Town Hall Refurbishment	12,476
Highgate Newtown Community Centre Redevelopment	10,900
Maitland Park Estate Housing Infills	9,390
Agar Grove Estate Redevelopment Phase 1	5,457
Parliament Hill Secondary School Redevelopment	3,058
Charlie Ratchford Court	3,043
Abbey Road Estate Redevelopment Phase 3	2,620
Acland Burghley Secondary School Works	2,411
Regents Park High Speed 2 Replacement Housing	2,296
Abbey Road Estate Regeneration Phase 2	2,191
West End Project / Tottenham Court Road Two Way Works	1,955
HS2 Named Spaces	1,758
Swiss Cottage Library Phase 2	1,668
Edith Neville School Project	1,667
Chester Road Hostel Accommodation	1,312
Rhyl School Condition Works	1,282
Total	**63,484**

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 2021/22 valuations were carried by Royal Institute of Chartered Surveyors (RICS) qualified external valuers: Lambert Smith Hampton.

The significant assumptions applied in estimating the fair values 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 2022 may have been effected by the effects of 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 2022:

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.

	Council Dwellings £'000	Other Land and building £'000	Vehicles, Plant, Furniture and Equipment £'000	Community £'000	Surplus Assets £'000	Assets Under Construction £'000	Total £'000
Carried at historical cost	4,956	12,872	40,755	33,644	0	185,690	277,917
Valued at current value as at 31 March:							
2022	2,790,009	324,327	0	0	0	0	3,114,336
2021	6,700	363,418	0	0	0	0	370,118
2020	6,038	243,434	0	0	0	0	249,472
2019	0	188,440	0	0	0	0	188,440
2018	0	115,485	0	0	0	0	115,485
Total Cost / Value	**2,807,703**	**1,247,976**	**40,755**	**33,644**	**0**	**185,690**	**4,315,768**

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 to the heritage assets portfolio during 2021/22.

Movement on Balances 2021/22					
Net Book Value	**Heritage Buildings £'000**	**Mayoral Regalia and Silverware £'000**	**Art Collection £'000**	**Public Sculptures £'000**	**Total Heritage Assets £'000**
1 April 2021	16	382	423	20	841
31 March 2022	16	382	423	20	841

Comparative Movement on Balances 2020/21					
Historic Cost or Valuation	**Heritage Buildings £'000**	**Mayoral Regalia and Silverware £'000**	**Art Collection £'000**	**Public Sculptures £'000**	**Total Heritage Assets £'000**
1 April 2020	16	382	423	20	841
31 March 2021	16	382	423	20	841

Heritage Buildings

The only building that the Council owns that is a 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.

Title	Artist	Description	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 While 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

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.

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:

2020/21 £'000		2021/22 £'000
(16,888)	Rental income from investment property	(6,165)
1,717	Direct operating expenses arising from investment property	1,056
(15,171)	**Net (surplus)/deficit**	**(5,109)**

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 2021/22 and 2020/21 for comparison.

2020/21 £'000		2021/22 £'000
131,900	**Balance at start of year**	**112,308**
595	Opening balance adjustment	(25)
0	Acquisitions	0
0	Enhancements	163
0	Disposals	(1,022)
(187)	Net gains/(losses) from fair value adjustments	13,024
0	Transfers (to)/from Assets Held for Sale	0
(20,000)	Transfers (to)/from Property Plant and Equipment	18,562
0	Other movements	0
112,308	**Balance at end of year**	**143,010**

Fair Value Measurement

There has been no change in the valuation techniques used by the Council's independent external valuer 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.

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

2020/21 £'000		2021/22 £'000
	Balance at start of year	
13,989	Gross carrying amounts	14,913
(11,317)	Accumulated amortisation	(12,295)
2,672	**Net carrying amount at start of year**	**2,618**
924	Additions (purchases)	11
(978)	Amortisation for the period	(858)
2,618	**Net carrying amount at end of year**	**1,771**
	Balances at end of year	
14,913	Gross carrying amounts	4,780
(12,295)	Accumulated amortisation	(3,009)

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.

Note 16 Financial Instruments

	Non-current		Current	
	31-Mar-21 £'000	31-Mar-22 £'000	31-Mar-21 £'000	31-Mar-22 £'000
Investments				
Loans and receivables	4,116	4,057	41,077	109,861
Total Investments	**4,116**	**4,057**	**41,077**	**109,861**
Debtors				
Loans and receivables	28,578	37,250	0	0
Financial assets carried at contract amounts	0	0	69,668	70,430
Total debtors	**28,578**	**37,250**	**69,668**	**70,430**
Borrowing				
Financial liabilities at amortised cost	(329,436)	(322,238)	(2,827)	(10,112)
Other borrowing	(4,697)	0	(87)	0
Total borrowing	**(334,133)**	**(322,238)**	**(2,914)**	**(10,112)**
Other Long-Term Liabilities				
PFI and finance lease liabilities	(46,855)	(45,003)	(1,704)	(1,857)
Other Long Term liabilities	(4,496)	(132)	0	0
Total other long-term liabilities	**(51,351)**	**(45,135)**	**(1,704)**	**(1,857)**
Creditors				
Financial liabilities carried at contract amount	0	0	(130,024)	(157,929)
Total creditors	**0**	**0**	**(130,024)**	**(157,929)**

Financial Assets

	Non-Current Investments		Debtors		Current Investments		Debtors	
	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21 restated*	31-Mar-22
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Amortised Cost	4,116	4,057	28,578	37,250	41,077	109,861	69,668	70,430
Total financial assets	**4,116**	**4,057**	**28,578**	**37,250**	**41,077**	**109,861**	**69,668**	**70,430**
Non-financial assets	0	0	0	0	0	0	238,752	188,316
Total	**4,116**	**4,057**	**28,578**	**37,250**	**41,077**	**109,861**	**308,420**	**258,746**

*refer to Note 6a for detail of Prior Period Adjustment

Expected Credit Loss

Allowances for impairment losses have been calculated for Financial Assets, applying the Expected Credit Losses model (ECL). Changes in loss allowances (including balances outstanding at the date of derecognition of an asset) are debited/credited to the Financing and Investment Income and Expenditure line in the CIES. Camden and North London Waste Authority (NLWA)'s combined investments of £621m at 31st March 2022 had an expected credit loss of £12k. This amount is not material and as such no entry has been processed in Camden's Statement of Accounts 2021/22. This is down to the parameters contained in Camden's low risk investment strategy, which adheres to the statutory investment guidance of prioritising security and liquidity over yield.

Financial Liabilities

	Non Current Borrowings		Creditors		Current Borrowings		Creditors	
	31-Mar-21	**31-Mar-22**	31-Mar-21	**31-Mar-22**	31-Mar-21	**31-Mar-22**	31-Mar-21	**31-Mar-22**
	£'000	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000	**£'000**
Amortised Cost	(329,436)	(322,238)	(46,855)	(45,003)	(2,827)	(10,112)	(130,024)	(157,929)
Total financial liabilities	**(329,436)**	**(322,238)**	**(46,855)**	**(45,003)**	**(2,827)**	**(10,112)**	**(130,024)**	**(157,929)**
Non-financial liabilities	(4,697)	0	(4,496)	(132)	(87)	0	(339,438)	(211,460)
Total	**(334,133)**	**(322,238)**	**(51,351)**	**(45,135)**	**(2,914)**	**(10,112)**	**(469,462)**	**(369,389)**

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:

2021/22	Financial Liabilities measured at amortised cost	Financial Assets: Loans and receivables	Financial Assets: Available-for-sale assets	Assets and Liabilities at Fair value through P&L	Total
	£000	£000	£000	£000	£000
Interest expense	(16,191)	0	0	0	(16,191)
Interest income	0	1,068	0	0	1,068
Net gain/(loss) for the year	**(16,191)**	**1,068**	**0**	**0**	**(15,123)**

Comparative figures for 2020/21					
Interest expense	(16,679)	0	0	0	(16,679)
Interest income	0	1,369	0	0	1,369
Net gain/(loss) for the year	**(16,679)**	**1,369**	**0**	**0**	**(15,310)**

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 2021			31 Mar 2022	
Carrying amount £'000	Fair value £'000		Carrying amount £'000	Fair value £'000
(207,267)	(283,163)	PWLB – maturity	(207,267)	(261,026)
(125,083)	(194,294)	LOBOs	(125,083)	(177,740)
(332,350)	**(477,457)**	**Financial liabilities**	**(332,350)**	**(438,766)**
(51,351)	**(51,351)**	**Long-term creditors**	**(49,381)**	**(49,381)**

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 2021			31 Mar 2022
Carrying amount £'000	Fair value £'000		Carrying amount £'000	Fair value £'000
172,683	172,683	Cash and cash equivalents	193,870	193,870
41,077	41,077	Deposits with banks and building societies	109,862	109,862
213,760	**213,760**	**Financial assets**	**303,732**	**303,732**
28,578	**28,578**	**Long-term debtors**	**37,250**	**37,250**

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-21 restated* £'000		31-Mar-22 £'000
	Government and Public Bodies	
105,635	Central Government Bodies	67,071
104,609	Other Local Authorities	70,571
13,093	NHS Bodies	17,527
223,337	**Government and Public Bodies Total**	**155,169**
	Other Entities and Individuals	
11,958	Rent Arrears	22,080
22,820	Council Taxpayers	23,700
18,716	NNDR Debtors	21,443
88,413	Other Entities and Individuals	91,664
(61,398)	Less Impairment Allowance	(60,842)
80,509	**Other Entities and Individuals Total**	**98,045**
303,846	**Total Debtors**	**253,214**
4,574	Payments in Advance	5,532
308,420	**Total Short-Term Debtors**	**258,746**

*refer to Note 6a for detail of Prior Period Adjustment

Age Analysis of Taxpayer Debtors

Debt from taxpayers can be analysed by the year of debt raised as follows.

Council tax Debtor	**Aged debt analysis**			
	2021/22 £'000	2020/21 £'000	2019/20 and earlier £'000	Total £'000
Council Taxpayers debtor	11,206	4,358	8,136	**23,700**
Council Taxpayers Impairment Allowance	(3,112)	(2,397)	(6,191)	**(11,700)**
Council tax payers debtors net of impairment allowance	**8,094**	**1,961**	**1,945**	**12,000**

NNDR Debtor	**Aged debt analysis**			
	2021/22 £'000	2020/21 £'000	2019/20 and earlier £'000	Total £'000
NNDR debtor	14,491	3,521	3,431	**21,443**
NNDR Impairment Allowance	(2,270)	(1,408)	(2,193)	**(5,872)**
NNDR debtors net of impairment allowance	**12,221**	**2,113**	**1,238**	**15,571**

Note 18 Cash and Cash Equivalents

31-Mar-21 £'000		31-Mar-22 £'000
0	Cash held by the authority	26
6,316	Bank current accounts	35,586
166,367	Money Market Funds	158,258
172,683	**Total cash and cash equivalents**	**193,870**

Note 19 Assets held for sale

31-Mar-21 £'000		31-Mar-22 £'000
36,896	**Balance outstanding at start of year**	**16,087**
0	Newly classified from property, plant and equipment	17,487
0	Revaluation gains/(losses)	0
0	Impairment losses	0
(218)	Declassified to property, plant and equipment	0
(20,591)	Assets sold	(15,514)
0	Other movements	0
16,087	**Balance outstanding at year end**	**18,060**

Note 20 Creditors

31-Mar-21 £'000		31-Mar-22 £'000
(284,327)	Central Government Bodies	(175,326)
(42,694)	Other Local Authorities	(45,977)
(12,383)	NHS Bodies	(4,371)
(130,024)	Other Entities and Individuals	(143,715)
(469,428)	**Total Creditors**	**(369,389)**

Note 21 Provisions

Provisions for 2021/22		**Short Term Provisions**				**Long Term Provisions**
	Termination Benefits	**Business Rates Appeals**	**Short-Term Provisions Total**	**Self-Insurance**	**Utilities**	**Long-Term Provisions Total**
Explanation:	(1)	(2)		(3)	(4)	
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Opening Balance 1 April 2021	**78**	**9,958**	**10,036**	**5,499**	**3,700**	**9,199**
Additional provisions made in 2021/22	0	10,056	10,056	500	0	500
Amounts used in 2021/22	0	(15,930)	(15,930)	0	0	0
Unused amounts reversed in 2021/22	(78)	0	(78)	0	0	0
Balance as at 31 March 2022	**0**	**4,084**	**4,084**	**5,999**	**3,700**	**9,699**

(1) Termination Benefits
Provision was made to meet the estimated costs of staff rationalisation associated with change management within the Council. No use of the provision was made in 2019/20 or 2020/21, and the provision has been unwound in 2021/22.

(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 2022, 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 had been made in the year to meet the estimated costs of reclaims against historical utility charges.

Note 22 Unusable Reserves

Unusable Reserves Summary

Restated* 31 March 2021 £'000		31 March 2022 £'000
(488,564)	Revaluation reserve	(582,537)
(3,333,194)	Capital adjustment account	(3,506,192)
4,614	Financial instruments adjustment account	4,539
782,033	Pensions reserve	599,887
62,506	Collection fund adjustment account	22,723
6,588	Accumulated absences reserve	5,683
(2,966,017)	**Total Unusable Reserves**	**(3,455,897)**

*refer to Note 6a for detail of Prior Period Adjustment

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment and Intangible Assets. 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 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-21 £'000		31-Mar-22 £'000
(496,809)	**Balance at 1st April**	**(488,564)**
0	**Opening Balance Adjustment**	**(345)**
(20,219)	Upward revaluation of assets recognised in the Revaluation Reserve	(115,177)
5,576	Downward revaluation of assets and impairment losses charged to the Revaluation Reserve	3,610
(14,643)	**Surplus or deficit on revaluation of on-current assets posted to the Revaluation Reserve**	**(111,567)**
5,808	Difference between fair value depreciation and historical cost depreciation	6,028
17,080	Accumulated gains on assets sold or scrapped	11,911
22,888	Amount written off to the capital adjustment account	17,939
(488,564)	**Closing Balance**	**(582,537)**

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.

2020/21 £'000		2021/22 £'000
(3,298,141)	**Balance at 1 April**	**(3,333,194)**
	Reversal of items relating to capital expenditure debited or credited to the comprehensive income and expenditure statement:	
80,011	Depreciation, Amortisation, and Impairments	82,648
63,732	Revaluation gains on property, plant, and equipment	(117,018)
953	Revenue expenditure funded from capital under statute	2,418
37,924	Non-current assets written out on disposal	61,152
187	Movements in the market value of Investment Properties	(13,025)
(22,888)	Adjusting amounts written out of the revaluation reserve	(17,939)
159,919	**Net written out amount of the cost of non-current assets consumed in the year**	**(1,764)**
	Capital financing applied in the year:	
(54,948)	Use of Capital Receipts to finance capital expenditure	(77,831)
(82,836)	Use of Major Repairs Reserve to finance capital expenditure	(34,463)
(31,814)	Application of capital grants and other contributions to finance capital expenditure	(38,908)
(6,375)	Minimum Revenue Provision	(6,881)
(18,999)	Capital expenditure charged to revenue balances	(13,152)
(194,972)		**(171,235)**
(3,333,194)	**Balance at 31 March**	**(3,506,193)**

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.

2020/21 £'000		2021/22 £'000
4,689	**Balance at 1 April**	**4,614**
(3)	Opening Balance Adjustment	0
(72)	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	(75)
4,614	**Balance at 31 March**	**4,539**

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.

2020/21 £'000		2021/22 £'000
(2,395)	**Balance at 1 April**	**62,506**
64,901	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	(39,783)
62,506	**Balance at 31 March**	**22,723**

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.

Restated* 2020/21 £'000		2021/22 £'000
645,619	**Balance at 1 April**	**782,033**
119275	Remeasurement of the defined benefit liability Net of impact asset ceiling	(243,822)
1,098	Impact of asset ceiling	5,732
72,302	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	111,003
(56,260)	Employer's pensions contributions and direct payments to pensioners payable in the year	(55,060)
782,033	**Balance at 31 March**	**599,888**

*refer to Note 6a for detail of Prior Period Adjustment

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.

2020/21 £'000		2021/22 £'000
5,543	**Balance at 1 April**	**6,588**
(5,543)	Settlement or cancellation of accrual made at the end of the preceding year	(6,588)
6,588	Amounts accrued at the end of the current year	5,683
1,045	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	(905)
6,588	**Balance at 31 March**	**5,683**

Note 23 Cash Flows from Operating Activities

The cash flows for operating activities include the following items:

2020/21 £'000		2021/22 £'000
1,369	Interest received	1,068
(16,679)	Interest paid	(16,191)
0	Dividends received	0

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

Restated* 2020/21 £'000		2021/22 £'000
80,009	Depreciation, Amortisation and Impairment	82,648
63,919	Revaluations	(129,907)
5,374	Increase/(decrease) in impairment for bad debts	(556)
246,591	Increase/(decrease) in creditors	(100,039)
(235,481)	(Increase)/decrease in debtors	80,233
(36)	(Increase)/decrease in inventories	72
16,042	Movement in pension liability	75,559
(6,525)	Increase/(decrease) in provisions	(5,452)
38,240	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	61,152
47,535	Other non-cash items charged to the net surplus or deficit on the provision of services	2,485
255,668		**66,195**

*refer to Note 6a for detail of Prior Period Adjustment

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

2020/21 £'000		2021/22 £'000
13,288	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	0
(42,863)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(82,486)
(38,038)	Any other items for which the cash effects are investing or financing cash flows	(41,135)
(67,613)		**(123,621)**

Note 24 Cash Flows from Investing Activities

2020/21 £'000		2021/22 £'000
(155,291)	Purchase of property, plant and equipment, investment property and intangible assets	(151,257)
74,765	Purchase of short-term and long-term investments	(68,725)
42,863	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	87,225
(15,310)	Other receipts from investing activities	26,012
(52,973)	**Net cash flows from investing activities**	**(106,745)**

Note 25 Cash Flows from Financing Activities

2020/21 £'000		2021/22 £'000
2,727	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	(6,216)
451	Repayments of short-term and long-term borrowing	0
0	Other payments for financing activities	(4,697)
3,178	**Net cash flows from financing activities**	**(10,913)**

Note 26 Reconciliation of Financial Liabilities from Financing Activities

	31-Mar-21 £'000	Financing Cash Flows £'000	Other non-cash changes £'000	31-Mar-22 £'000
Long-term borrowings	(334,133)	4,697	7,198	(322,238)
Short term borrowings	(2,914)	0	(7,198)	(10,112)
Long-Term Lease & PFI liabilities	(51,351)	1,970	0	(49,381)
Total Liabilities from financing activities	**(388,398)**	**6,667**	**0**	**(381,731)**

	31-Mar-20 £'000	Financing Cash Flows £'000	Other non-cash changes £'000	31-Mar-21 £'000
Long-term borrowings	(334,118)	(15)	0	(334,133)
Short term borrowings	(2,478)	(436)	0	(2,914)
Long-Term Lease & PFI liabilities	(48,624)	(2,727)	0	(51,351)
Total Liabilities from financing activities	**(385,220)**	**(3,178)**	**0**	**(388,398)**

Note 27 Expenditure and Funding Analysis Reconciliation (EFA)

The Expenditure and Funding Analysis shows how has 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:

2021/22

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note 1)	Net change for the Pensions Adjustments (Note 2)	Other Statutory Differences (Note 3)	Total of Capital, pension and Other Statutory Differences	Other Non-Statutory changes	Total Adjustments
	£'000	£'000	£'000	£'000	£'000	£'000
Supporting People	15,793	(20,051)	(276)	(4,534)	0	(4,534)
Supporting Communities	45,512	(5,613)	(538)	39,361	0	39,361
Corporate Services	(19,219)	58,122	(40,057)	(1,154)	0	(1,154)
Public Health	0	0	0	0	0	0
Cross Cutting	0	(31)	0	(31)	0	(31)
Housing Revenue Account	(137,157)	8,084	183	(128,890)	0	(128,890)
Dedicated Schools Grant	0	0	0	0	0	0
Net Cost of Services	**(95,071)**	**40,511**	**(40,688)**	**(95,248)**	**0**	**(95248)**
Other income and expenditure from the Expenditure and Funding Analysis	15,937	15,431	(75)	31,293	(87,224)	(55,931)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	**(79,134)**	**55,942**	**(40,763)**	**(63,955)**	**(87,224)**	**(151,179)**

2020/21 restated*

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes (Note 1)	Net change for the Pensions Adjustments (Note 2)	Other Statutory Differences (Note 3)	Total of Capital, pension and Other Statutory Differences	Other Non-Statutory changes	Total Adjustments
	£'000	£'000	£'000	£'000	£'000	£'000
Supporting People	33,969	(75,631)	552	(41,110)	0	(41,110)
Supporting Communities	35,002	(19,189)	360	16,173	0	16,173
Corporate Services	6,326	105,887	187	112,400	(6,661)	105,739
Public Health	0	0	0	0	0	0
Cross Cutting	0	(114)	0	(114)	0	(114)
Housing Revenue Account	25,096	(9,983)	10	15,123	(7,598)	7,525
Dedicated Schools Grant	0	0	0	0	0	0
Net Cost of Services	**100,393**	**970**	**1,109**	**102,472**	**(14,259)**	**88,213**
Other income and expenditure from the Expenditure and Funding Analysis	28,358	15,072	57,987	101,417	(71,335)	30,082
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	**128,751**	**16,042**	**59,096**	**203,889**	**(85,594)**	**118,295**

*refer to Note 6a for detail of Prior Period Adjustment

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.

The Council also received Covid-19 related grants from the Government to distribute to businesses in line with Government mandated rules, where the Council had no discretion over the distribution of those grants.

	Amount Received in Year	Amount Applied in Year
	£m	£m
Additional Restrictions Grant	7.09	7.09
Restart Grant	35.15	25.84
Omicron Hospitality and Leisure Grant	6.52	5.03
Total	**48.76**	**37.96**

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

Note 29 Pooled Budgets

The Better Care Fund (BCF) is the result of an agreement between the Council and Camden Clinical Commissioning Group (CCCG) under Section 75 of the NHS Act 2006 to enable further integrated working between Camden Council and the NHS. Under the 20/21 Section 75 pooled budget agreement, the Council contributed £1.047m capital and £12.496m revenue funds. The CCCG agreed to make revenue contribution of a maximum of £23.183m. The CCCG planned contribution of £23.183m included £1m risk share payment, which was withheld at CCCG.

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

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 Camden Council, Camden CCG, Islington CCG and Islington Council. This is not a formal pooled budget agreement.

	2020/21 £000	**2021/22 £000**
Contributions to the pool:		
- Camden Council	(13,543)	(13,543)
- Clinical Commissioning Group	(23,183)	(24,095)
	(36,726)	(37,638)
Expenditure to be met from the pool:		
- Camden Council	21,843	23,139
- Clinical Commissioning Group	10.976	9,928
	32,819	33,067
Net (surplus) arising on the pooled budget in year	**(3,907)**	**(4,571)**
Camden Council share of the (surplus) / deficit arising on the pooled budget	(808)	(323)
CCG share of the (surplus) / deficit arising on the pooled budget*	(3,099)	(4,248)

*In the event that the parties to the Section 75 agreement decide to dissolve the pool, then the first call on this reserve would be to fund existing costs, with any remaining resources being returned to CCCG.

Note 30 Members' Allowances

During 2021/22, allowances were paid to Members of the authority (councillors) as follows:

2020/21 £'000		2021/22 £'000
1,009	Allowances	1,022
1	Expenses	2
1,010	Total	**1,024**

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:

2021/22

Job Title [A]	Salary, fees and allowances	Variable pay [B]	Expenses allowances [C]	Loss of office payment [D]	Employer's pension contributions	Total
	£	£	£	£	£	£
Chief Executive (Jenny Rowlands)	180,250	10,815	-	-	39,482	**230,547**
Executive Director Supporting People and Deputy Chief Executive (Martin Pratt)	168,676	9,815	-	-	35,163	**213,654**
Executive Director Corporate Services (Jon Rowney)	151,391	9,084	-	-	33,385	**193,860**
Executive Director Supporting Communities	140,400	8,424	-	-	29,318	**178,142**
Borough Solicitor	136,947	5,478	-	-	29,579	**172,004**
Director of Adult Social Care	114,240	6,855	-	-	22,505	**143,600**
Director of People and Inclusion	104,051	6,244	-	-	21,728	**132,023**

[A] Officers whose salary is £150,000 or more are also identified by name.

[B] One off non-consolidated payment based on performance.

[C] The total amount of sums paid by way of expenses and subject to income tax.

[D] 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 Director of Public Health is employed by London Borough of Islington and details of their pay are therefore included in the London Borough of Islington's Statement of Accounts.

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 2021/22 we had one election, the Greater London Authority Mayor and Assembly elections, for which payments were made to the Chief Executive for her role as Borough Returning Officer. The amount was £5,500.

For the previous financial year, payments to senior employees were as follows:

2020/21

Job Title [A]	Salary, fees and allowances	Variable pay [B]	Expenses allowances [C]	Loss of office payment [D]	Employer's pension contributions	Total
	£	£	£	£	£	£
Chief Executive (Jenny Rowlands)	180,250	13,125	-	-	38,923	**232,298**
Executive Director Supporting People and Deputy Chief Executive (Martin Pratt)	168,676	11,940	-	-	34,678	**215,294**
Executive Director Corporate Services (Jon Rowney)	151,391	11,050	-	-	32,915	**195,356**
Executive Director Supporting Communities	140,400	6,259	-	-	28,159	**174,818**
Borough Solicitor	136,947	6,664	-	-	29,056	**172,667**
Director of Adult Social Care [E]	108,210	-	-	-	20,776	**128,986**
Director of People and Inclusion	104,051	6,003	-	-	21,130	**131,184**

[A] Officers whose salary is £150,000 or more are also identified by name.

[B] One off non-consolidated payment based on performance.

[C] The total amount of sums paid by way of expenses and subject to income tax.

[D] 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.

[E] The Director of Adult Social Care started on 20 April 2020.

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	2020/21			2021/22		
	Non-schools	Community Schools	Overall Total	Non-schools	Community Schools	Overall Total
£ 50,000 - £ 54,999	197	135	**332**	232	128	**360**
£ 55,000 - £ 59,999	132	86	**218**	110	98	**208**
£ 60,000 - £ 64,999	82	54	**136**	91	55	**146**
£ 65,000 - £ 69,999	25	28	**53**	29	32	**61**
£ 70,000 - £ 74,999	33	13	**46**	37	23	**60**
£ 75,000 - £ 79,999	17	18	**35**	15	18	**33**
£ 80,000 - £ 84,999	29	12	**41**	14	8	**22**
£ 85,000 - £ 89,999	9	5	**14**	16	5	**21**
£ 90,000 - £ 94,999	10	4	**14**	4	4	**8**
£ 95,000 - £ 99,999	2	2	**4**	6	3	**9**
£100,000 - £104,999	3	6	**9**	3	2	**5**
£105,000 - £109,999	1	1	**2**	3	2	**5**
£110,000 - £114,999	1	4	**5**	2	2	**4**
£115,000 - £119,999	2	1	**3**	2	2	**4**
£120,000 - £124,999	3	2	**5**	1	1	**2**
£125,000 - £129,999	0	0	**0**	1	3	**4**
£130,000 - £134,999	2	0	**2**	0	0	**0**
£135,000 - £139,999	1	0	**1**	1	0	**1**
£140,000 - £144,999	1	0	**1**	0	0	**0**
£145,000 - £149,999	0	0	**0**	1	0	**1**
£150,000 - £154,999	0	0	**0**	0	0	**0**
£155,000 - £159,999	1	0	**1**	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**	0	0	**0**
£185,000 - £189,999	0	0	**0**	0	0	**0**
£190,000 - £194,999	0	0	**0**	0	0	**0**
£200,000 - £204,999	0	0	**0**	0	0	**0**
£205,000 - £209,999	0	0	**0**	1	0	**1**
Total	**551**	**371**	**922**	**569**	**386**	**955**

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:

2020/21 £'000		2021/22 £'000
126	Fees payable to the external auditor regarding external audit services carried out by the appointed auditor for the year	153
26	Fees payable to the external auditor for the certification of grant claims and returns for the year	20
12	Fees Payable to KPMG in relation to objections to the 2015/16 and 2016/17 accounts	0
60	Additional Fees Payable for overruns to the 2019/20 audit*	0
0	Fees for non-audit services	0
224	**Total**	**173**

*The fees payable to Mazars are estimated fees that have been 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:

2020/21 Central Expenditure £'000	2020/21 ISB £'000	2020/21 Total £'000		2021/22 Central Expenditure £'000	2021/22 ISB £'000	2021/22 Total £'000
		177,275	Final DSG for the financial year			**184,991**
		(11,923)	Academy figures recouped			**(13,020)**
		(5,313)	Brought forward from the previous year			**(8,739)**
		5,312	Carry forward to next financial year agreed in advance			**8,739**
(26,758)	(138,594)	**(165,352)**	Agreed budgeted distribution in the year	(26,585)	(145,386)	**(171,971)**
(9)	9	**0**	In year adjustment	25	552	**577**
(26,768)	(138,584)	**(165,352)**	Final budget distribution for year	(26,560)	(144,834)	**(171,394)**
26,749	0	**26,749**	Actual central expenditure	26,611	0	**26,611**
0	135,178	**135,177**	Actual ISB deployed to schools	0	140,319	**140,319**
(19)	(3,407)	**(3,426)**	Carry forward to DSG in next financial year	51	(4,515)	**(4,464)**
0	(5,313)	**(5,313)**	(Carry forward)/Drawdown of DSG this year	0	(8,739)	**(8,739)**
(19)	**(8,720)**	**(8,739)**	**Total DSG carry forward**	**51**	**(13,254)**	**(13,203)**

Note 34 Grant Income

The authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statements in 2021/22

2020/21	Credited to taxation and non-specific grant income	2021/22
£'000		£'000
(3,376)	Business Rate Grants	0
(5,826)	New Homes Bonus	(2,277)
(1,853)	Housing and Council Tax Benefits Administration Grant	(1,817)
(2,058)	Flexible Homelessness Support Grant	0
(786)	Independent Living Fund (ILF)	(589)
(1,290)	Business Rates collection grant	(1,289)
0	Education Services Grant	0
(22,681)	Revenue Support Grant	(22,807)
(3,644)	Small Business GF Retail Hosp and Leis	0
	Covid -19 - Non ringfenced grants	
(69,992)	S31 Grants	(38,933)
(17,466)	Covid-19 LA Support Grant	(9,042)
(13,825)	Sales Fees and Charges Support Grant	(5,531)
(3,915)	75% TIG due to authority in S31 Grant	0
(6,549)	Local Authority Discretionary Grant	0
(783)	Covid Winter Grant Scheme	0
(3,120)	Covid -19 Hardship Fund	0
(157,164)	**Total**	**(82,285)**

Note 34 Grant Income continued

2020/21	Credited to Services (I&E Statement)	2021/22
£'000		£'000
(3,257)	Additional DfE Grants (not DSG)	(11,672)
(7,839)	Adult Social Care Support Grant	(9,871)
0	Afghan Resettlement and Schemes Grant	(6,453)
(3,965)	Asylum Seeking Unaccompanied Children	(1,865)
(22,184)	Better Care Fund	(24,095)
(519)	Community Discharge Grant	(497)
0	Community Learning Disability Service Clinical Staffing	(2,010)
(1,577)	Community Learning Grant	(1,394)
(4,320)	Contain Outbreak Management Fund	(2,333)
0	Covid 19 Grants	(4,459)
(478)	Crime Reduction Grant	0
(164,923)	Dedicated Schools Grant (DSG)	(171,394)
(1,047)	Disabled Facilities Grant	0
0	Homelessness Prevention Grant	(3,196)
0	Household Support Grant	(1,891)
(164,048)	Housing Benefit Subsidy	(144,298)
(2,899)	Housing PFI grant	0
(12,496)	Improved Better Care Fund	(12,496)
(1,380)	Infection Control Fund	0
(504)	Innovation Fund	0
0	Learning Disability Continuing Care	(4,660)
0	Leaving Care Grant	(1,814)
(3,225)	Local Authority Covid-19 Test and Trace Service Support Grant	(768)
0	Local Council Tax Support Schemes Grant	(3,577)
0	Lower Tier Services Grant	(1,232)
(600)	National Leisure Recovery Fund	0
0	New Burdens Grant	(432)
(1,139)	Next Step Accommodation programme	0
(3,753)	Other Grants	(11,080)
(1,676)	Other Grants Covid-19	(1,855)
(1,133)	Partners in Practice - Understanding Excellence	0
(5,562)	PFI Grants	(8,461)
(27,145)	Public Health Grant	(27,613)
(9,199)	Pupil Premium Grant	(6,886)
0	Respite Rooms Programme	(246)
(1,555)	Rough Sleeping	(3,942)
0	Tax income compensation scheme	(4,968)
(1,538)	Teachers Pay Grant	(93)
(10,729)	Teachers pension Grant	(264)
(891)	Troubled Families Earned Autonomy Grant	(904)
(643)	Workforce Capacity Fund	0
0	Workforce Recruitment and Retention Fund grant for Adult Social Care	(1,996)
(11,645)	Young People's Learning Agency	(12,506)
0	Youth Justice Grant	(891)
(471,869)	**Total**	**(492,112)**

Note 34 Grant Income continued

2020/21	Capital Grants & Contributions Applied	2021/22
£'000		£'000
(14,925)	S106 Recognised in I&E	(5,597)
(4,917)	Homes and Community Agencies	0
(5,520)	Transport for London	(3,801)
(1,370)	Standards Fund Capital	0
(1,115)	Other small grants & Contributions	(2,814)
0	Education Grants	(3,898)
	GLA Grants	(15,626)
(710)	Disabled Facilities Grant	(510)
(3,257)	Community Infrastructure Levy	(8,888)
(31,814)	**Total**	**(41,134)**

2020/21	Capital Grant Receipts in Advance	2021/22
£'000		£'000
	Included in Short Term Liabilities	
(4,256)	HS2 Mitigation Measures	(3,619)
(4,255)	Standards Fund Capital Grant	(4,638)
(2,187)	S106 12 Smyrna Road Hampstead	(5,839)
(871)	Other Capital Grants less than £200k	(594)
(310)	S278 Euston Beaumont Gower	0
0	GLA - Future Neighbourhoods"	(876)
0	Social Housing Decarbonisation Fund (BEIS)	(1,104)
0	Brownfield Land Release Funding (BLRF) DCLG	(1,566)
0	GLA - Building Council Homes for Londoners 07/01/2022	(47,061)
0	UK Online Phase 1	(3,031)
(250)	DoH Hse & Tech Grant for LD	0
(12,129)	Total	(68,328)
	Included in Long Term Liabilities	
(74,041)	Section 106	(68,580)
(74,041)	Total	(68,580)
(86,170)	**Total Capital Grants receipts in advance**	**(136,908)**

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, as 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, such as housing benefits. Details of grants received from Government departments are set out in Note 34.

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 2021/22 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 or in person at Camden Town Hall during normal working hours.

The total amount of allowances paid to Members in 2021/22 is shown in Note 30.

	2020/21		2021/22	
	Payments Made	**Payments Received**	**Payments Made**	**Payments Received**
Organisation	**£000s**	**£000s**	**£000s**	**£000s**
Abacus Belsize Primary School	81	93	42	102
Camden Community Law Centre	150	62	172	13
Camden Town Unlimited	523	146	624	-
Canal and River Trust	-	-	140	3
Collingham Gardens Nursery	144	-	186	-
Co-operative Group Ltd	-	-	52	2
Covent Garden Dragon Hall Trust	147	-	78	0
Euston Town Limited	-	-	440	9
Friends of Coram's Fields	358	-	466	15
Healthwatch Camden	191	-	187	20
Highgate Newtown Community Centre	141	-	178	-
Holborn Community Association	72	-	149	-
King's Cross Brunswick Neighbourhood Association	249	33	113	65
Labtech London Limited	-	324	-	161
London School of Economics and Political Science	-	-	37	36
London School of Mosaic	5	56	12	50
Maiden Lane Community Centre	240	-	-	3
New Horizon Youth Centre	134	-	221	37
Primrose Hill Community Library	150	-	-	-
Sidings Community Centre	273	21	325	32
Third Age Project	53	21	51	24
UCL Academy	668	1,301	632	1,528
West Euston Partnership	97	1	48	8
Working Men's College	-	52	4	52
Total	**3,676**	**2,110**	**4,157**	**2,160**

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 note 31, there are no material related party transactions to be disclosed for 2021/22.

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 2021/22, the Council paid £1.883m to London Councils in grants, fees and other contributions (£1.415m in 2020/2021). This included £668,435 in Covid-19 recovery grants paid by the Government to Camden to be distributed to London Councils.

The Chair of London Councils during 2021/22 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 2021/22 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 £41.56m from NHS bodies - notably trusts and clinical commissioning groups during the year for the provision of combined health and community care services (£43.49m in 2020/21).

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 2021/22, Camden paid the NLWA £7.494m for waste disposal services (£5.695m in 2020/21).

Camden is the lead borough for the NLWA. Notably, the Council's Chief Executive acts as the NLWA's Clerk, the Executive Director Corporate Services serves as the NLWA's Financial Advisor, and the Borough Solicitor is the NLWA's Legal Advisor. In 2021/22, Camden received £2.840m from the NLWA for provision of services (£2.696m in 2020/21).

At 31 March 2022, the Council held £607.74m of cash and cash equivalents on behalf of NLWA at 31 March 2021 (£162.69m at 31 March 2021). This has been excluded from the Council's balance sheet.

Camden Pension Fund

The Camden Pension Fund ('the Fund') is administered by the Council. The Council's Pension Committee comprises of eight councillors who act as the Pension Fund's trustees as per the Superannuation Act 1972. Councillors may no longer join the Local Government Pension Scheme but may be retired or deferred members. Senior council officers, notably the Executive Director Corporate Services, have key roles in the management of the Fund.

The Council pays benefit payments through its payroll function on behalf of the Fund, with employer and employee contributions from Council employees being payable to the Fund. Total pension benefits payable by the Fund in 2021/22 were £64.5m (£66.9m in 2020/21) and contributions receivable were £48.2m (£110.2m in 2020/21).

At 31 March 2022, the Fund owed the Council £31.0m (£21.4m at 31 March 2021).

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 2022, the company has acquired 65 units on long-term leases from the Council to be let at intermediate rent and leased 48 units from the Council on shorter leases to be let on private rental terms.

At 31 March 2022, loans totalling £5.086m had been provided by the Council to Camden Living (£5.086m at 31 March 2021) and share premium of £3.449m (also £3.449m at 31 March 2021) 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 £1.273m (£134,610 as at 31 March 2021). Amounts owed to the company by the Council for, for example management fees, totalled £1.203m.

The Council's Executive Director Corporate Services is a company director. 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 2021/22, the Council commissioned services from Camden Learning and made payment of £3.58m (£3.40m in 2020/21) and received £3.29m (£3.00m in 2020/21) 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.

2020/21 £'000		2021/22 £'000
633,015	**Opening Capital Financing Requirement**	**594,975**
Capital investment:		
154,367	Property, plant and equipment	170,703
0	Investment properties	163
924	Intangible assets	11
1,641	Revenue expenditure funded from capital under statute	2,419
156,932	**Total**	**173,296**
Sources of finance:		
54,948	Capital receipts	77,831
31,814	Government grants and other contributions	38,908
18,999	Direct revenue contributions	13,153
82,836	Major Repairs Reserve	34,463
6,375	Minimum Revenue Provision (MRP)	6,881
194,972	**Total**	**171,236**
594,975	**Closing Capital Financing Requirement**	**597,035**
(38,040)	**Change in CFR**	**2,060**

2020/21 £'000		2021/22 £'000
	Explanation of movements in year	
(31,665)	Increase / (decrease) in underlying need to borrowing (unsupported by government financial assistance)	8,941
(4,918)	Minimum Revenue Provision (MRP)	(5,188)
(1,457)	MRP in relation to Private Finance Initiatives	(1,693)
(38,040)	**Increase/(decrease) in Capital Financing Requirement**	**2,060**

Note 37 Leases

Authority as Lessee

Finance Leases

The council has a number of vehicles, photocopiers and IT related equipment under finance leases. These assets are carried as property, plant and equipment in the balance sheet at the following net amounts:

31 March 2021 £'000		31 March 2022 £'000
94	Vehicles, Plant, furniture and equipment	67
94		67

The council is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the assets acquired by the council and finance costs that will be payable by the council in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

31 March 2021 £'000		31 March 2022 £'000
	Finance lease liabilities (net present value of minimum lease payments):	
11	- current	4
0	- non-current	0
	Finance costs payable in future years	
11	Minimum lease payments	4

The minimum lease payments will be payable over the following periods:

	Minimum Lease Payments 2020/21 £'000	Minimum Lease Payments 2021/22 £'000	Finance Lease Liabilities 2020/21 £'000	Finance Lease Liabilities 2021/22 £'000
Not later than one year	0	4	11	4
Later than one year and not later than five years	0	0	0	0
Later than five years	0	0		0
	0	4	11	4

Payments incurred in respect of finance leases are shown below:

31 March 2021 £'000		31 March 2022 £'000
1	Financing Costs	0
29	Finance Lease Liabilities	11
30		11

Operating Leases

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

31 March 2021 £'000		31 March 2022 £'000
26	Not later than one year	102
40	Later than one year and not later than five years	27
0	Later than five years	0
66	Minimum lease payments	129

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

31 March 2021 £'000		31 March 2022 £'000
26	Minimum lease payments	110
0	Contingent rents	0
26		110

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.

Based on estimates of the fair values of the assets were they to be acquired in a commercial environment, it is estimated that Camden would have paid £1.415m for the use of these assets in 2021/22 (£1.415m in 2020/21).

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 2021 £'000		31 March 2022 £'000
9,941	Not later than one year	9,151
28,118	Later than one year and not later than five years	26,057
35,189	Later than five years	25,004
73,248		60,212

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 liability to the contractor for capital expenditure incurred is as follows:

2020/21 £000		2021/22 £000
9,516	Balance outstanding at 1 April	9,087
(429)	Payments during the year	(569)
9,087	Balance outstanding at 31 March	8,518

	Payment for Services £000	Reimbursement of Capital Expenditure £000	Interest £000	Total £000
Payable in 2022/23	1,388	559	717	2,664
Payable between two to five years	5,193	3,466	2,290	10,949
Payable between six to ten years	4,383	4,493	878	9,754
Total	**10,964**	**8,518**	**3,885**	**23,367**

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:

2020/21 £000		2021/22 £000
40,489	Balance outstanding at 1 April	39,461
(1,028)	Payments during the year	(1,124)
39,461	Balance outstanding at 31 March	38,337

	Payment for Services £000	Reimbursement of Capital Expenditure £000	Interest £000	Total £000
Payable in 2022/23	2,609	1,294	3,657	7,560
Payable between two to five years	11,530	6,159	13,259	30,948
Payable between six to ten years	16,255	11,510	12,656	40,421
Payable between eleven to fifteen years	19,352	16,965	6,267	42,584
Payable between sixteen to twenty years	2,425	2,408	230	5,063
Payable between twenty-one to twenty-five years	0	0	0	0
Total	52,171	38,336	36,069	126,576

Note that the Net Book Value of our PFI assets are part of the Other Land and Buildings category within the Note 12- Property, Plant and Equipment. The Net book value for all PFI assets is £49.617m.

Note 39 Termination Benefits

The Council continued to engage in salary savings activity in the financial year 2021-22, 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 2021-22, the Council has charged to the Comprehensive Income and Expenditure Statement a total of £3.32m for the termination of contracts that have occurred during 2021-22. This is for the termination of 136 employee contracts spread across the full range of Council services.

The table below provides an analysis of the exit packages approved during 2021-22. 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 2020-21.
- ‘other departures’: wherever possible, redundancies have been minimised through the use of a variety of measures including the use of voluntary redundancy in 2021-22.

	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	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21 £’000	2021/22 £’000	2020/21 £’000	2021/22 £’000	2020/21 £’000	2021/22 £’000
£0 - £20,000	11	22	9	51	20	73	90	184	72	519	162	703
£20,001 - £40,000	3	12	7	30	10	42	82	341	198	830	280	1,171
£40,001 - £60,000	1	2	2	8	3	10	53	100	95	392	148	492
£60,001 - £80,000	2	4	2	4	4	8	146	280	124	276	270	556
£80,001 - £100,000	4	0	1	0	5	0	344	0	93	0	437	0
£100,001 - £150,000	0	0	0	2	0	2	0	0	0	217	0	217
£150,001 - £200,000	1	0	0	1	1	1	159	0	0	189	159	189
Total	**22**	**40**	**21**	**96**	**43**	**136**	**874**	**905**	**582**	**2,423**	**1,456**	**3,328**

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 2021/22 the Council paid £14.688m to Teachers' Pensions in respect of teachers' retirement benefits (£14.704m in 2020/21), representing 23.68% of pensionable pay (23.7% in 2020/21). As a proportion of the total contributions into the Teachers' Pension Scheme during the year ending 31 March 2022, the Council's own contributions equate to approximately 70.2%. There were no contributions remaining payable at the year-end.

It is estimated that Teachers' Pensions contributions for 2022/23 would be £15.3m.

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 and are included in the Current Service Cost detailed in Note 41.

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

All of the above schemes provide defined benefits to members e.g. retirement lump sums and pensions, earned as employees working for the Council, or for related parties. Under IAS 19 and Code requirements the Council recognises the cost of post-employment 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 arrangements for the Teachers' Scheme mean that liabilities for these benefits cannot ordinarily be identified for the Council. These schemes are therefore accounted for as if they were defined contributions schemes and no liability for future payments of benefits is recognised in the Balance Sheet. Children's Services within the Comprehensive Income and Expenditure Statement are charged with the employer's contributions payable to Teachers' Pensions respectively in the year.

The Local Government Pension Scheme's actuaries determine the employer's contribution rate based on triennial actuarial valuations. The contributions paid in 2021/22 were set in the 2019 triennial valuation report. The following triennial review was 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.

The capital cost of discretionary increases in pension payments (e.g. discretionary added years) agreed by the authority in 2021/22 was nil (nil in 2020/21).

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.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

2020/21 Camden £'000	2020/21 LPFA £'000	2020/21 Total £'000	**Comprehensive Income & Expenditure Statement**	2021/22 Camden £'000	2021/22 LPFA £'000	2021/22 Total £'000
			Cost of Services:			
56,445	187	**56,632**	- current service cost	90,128	3,861	**93,989**
197	0	**197**	- past service costs/(gains)	986	36	**1,022**
341	60	**401**	- settlement and curtailments	544	17	**561**
		0	Financing and Investment Income and Expenditure			**0**
15,081	(9)	**15,072**	- net interest cost	15,401	30	**15,431**
72,064	**238**	**72,302**	**Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services**	**107,059**	**3,944**	**111,003**
			Other Post-employment Benefit Charged to The Comprehensive Income and Expenditure Statement			
			Re-measurement of the net defined benefit liability comprising:			
(388,758)	(6,447)	**(395,205)**	- Return on plan assets (excluding the amount included in the net interest charge)	(89,965)	(5,890)	**(95,855)**
26,862	(480)	**26,382**	- re-measurement of the defined benefit liability arising on changes in demographic assumptions	(2,683)	(1,328)	**(4,011)**
503,414	7,047	**510,461**	- re-measurement of the defined benefit liability arising on changes in financial assumptions	(149,026)	(542)	**(149,568)**
(21,729)	0	**(21,729)**	- Other	7,448	3,896	**11,344**
191,853	**358**	**192,211**	**Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement**	**(127,167)**	**80**	**(127,087)**

2020/21 Camden £'000	LPFA £'000	Total £'000	Movement in Reserves Statement	2021/22 Camden £'000	LPFA £'000	Total £'000
(72,064)	(238)	**(72,302)**	Reversal of net charges made to the (Surplus) or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	(107,059)	(3,944)	**(111,003)**
			Actual amount charged against the General Fund Balance for Pensions in the year			
92,431	177	**92,608**	Employers' contributions payable to scheme	35,267	177	**35,444**

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:

2020/21 Camden £'000	LPFA £'000	Total £'000	Pensions Assets and Liabilities recognised in the Balance Sheet	2021/22 Camden £'000	LPFA £'000	Total £'000
(2,516,270)	(50,037)	(2,566,307)	Present Value of the defined benefit obligation	(2,450,555)	(45,940)	(2,496,495)
1,805,218	51,594	**1,856,812**	Fair value of plan assets	1,898,746	53,267	**1,952,013**
	(1,098)	(1,098)	Impact of asset ceiling	0	(6,849)	(6,849)
(31,437)	(773)	(32,210)	Present Value of the unfunded liabilities	(28,246)	(695)	(28,941)
(742,489)	**(314)**	**(742,803)**	**Net liability arising from defined benefit obligation**	**(580,055)**	**(217)**	**(580,272)**

2020/21				2021/22		
Camden	LPFA	Total	**Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets**	Camden	LPFA	Total
£'000	£'000	£'000		£'000	£'000	£'000
1,339,107	**46,206**	**1,385,313**	**Opening Fair Value of Employer Assets**	**1,805,218**	**51,594**	**1,856,812**
(341)	(60)	**(401)**	Administration Expenses	(544)	(17)	**(561)**
30,639	1,039	**31,678**	Interest Income	35,915	855	**36,770**
			Re-measurement gain/(loss):			
388,758	6,447	**395,205**	- the return on plan assets, excluding the amount included in the net interest expense	89,965	6,957	**96,922**
93,113	177	**93,290**	Contributions from employer	33,397	177	**33,574**
0	0	**0**	Other	(15,845)	(3,636)	**(19,481)**
12,186	38	**12,224**	Contributions from employees into the scheme	11,784	36	**11,820**
(58,244)	(2,253)	**(60,497)**	Benefits Paid	(61,144)	(2,699)	**(63,843)**
1,805,218	**51,594**	**1,856,812**	**Closing Fair Value of Employer Assets**	**1,898,746**	**53,267**	**1,952,013**

2020/21				2021/22		
Camden	LPFA	Total	**Reconciliation of Asset Ceiling**	Camden	LPFA	Total
£'000	£'000	£'000		£'000	£'000	£'000
0	**0**	**0**	**Opening Impact of Asset Ceiling**	**0**	**1,098**	**1,098**
0	1,098	**1,098**	Actuarial losses / (gains)	0	5,732	5,732
0	0	**0**	Interest on Asset Ceiling	0	19	19
0	**1,098**	**1,098**	**Closing Impact of Asset Ceiling**	**0**	**6,849**	**6,849**

Camden 2020/21	LPFA 2020/21	Total 2020/21	**Reconciliation of defined benefit obligation**	Camden 2021/22	LPFA 2021/22	Total 2021/22
£'000	£'000	£'000	Year Ended:	£'000	£'000	£'000
1,985,057	**45,875**	**2,030,932**	**Opening Defined Benefit Obligation**	2,547,707	50,810	2,598,517
56,786	187	**56,973**	Current Service Cost	90,672	225	90,897
45,720	1,030	**46,750**	Interest cost	51,316	866	52,182
12,186	38	**12,224**	Contributions from scheme participants	11,784	36	11,820
		0	Re-measurement (gains) and losses:			0
26,862	(480)	**26,382**	- re-measurement of the defined benefit liability arising on changes in demographic assumptions	(2,683)	(1,328)	(4,011)
503,414	7,047	**510,461**	- re-measurement of the defined benefit liability arising on changes in financial assumptions	(149,026)	(542)	(149,568)
(21,729)	(634)	**(22,363)**	- Other	(8,397)	(769)	(9,166)
197	0	**197**	Past service cost	986	36	1,022
(60,786)	(2,253)	**(63,039)**	Benefits Paid	(63,558)	(2,699)	(66,257)
2,547,707	**50,810**	**2,598,517**	**Closing Defined Benefit Obligation**	**2,478,801**	**46,635**	**2,525,436**

Local Government Pension Scheme assets comprised:

	Period Ended 31 March 2021				Period Ended 31 March 2022			
Asset Category	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	90,388	0	**90,388**	5%	95,071	0	**95,071**	5%
Overseas Property	0	74,323	**74,323**	4%	0	78,174	**78,174**	4%
Investment Fund and Unit Trusts:								
Equities	1,139,118	30,915	**1,170,033**	65%	1,198,136	32,516	**1,230,652**	65%
Bonds	190,266	0	**190,266**	11%	200,124	0	**200,124**	11%
Hedge Funds	61,616	0	**61,616**	3%	64,808	0	**64,808**	3%
Other	193,404	0	**193,404**	11%	203,424	0	**203,424**	11%
Cash and Cash Equivalents:								
All	25,188	0	**25,188**	1%	26,493	0	**26,493**	1%
Total Assets	**1,699,980**	**105,238**	**1,805,218**	**100%**	**1,788,056**	**110,690**	**1,898,746**	

LPFA assets comprised:

	Period Ended 31 March 2021		Period Ended 31 March 2022	
	£'000	%	£'000	%
Equities	28,646	55%	30,016	56%
Target Return Portfolio	11,839	23%	11,374	21%
Infrastructure	4,406	9%	5,624	11%
Property	4,548	9%	4,709	9%
Cash	2,155	4%	1,544	3%
Total	**51,594**	**100%**	**53,267**	**100%**

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:

2020/21 Camden Years	2020/21 LPFA Years	Mortality	2021/22 Camden Years	2021/22 LPFA Years
		Average future life expectancies at age 65 for current pensioners		
22.0	20.8	Males	21.8	19.9
24.3	24.1	Females	24.5	23.8
		Average future life expectancies at age 65 for future pensioners		
23.4	22.7	Males	23.2	21.8
26.1	26.1	Females	26.1	25.7

2020/21 Camden % p.a.	2020/21 LPFA % p.a.	Financial Assumptions	2021/22 Camden % p.a.	2021/22 LPFA % p.a.
2.85%	2.85%	Pension Increase Rate	3.20%	3.45%
3.25%	3.85%	Salary Increase Rate	3.70%	4.45%
2.00%	1.90%	Discount Rate	2.70%	2.60%

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 most recent actuarial valuation (31 March 2019).

Sensitivity analysis

Local Government Pension Scheme

Change in assumptions at 31 March 2022	Approximate % Increase to Employer Liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	43,215
1 year increase in member life expectancy	4%	99,152
0.1% increase in the Salary Increase Rate	0%	3,804
0.1% increase in the Pension Increase Rate (CPI)	2%	39,099

LPFA

		2021/22		
		£,000	£,000	£,000
Adjustment to discount rate		+0.10%	0.00%	-0.10%
	Present Value of total Obligation	46,081	46,635	47,200
	Projected Service Cost	192	195	199
Adjustment to long term salary increase		+0.10%	0.00%	-0.10%
	Present Value of Total Obligation	46,652	46,635	46,618
	Projected Service Cost	196	195	195
Adjustment to pension increases and deferred revaluation		+0.10%	0.00%	-0.10%
	Present Value of Total Obligation	47,178	46,635	46,102
	Projected Service Cost	199	195	191
Adjustment to mortality age rating assumption		+1 year	None	-1 year
	Present Value of Total Obligation	49,849	46,635	43,640
	Projected Service Cost	205	195	186

Scheme's Funding Policy

The expected contributions to the scheme for 2022/23 are £34.195m for the council's scheme and £0.107m for the LPFA scheme.

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 20 years (19 years 2020/21) and 12 years for LPFA scheme members (13 years 2020/21).

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 Camden Pension Fund scheme's actuary to limit the impact of increases or reductions in the required employer contribution rate. 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.

On the basis of extensive modelling carried out for the 2019 valuation exercise, the Council agreed stabilised contribution changes for the three years 2020/21 to 2022/23. The contributions for the following year are as follows:

•"future service" contributions expressed as a percentage of active Fund members' pensionable payroll, being 19.7% in 2021/22, rising to 20.2% in 2022/23.

•"past service" deficit repair payments expressed in monetary terms, being £20.421m in 2021/22 rising to £21.166m in 2022/23.

•The combined future and past service contributions broadly equate to annual increases of 1% of 2019 payroll projected into future years in line with assumed pay growth. The annual steps are broadly split equally between future and past service elements.

The Council, on agreement with the actuary, decided to pre-pay the 3 years' past service deficit payment up front during 2020/21 at a discount (total £58.847m) in order to increase the potential return on investment and provide a saving to the Council.

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

The contribution rates for the LPFA scheme agreed from the 2019 triennial valuation for each of the financial years 2020/21, 2021/22 and 2022/23 were 22.6% of pay for the primary rate for future service contributions, with no requirement for secondary rate payments for deficit repair.

As set out above, the Council's share of the pension assets within the London Pension Fund Authority (LPFA) as at 31 March 2022 was £53.267m (£51.594m at 31 March 2021).

Within the LPFA's pension assets are £19.176m of unquoted (level 3) investments (£18.058m at 31 March 2021). The external auditor of LPFA has not expressed any estimation uncertainty in terms of valuation of unquoted (level 3) investments as they found management had more secure basis to make judgements in relation to these investments.

Detail of the Camden Pension Fund assets are provided in the Pension Fund accounts.

Note 42 Contingent Liabilities

The council's Contingent Liabilities cover various on-going litigations and guarantees, the detail of which is shown below. The total expected value of these liabilities is £1.8m (£2.5m - 2020/21).

2020/21 'Estimated value of contingent liability £000	Details of contingent liabilities	2021/22 'Estimated value of contingent liability £000
	Litigations	
	Civil/Housing/Employment related litigations The council is currently in dispute on a number of issues, which are summarised below:	
185	- various employment related litigations	25
260	- procurement/contracting disputes	160
1,000	- damages for council actions	0
400	- planning related	500
47	- car park related services	2
101	- leaseholder related services	25
0	- housing related services	170
0	- service charges	5
525	- disrepair of property	905
2,518	**Total for Litigations**	**1,792**

All the above litigations are prudent estimates of the potential cost to the council. It is not possible, due to considerations of legal privilege to either provide further information or to give an assessment of the likelihood of success of any of the litigations.

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 12/11/12.
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 2022 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 it's counterparties in relation to deposits and bonds.

Loans to Subsidiaries

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 31st March 2022.

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-21 £'000		31-Mar-22 £'000
(205,436)	Public Works Loans Board	(205,436)
(124,000)	Market Debt	(124,000)
(329,436)	**Total**	**(329,436)**
0	Less than one year	0
	Between:	
0	one and two years	(7,198)
(36,155)	two and five years	(28,957)
(12,410)	five and ten years	(12,410)
(280,871)	More than 10 years	(280,871)
(329,436)		**(329,436)**

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 DCL	DEPFA	PWLB	Grand Total
	£'000	£'000	£'000	£'000
13	0	0	10,000	10,000
15	0	0	32,410	32,410
16	0	0	10,000	10,000
17	0	0	15,000	15,000
18	0	0	15,000	15,000
22	0	0	8,273	8,273
26	0	15,000	0	15,000
26	0	25,000	0	25,000
31	0	10,000	0	10,000
32	45,000	29,000	0	74,000
34	0	0	41,367	41,367
38	0	0	24,820	24,820
Grand Total	**45,000**	**79,000**	**156,871**	**280,871**

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, 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, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	2020-21	2021-22
	£'000	£'000
Increase in interest payable on variable rate borrowing	1,240	1,240
Increase in interest receivable on variable rate investments	0	0
Increase in government grant receivable for financing costs	0	0
Impact on Surplus or Deficit on the Provision of Services	1,240	1,240
Share of overall impact debited to the HRA	1,090	1,090
Decrease in fair value of fixed rate investment assets	0	0
Impact on Other Comprehensive Income and Expenditure	0	0
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)	(68,431)	(59,393)

* 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 01-Apr-21	Adjustment to Opening balances	Corrected Opening Balance	Receipts	Payments	Balance at 31-Mar-22
	£	£	£	£	£	£
Education	(9,669)		(9,669)	(7)		(9,676)
Social Services	(39,565)		(39,565)	(28)		(39,593)
Other Funds	(172,168)		(172,168)	(124)		(172,292)
Waterlow Park	(296,000)	(480,000)	(776,000)	(629,487)	612,725	(792,762)
Lauderdale House Charity	(783,000)		(783,000)	0	27,964	(755,036)
Emmanuel Vincent Harris Trust	(4,020,320)		(4,020,320)	(2,890)		(4,023,210)
Neighbourhood Forum Funds	(1,850)		(1,850)	(1)		(1,851)
Total	**(5,322,572)**	**(480,000)**	**(5,802,572)**	**(632,537)**	**640,689**	**(5,794,420)**

The Waterlow Park adjustment to opening balance relates to a property, the Waterlow Park Centre being recognised within the Trust. Assets and liabilities on the funds as at 31 March 2022 were:

2020/21		2021/22
£		£
1,079,000	Fixed Assets	1,547,798
4,243,572	Investments	4,246,622
5,322,572		**5,794,420**
5,322,572	**Represented by Trust Funds**	**5,794,420**

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.

4 Housing Revenue Account

Swiss Cottage Library

Housing Revenue Account

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

2020/21 £'000		Notes	2021/22 £'000
	Expenditure		
62,410	Repairs and maintenance		69,125
31,769	Supervision and management		20,010
24,213	– Special services		41,876
8,225	Rents, rates and other charges		9,180
5,866	Increased/(decreased) provision for bad debts		1,471
37,707	Depreciation	6	37,854
1,104	Impairment		0
37,206	Revaluation (gain)/loss charged to income & expenditure	6	(135,771)
(5,145)	Employer's contributions payable to the pension funds and retirement benefits payable direct to pensioners		8,084
330	REFCUS		808
203,685	**Total expenditure**		**52,637**
	Income		
(131,584)	Dwelling rents	1,2,3,4	(134,139)
(2,459)	Non-dwelling rents		(13,831)
(24,494)	Charges for services and facilities		(24,245)
(14,352)	Leaseholder charges – revenue		(14,171)
(7,295)	Leaseholder charges – capital		0
(2,983)	Covid Grants		(292)
0	HRA Subsidy/PFI Credit		0
(183,167)	**Total Income**		**(186,678)**
20,518	**Net Cost of HRA Services per whole Authority Comprehensive Income and Expenditure Statement**		**(134,041)**
718	HRA services share of Corporate and Democratic Core		634
21,236	**Net (Income)/Expenditure for HRA Services per whole Authority Comprehensive Income and Expenditure Statement**		**(133,407)**

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

2020/21 £'000		Notes	2021/22 £'000
(3,429)	(Gain) or loss on sale of HRA non-current assets		(14,381)
0	Payments to the government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)		4,739
14,590	Interest payable and similar charges	5	13,992
(11,539)	Investment Income		(93)
(9,534)	Capital Grants and Contributions Receivable		(17,822)
2,027	Pensions interest cost and expected return on pensions assets	6	2,075
13,351	**(Surplus) or deficit for the year on HRA services**		**(144,897)**

Statement of Movement on the HRA Balance

2020/21 £'000		Notes	2021/22 £'000
(23,727)	Balance on HRA at the end of the previous year		(4,366)
13,351	(Surplus) or deficit for the year on the HRA Income and Expenditure Statement		(144,897)
(11,291)	Adjustments between accounting basis and funding basis under statute	6	153,693
2,060	HRA Balance prior to Transfers to/ (from) Earmarked reserves		8,796
17,301	Transfer to / (from) Earmarked Reserves		(7,433)
19,361	(Increase) or decrease in year on the HRA		1,363
(4,366)	**Balance on the HRA at the end of the current year after transfers to / (from) Earmarked Reserves**		**(3,003)**

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 4.84% of properties used for permanent accommodation were vacant (4.50% in 2020/21). The average rent for all stock excluding service charges was £113.32 per week in 2021/22, a decrease of -0.32% from the 2020/21 level of £113.68.

HRA Note 2 Housing Stock and Fixed Assets

The Council was responsible at 31 March 2022 for managing self-contained and shared dwellings. The stock was as follows:

Property type	2020/21 Number of units	2021/22 Number of units
Bedsit / 1 Bed Accommodation	9,390	9,422
2 Bed Accommodation	7,297	7,415
3 Bed Accommodation	4,807	4,815
4 Bed + Accommodation	1,384	1,394
Multi-occupied dwellings	0	0
Shared units	82	99
Total	**22,960**	**23,145**

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:

- Vehicles / Plant / Equipment
- Community
- Infrastructure

HRA Property, Plant and Equipment Balances 2021/22					
Net Book Value	**Council Dwellings**	**Other Land and Buildings**	**Surplus Assets**	**Assets Under Construction**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
At 1 April 2021	2,575,337	175,705	10,520	49,932	2,811,494
At 31 March 2022	2,806,819	168,786	0	90,329	3,065,935

Comparative Balances 2020/21					
Net Book Value	**Council Dwellings**	**Other Land and Buildings**	**Surplus Assets**	**Assets Under Construction**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
At 1 April 2020	2,563,557	183,004	5,160	55,593	2,807,314
At 31 March 2021	2,575,337	175,705	10,520	49,932	2,811,494

The total vacant possession value of dwelling properties held in the HRA at 31 March 2022 was £11.0bn (£10.3bn at 31 March 2021).

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 2021/22 and depreciation charges were as follows:

	2020/21	**2021/22**
Council Dwellings	34,751	34,947
Other Land and Buildings	2,956	2,907
Total	**37,707**	**37,854**

HRA Note 3 Rent Arrears

The arrears at 31 March 2022 were £14.121m (£11.958m 31 March 2021). Amounts written off during the year totalled £0.946m (£0.930m 31 March 2021) and a provision for bad debts at the year-end totalled £12.200m (£10.206m 31 March 2021).

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

2020/21 Net Expenditure £'000	Notes	2021/22 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	
3,429	Gain/loss on sales of HRA fixed assets	14,381
0	Payments to the government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	(4,739)
(330)	Revenue Expenditure Funded from Capital Under Statute	(808)
(37,206)	Revaluation changes on non-current assets recognised in I&E	135,771
(10)	Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements (employee accrual)	(183)
5,145	Net charges made for retirement benefits in accordance with IAS19	(10,159)
(28,972)	**Total**	**134,263**
	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	
123	Repayment of debt (transfer to the Capital Adjustment Account)	129
2,701	Revenue Contribution to Capital Outlay – Leaseholder contributions	0
(2,027)	Employers contributions payable to the pension funds and retirement benefits payable direct to pensioners	0
7,350	Transfer from earmarked Reserves	1,479
9,534	Application of capital Grants to finance capital expenditure	17,822
17,681	**Total**	**19,430**
(11,291)	**Net additional amount required by statute and non-statutory proper practices to be credited or debited to the HRA Balance for the year**	**153,693**

HRA Note 7 HRA Capital Programme

Total capital expenditure on Land, Houses and other property within the HRA was £94.321m in 2021/22 (£86.769m in 2020/21). The expenditure was funded from the following resources:

2020/21 £'000		2021/22 £'000
8,253	Borrowing	4,197
25,162	Capital Receipts	36,359
7,598	Revenue Contributions	1,480
36,222	Major Repairs Reserve	34,463
9,534	Grants	17,822
0	Other Contributions	0
86,769		**94,321**

2020/21 £'000		2021/22 £'000
23,079	Capital Receipts received within the year were	45,753
(18,340)	Useable	(41,014)
4,739	**Paid to Government**	**4,739**

In 2020/21 a further £46,614K was transferred from Major Repairs Reserve to the Capital Adjustment Account in to help finance HRA Capital expenditure and reduce the HRA Capital Financing Requirement. This did not happen in 2021/22.

5
Collection Fund Account

King’s Cross Station

Collection Fund Account

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

2020/21					2021/22			
Council Tax £'000	NNDR £'000	BRS £'000	Total £'000	Income and Expenditure Account	Council Tax £'000	NNDR £'000	BRS £'000	Total £'000
				Income				
(151,289)	(466,969)	(14,265)	**(632,523)**	Income collectable from taxpayers	(156,902)	(519,884)	(16,715)	**(693,501)**
(1,883)			**(1,883)**	Discretionary reliefs	(330)			**(330)**
(153,172)	**(466,969)**	**(14,265)**	**(634,406)**	**Total Income**	**(157,232)**	**(519,884)**	**(16,715)**	**(693,831)**
				Expenditure				
				Precepts & Council demand				
119,737	199,200		**318,937**	LB Camden	119,507	193,578		**313,085**
30,783	245,680	15,412	**291,875**	Greater London Authority (GLA)	32,048	238,746	16,719	**287,513**
	219,120		**219,120**	Central Government		212,936		**212,936**
	205		**205**	Transitional protection payments to CLG		1,546		**1,546**
				Contribution for prior year's (Deficit)/Surplus:				
2,378	1,622		**4,000**	LB Camden	(4,970)	(63,809)		**(68,779)**
614	912		**1,526**	Greater London Authority	(1,278)	(79,254)	(1,183)	**(81,715)**
	558		**558**	Central Government		(70,670)		**(70,670)**
				Charges to the Fund				
	1,290	35	**1,325**	Cost of collection allowance		1,289	34	**1,323**
2,352	9,634		**11,986**	Allowance for impairment	1,157	902		**2,059**
348			**348**	Write offs	0	(1,422)		**(1,422)**
	(6,773)		**(6,773)**	Provision for appeals		(19,578)		**(19,578)**
156,212	**671,448**	**15,447**	**843,107**	**Total Expenditure**	**146,464**	**414,264**	**15,570**	**576,298**
3,040	**204,479**	**1,182**	**208,701**	**Deficit/(Surplus) In-year**	**(10,768)**	**(105,620)**	**(1,145)**	**(117,533)**

Collection Fund Revenue Account (continued)

2020/21					2021/22			
Council Tax £'000	NNDR £'000	BRS £'000	Total £'000	Income and Expenditure Account (Continued)	Council Tax £'000	NNDR £'000	BRS £'000	Total £'000
				Movement on Balances				
61	(4,820)		**(4,759)**	Deficit/(Surplus) at 1 April	3,100	199,658	1,182	**203,940**
3,040	204,479	1,182	**208,701**	Deficit/(Surplus) In-year	(10,768)	(105,620)	(1,145)	**(117,533)**
3,101	**199,659**	**1,182**	**203,942**	**Deficit/(Surplus) at 31 March**	**(7,668)**	**94,038**	**37**	**86,407**
				Deficit/(Surplus) allocation at 31 March				
2,513	59,993	0	**62,506**	London Borough of Camden	(5,884)	28,619	-	**22,735**
588	74,226	1,182	**75,996**	Greater London Authority	(1,784)	34,972	37	**33,225**
	65,440		**65,440**	Central Government	-	30,447	-	**30,447**
3,101	**199,659**	**1,182**	**203,942**	**Total Deficit/(Surplus) at 31 March**	**(7,668)**	**94,038**	**37**	**86,407**

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 share of the income and balances are bought 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 2021/22	Tax base for tax setting
A	6/9	1,465
B	7/9	5,350
C	8/9	11,015
D	9/9	17,190
E	11/9	16,973
F	13/9	14,022
G	15/9	18,084
H	18/9	8,634
		92,733
Allowance for non-collection and Armed Forces		(4,608)
Tax Base		**88,125**

By law, the tax for each band is set as a fraction of the band D charge. The Band D Council Tax for 2021/22 for Camden and the GLA is:

2020/21 £	Preceptor	2021/22 £
1,291.66	Camden	1,355.81
332.07	Greater London Authority	363.66
1,623.73	**Total**	**1,719.47**

Note 5 Council Tax – Collectable amounts

The in-year collection rate was set at 95% for 2021/22 (98% for 2020/21). The actual amount collected by the 31 March 2022 was 94.2%, up from 91% for 2020/21. Outstanding debt will continue to be chased in future years. The provision to cover bad debts stood at £15.0m on 31 March 2022 (£14.8m at 31 March 2021). This represents 49% of the outstanding arrears (52% on 31 March 2021).

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 2021/22 was 51.2p and 49.9p for small business (51.2p and 49.9p respectively for 2020/21). 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 2022, the non-domestic rateable value of the borough was £1,570.5m (£1,580.5m, 31 March 2021). The actual in-year collection rate was 96.3%, up from 92.5% in 2020/21 and above the target set at the beginning of the year of 95%. The level of provision held for non-collection of debt stands at £19.4m and represents 26% of all debt outstanding, a reduction of £1.5m from 2020/21.

Income due from business ratepayers:

2020/21 £'000		2021/22 £'000
774,403	Non-domestic rate charge	755,965
(307,434)	Supplement & Reliefs	(236,081)
466,969	**Income due from business ratepayers**	**519,884**

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 2021/22 was 2p on non-domestic properties with a rateable value of over £70,000 in London.

6 Pension Fund Accounts

Lauderdale House

Pension Fund Accounts

Pension Fund Explanatory Foreword

Introduction

The Council is the administrating authority for the Camden Pension Fund. The Fund is governed by the Public Service Pensions Act 2013. The fund 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 2021/22 Code of Practice on Local Authority Accounting in the United Kingdom, issued by CIPFA, which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

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

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

The LGPS 2014 reforms came into effect from 1st April 2014. These regulations change the scheme from one based on final pay to one based on career average pay.

The following description of the Fund is a summary only. For further detail, reference should be made to the 2021/22 London Borough of Camden Pension Fund Annual Report and the underlying statutory powers underpinning the scheme. The 2021/22 Pension Fund Annual Report will be available in Jan 2024.

Fund Management

The day-to-day management of the Fund investments is carried out by the professional fund managers. As at 31 March 2022 there were 11 managers (31 March 2021: 12 professional fund managers) investing on behalf of the Fund:

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

The London LGPS CIV Ltd is a regulated fund manager that represents the pooled investments of 32 Local Authority Pension Funds. The London CIV has an Authorised Contractual Scheme fund structure. The umbrella fund (the CIV) has a range of sub-funds comprising different asset classes which are available for investment by participating local authorities, including both the Baillie Gifford & Co Global Alpha Growth Fund, the Ruffer LLP RF Absolute Return Fund, the CQS Investment Management Ltd Multi-Asset Credit Fund, the StepStone Group Infrastructure and Real Assets Fund. In financial year 2021-22 there were three fund launches, The LCIV Global Alpha Growth Paris Aligned Fund was launched in April 2021, The LCIV Passive Equity Progressive Paris Aligned Fund in December 2021 and The LCIV Alternative Credit Fund in February 2022. This brought the total number of funds available to London Boroughs to 21 across listed and private markets.

Responsible Investment is fundamental to London CIV’s work and the Responsible Investment Reference Group (RIRG) has been important in developing this area of activity. By the end of March 2022 there were 6 climate conscious funds available to Client Funds, with work taking place in the background to change 3 existing funds to take that to a total of 9.

Seed Investor Groups (SIGs) have been key in making sure London CIV has a better mutual understanding of what Client Funds need and in achieving timely fund launches to meet expectations.

London CIV has committed to become a net zero entity by 2040 in line with the Paris Agreement objectives to limit global temperature rise below 1.5°C. It will also become a net zero company across operational and supply chain emissions as early as 2025. Alongside its main commitment, London CIV has set interim targets for its investments including a 35% carbon intensity reduction by 2025 (relative to 2020), and 60% by 2030 across funds invested via the London CIV Fund range worth £13.9bn (March 2022) in total. London CIV plan to achieve its goals by decarbonising existing funds through targeted engagement, contributing to avoided emissions, launching new net zero funds and eventually contributing to negative emissions. London CIV's Stewardship Outcomes report, submitted to the FRC in April 2021, meant it was admitted to the first list of asset owner signatories to the UK Stewardship Code 2020.

Each 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 2021/22 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 (Investment Consultancy)
- Karen Shackleton (Independent Investment Advisor)
- PIRC (Corporate Governance Services)

Committee meetings are held quarterly. 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 2022 is as follows:

2020/21 £'000	2020/21 %	Fund Manager/Custodian	2021/22 £'000	2021/22 %
431,672	20.6%	Baillie Gifford & Co (London CIV)	494,440	22.2%
137,566	6.6%	Barings	0	0.0%
0	0.0%	Aviva (London CIV)	92,903	4.2%
92,056	4.4%	CBRE	110,113	4.9%
51,814	2.5%	CQS (London CIV)	52,919	2.4%
42,435	2.0%	HarbourVest	57,532	2.6%
320,645	15.3%	Harris Associates	181,198	8.1%
98,071	4.7%	Insight	99,734	4.5%
654,648	31.3%	Legal & General	787,307	35.4%
83,197	4.0%	Partners Group	90,375	4.1%
70,868	3.4%	Ruffer (London CIV)	76,019	3.4%
41,600	2.0%	Standard Life	0	0.0%
25,095	1.2%	Stepstone (London CIV)	45,325	2.0%
150	0.0%	Council	150	0.0%
42,918	2.1%	JPM Custodian Cash Account	138,652	6.2%
2,092,735	**100%**		**2,226,667**	**100%**

Fund Portfolio and Diversification

The Regulations require that the Members of the Pension Committee and 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 can be found within the Annual Report on the Pension Fund website:

Admitted and Scheduled Bodies

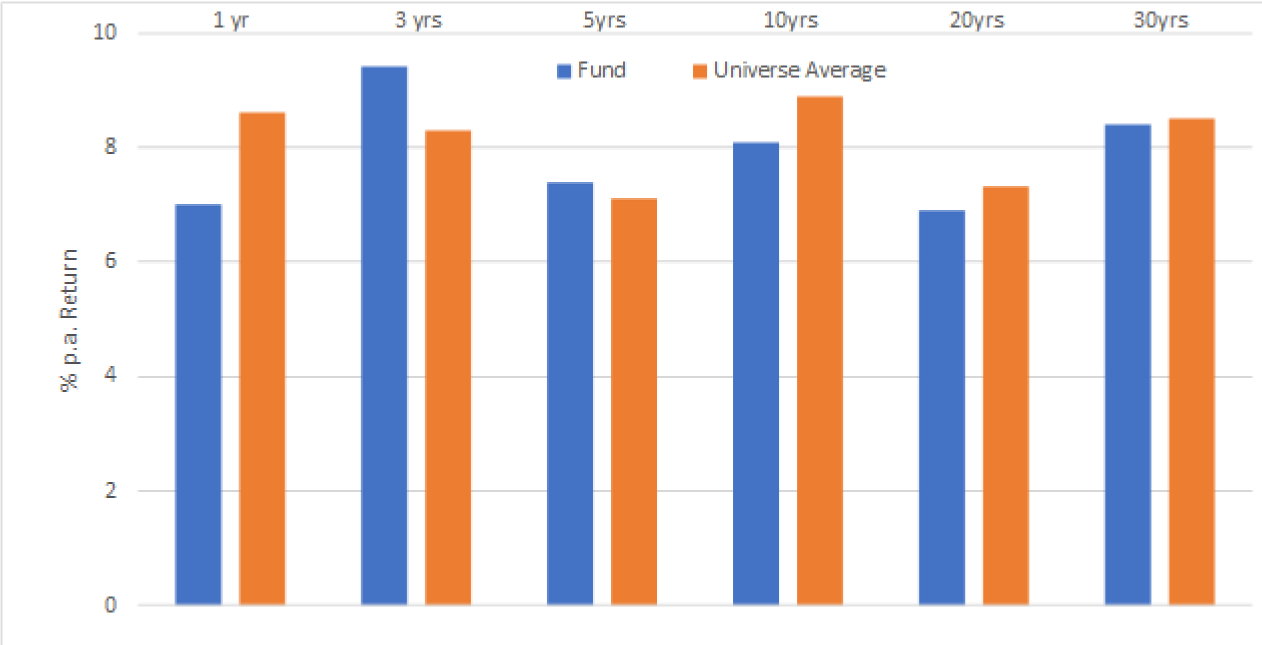
The admitted bodies and scheduled bodies which made contributions to the Fund in 2021/22 were as follows:

Admitted Bodies	
Abbey Road Housing Co-op	Pendergate (Ridgecrest) Cleaning
Agar Grove Housing Co-op	Veolia
Age UK Camden	Voluntary Action Camden
Camden Citizens Advice Bureau	Westminster Society - Central
Coram Family	Westminster Society - North
Greenwich Leisure Ltd	
Home Connections	
Improvement & Development Agency	**Scheduled Bodies**
Land Data CIC	Abacus Belsize School
LGIU	Children's Hospital School
MiHomecare Ltd	King's Cross Academy
MITIE PFI	St Luke's School
National Association for Local Councils	UCL Academy
NSL Ltd	WAC Arts School

Returns

The Fund has delivered a return of 8.1 per annum during the last ten years. The diagram below provides a comparison between the performance of Camden’s 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 calendar year. The comparative information is provided by the Pensions & investment Research Consultants Limited (PIRC).

In the latest year the Fund performed in the 61st percentile (100th means the worst performing and 1st the best). It is well ahead of its peers over the three and five years but continues to trail over the longer term.

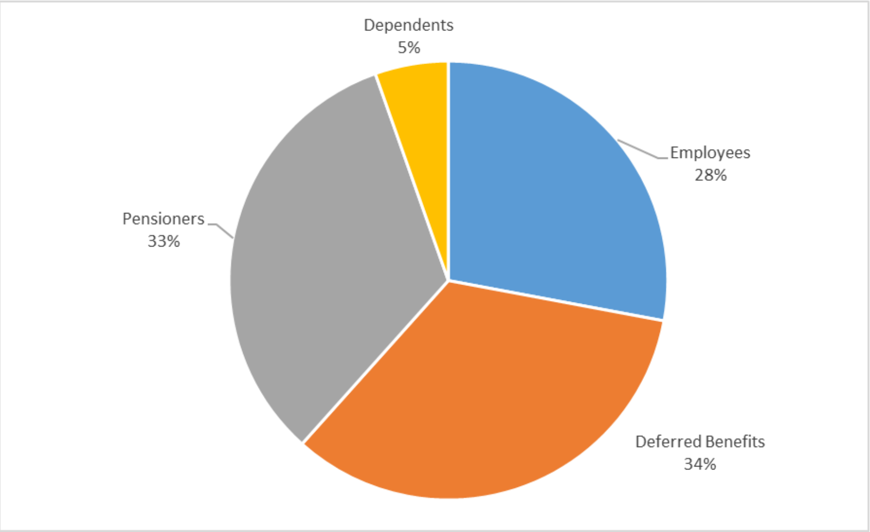


Percentile Rank	61	23	30	80	74	52

Membership

Total membership of the Fund at 31 March 2022 was 22,020 (22,642 in 2021)

	31-Mar-22	31-Mar-21
Employees	5,437	5,699
Deferred benefits	6,555	6,959
Pensioners	7,466	7,589
Dependents	*Included above*	*Included above*
Undecideds	730	559
Frozens	1,832	1,836
TOTAL	**22,020**	**22,642**



Benefits

Pension Benefits under the LGPS are based on pensionable pay and length of service up until 31 March 2022, summarised below:

	Pension	Lump Sum
Service Pre 1 April 2008	Each year worked is worth 1/80 x final 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.
Service Post 31 March 2008 – 31st March 2014	Each year worked is worth 1/60 x final 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.
Service Post 31 March 2014	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 to get 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

2020/21 £'000		Notes	2021/22 £'000
	Dealings with members, employers and others directly involved in the fund:		
(110,235)	Contributions	4	(48,192)
(4,137)	Transfers in from other pension funds		(7,065)
(114,372)			**(55,257)**
66,943	Benefits	4	64,499
6,299	Payments to and on account of leavers:		10,703
73,242			**75,202**
(41,130)	**Net (additions)/withdrawals from dealings with members**		**19,945**
17,910	Management Expenses	8, 9	19,264
(23,220)	**Net (additions)/withdrawals including fund management expenses**		**(39,209)**
	Returns on investments		
(10,321)	Investment income	10	(13,281)
249	Tax deducted from investment income		680
(493,418)	Profit and losses on disposal of investments and changes in the value of investments	14	(148,856)
(503,490)	**Net return on investments**		**(161,457)**
(526,710)	**Net (increase)/decrease in the net assets available for benefits during the year**		**(122,248)**
(1,545,683)	Opening net assets of the fund 1 April		(2,072,393)
(2,072,393)	**Closing net assets of the fund on 31 March**		**(2,194,641)**

Pension Fund Net Assets Statement

31 Mar 21 £'000		Notes	31 Mar 22 £'000
312,679	Equities	11	177,513
1,511,333	Pooled funds	11	1,555,744
213,470	Other investments	11	344,673
55,845	Other assets	11	150,710
2,093,327			**2,228,640**
(592)	Investments liabilities	11	(1,972)
2,092,735	**Total net Investments**		**2,226,668**
3,280	Current assets	15	907
(2,049)	Current liabilities	15	(1,899)
(21,573)	Long term liabilities	15	(31,035)
2,072,393	**Net assets of the fund available to fund benefits at the reporting period**		**2,194,641**

The net asset statement includes all assets and liabilities of the Fund as at 31 March 2022, but excludes long-term liabilities to pay pensions and benefits in future years.

Note 1 Accounting Policies

i) 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. The actuarial present value of promised retirement benefits, valued on an International Accounting Standard (IAS) 19 basis, is disclosed in Note 3 of these accounts.

ii) 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.
Investments are shown in the Net Assets Statement at fair value in accordance with the requirements of IFRS 13. Valuations are as provided by the Custodian and are based on bid values as at the Net Assets Statement date. Values of assets for which the JPM Pricing team cannot source values are priced using the latest accounting reports provided by the investment manager, and if this valuation point differs to year end the Net Asset Value is adjusted for any further drawdown at cost. 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). Prices in foreign currencies are translated at the closing rates of exchange as at 31st March 2022.

iii) Financial liabilities are recognised on the Net Asset Statement when the Council becomes a party to the contractual provisions of a financial instrument. These 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.

iv) The cost of administration is charged directly to the Fund partly by the Administering Authority, London Borough of Camden, and partly by the Pension Shared Service which jointly administers benefits on behalf of Camden, Wandsworth, Richmond, Waltham Forest and Merton.

v) 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.

vi) Income from other investments is accounted for on an accruals basis.

vii) 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.

viii) The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profit and losses realised on sales of investments and unrealised changes in market value.

ix) When foreign exchange contracts are in place in respect of assets and liabilities in foreign currencies, the contract rate is used. Other assets and liabilities in foreign currencies are expressed in sterling at the rates of exchange ruling at year end. Income from overseas investments is translated into sterling at an average rate for the period.

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

xi) 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 the 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's 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.

xii) 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.

xiii) Transfer values represent the 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, which is normally when the member liability is accepted or discharged.

xiv) 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.

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

xvi) 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.

xvii) The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme 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 3).

xviii) The Fund provides two additional voluntary contribution (AVC) schemes for its members. Assets are invested separately from those of the Pension Fund. The Fund has appointed Prudential and Phoenix Life as its AVC providers. 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 disclosed as a note only (Note 17).

xix) The financial statements of the Pension Fund have been prepared on a going concern basis; that is, the accounts have been prepared on the assumption that the functions of the Pension Fund will continue in operational existence for the foreseeable future.

Note 1b Funding Arrangements

Funding Arrangements

The Fund is subject to actuarial valuation every three years. The actuary is required to specify the employers' contribution rates to the Fund necessary to ensure that present and future commitments can be met. The last completed actuarial valuation of the Fund was carried out as at 31 March 2022. Contribution rates will effect from 1 April 2023. The fund will be revalued as at the 31 March 2025 with the result available in the autumn and new contribution rates for employers taking effect from 1 April 2026. The full valuation report can be read here.

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

The employers' contribution rates were calculated using the projected unit actuarial method and the main actuarial assumptions were as follows:

CPI inflation	**2.7%** per annum
Pay increases	**3.2%** per annum
Funding basis discount rate	**4.4%** per annum

Assets were valued at the previous Triennial Valuation in 2019 using a rate is derived from a 70% likelihood that the Fund's investments will return at least 4.5% over the next 20 years based on a stochastic asset projection. In the 2022 Triennial Valuation, the discount rate is derived from a 70% likelihood that the Fund's investments will return at least 4.4% over the next 20 years based on a stochastic asset projection.

At the prior actuarial valuation on 31 March 2019 the assets were valued as sufficient to meet 103% of the liabilities and as at 31 March 2022 the actuary estimates that assuming reasonable future investment returns the Fund is 113%. The average employee rate is 7% of pensionable pay (7% last time) and the total expected contributions over the next Triennial cycle will be greater than the 2019-2022 cycle. The Fund agreed a contribution strategy with a cap of 1% on increases (and decreases) to its Employer Contribution, following agreement with the Fund's actuary, meaning that in 2021/22 the contribution rate from the Administering Authority was 29.9% (33.3% in 2020/21).

Camden Pension Fund 2022 Triennial Valuation Report

Note 2 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 will have no impact on the accounts:

a) IFRS 16 Leases (replaces IAS 17) will be implemented on 1 April 2024.
b) IFRS 1 (First-time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS
c) IFRS 16 (Leases) – amendment removes a misleading example that is not referenced in the Code material
d) IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.
e) Property, Plant and Equipment – Proceeds before intended use (Amendments to IAS16)

Note 3 Actuarial Valuation

In addition to the triennial valuation, the Fund's actuary also undertakes a valuation of the pension fund liabilities every year, using assumptions in line with IAS 19, to provide the actuarial present value of promised retirement benefits. They estimate the defined benefit obligation to be £2,761m as at 31 March 2022.

Present value of promised retirement benefits		
Year ended	**31 March 2022**	**31 March 2021**
Active members (£m)	1,097	1,086
Deferred members (£m)	758	814
Pensioners (£m)	906	976
Total (£m)	**2,761**	**2,876**

Actuarial Present Value of Promised Retirement Benefits and Net Assets Available for Benefits
The actuarial valuation as of 31 March 2022 provides an indication of the funding position of the Camden Pension Fund by comparing the actuarial present value of promised retirement benefits with the net assets available.

- Actuarial Present Value of Promised Retirement Benefits: £1,741 million
- Net Assets Available for Benefits: £1,973 million
- Funding Level: 113%

The resulting surplus of £233 million and the funding level of 113% indicate that the Fund's assets exceed its liabilities, representing an improvement from the previous valuation as of 31 March 2019, where the funding level stood at 103%. This enhanced position reflects robust investment performance, and a strategy aimed at mitigating risk while maintaining an adequate funding level over the long term.

Significant Actuarial Assumptions and Valuation Methodology
The Camden Pension Fund's liabilities are valued using a market-related actuarial approach in compliance with Regulation 62 of the Local Government Pension Scheme Regulations 2013. The significant actuarial assumptions adopted in the 31 March 2022 valuation are as follows:

- Discount Rate: 4.4% per annum, selected to reflect a prudent return expectation with a 70% probability of being achieved by the Fund's assets over the next 20 years.
- Inflation (Pension Increases and CARE Revaluation): 2.7% per annum, based on expected long-term Consumer Prices Index (CPI) inflation.
- Salary Increase Assumption: 3.2% per annum, factoring in anticipated wage inflation and current economic conditions.
- Demographic Assumptions:
    - Longevity:
    - Current Male Pensioners aged 65: Life expectancy of 21.8 years
    - Current Female Pensioners aged 65: Life expectancy of 24.5 years
    - Future Male Pensioners aged 45: Life expectancy of 23.2 years
    - Future Female Pensioners aged 45: Life expectancy of 26.1 years

For 2021/22 Hymans Robertson carried out this analysis, and their reported findings can be found in the link below.

Pension Fund IAS26 Valuation Report as at 31 March 2022

Note 4 Analysis of Contributions and Benefits

2020/21 £'000		2021/22 £'000
	Contributions receivable	
(105,497)	Administering authority	(46,403)
(711)	Scheduled bodies	(714)
(4,027)	Admitted bodies	(1,075)
(110,235)	**Total**	**(48,192)**
	Benefits payable	
57,036	Administering authority	56,558
231	Scheduled bodies	354
9,676	Admitted bodies	7,587
66,943	**Total**	**64,499**

Analysis of Contributions and Benefits by Employer Type

Employer Type	Administering Authority £'000	Scheduled Bodies £'000	Admitted Bodies £'000	2021/22 TOTAL £'000
Employees' Contributions	(12,199)	(174)	(148)	**(12,521)**
Employers' Normal Contributions	(33,526)	(540)	(524)	**(34,590)**
Employers' Deficit Recovery Contributions	0	0	(403)	**(403)**
Employers' Augmentation Contributions	(678)	0	0	**(678)**
Total Contributions Receivable	**(46,403)**	**(714)**	**(1,075)**	**(48,192)**

Employer Type	Administering Authority £'000	Scheduled Bodies £'000	Admitted Bodies £'000	2021/22 TOTAL £'000
Retirement Pensions	47,199	338	6,599	**54,136**
Commutation of pensions and lump sum retirement benefits	8,154	16	852	**9,022**
Lump sum death benefits	1,205	0	136	**1,341**
Total Benefits Payable	**56,558**	**354**	**7,587**	**64,499**

Note 5 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, judgements have to be made about complex transactions or those involving uncertainty about future events.

There were no such critical judgements made during 2021/22.

Note 6 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 7 Related Party Transactions

The Camden Pension Fund is administered by 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 4.

In 2021/22 £166k was paid to the Council for accountancy services (£118k in 2020/21), and £460k was paid to the Pension Shared Service located at Wandsworth Council for pensions administration (£318k in 2020/21).

As of 31 March 2022, a cash balance of £31.0m relating to the Pension Fund was owed to the Council by the Pension Fund (£21.6m was owed to the Council by the Pension Fund at 31 March 2021).

<u>Governance</u>
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.

<u>Key Management Personnel</u>
The Head of Treasury and Financial Services held a key position in the management of the pension fund as at 31 March 2022.

There were no other transactions with related parties other than those which are disclosed elsewhere within the accounts.

Note 8 Administrative Costs and Other Expenditure

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

Administration Costs

2020/21 £'000		2021/22 £'000
318	Pensions administration charge	460
273	Systems Management	323
118	Officers' salaries	166
0	London Collective Investment Vehicle*	0
0	Other	0
0	Legal Services	5
709	**Total**	**954**

Other Costs

2020/21 £'000		2021/22 £'000
69	Actuarial advice	134
110	Investment consultancy	70
19	External Audit Fees	16
35	Corporate governance	29
3	Other	2
5	Performance measurement	16
241	**Total**	**267**

*The London CIV charges have been reported under Note 9 Investment Management Expenses in 2021/22.

Note 9 Investment Management Expenses

The fees levied by the Fund Managers and the Fund Custodian were as follows:

2020/21 £'000		2021/22 £'000
4,839	London CIV*	5,817
905	Barings*	0
0	Brevan Howard*	0
1,698	CB Richard Ellis*	591
5,599	HarbourVest*	3,693
1,667	Harris*	1,774
674	Insight*	938
46	JP Morgan (Custodian)	35
147	Legal & General*	366
733	Partners Group*	4,336
652	Standard Life*	493
16,960	**Total**	**18,043**

Investment management expenses are further analysed over the following expenditure categories:

2020/21 £'000		2021/22 £'000
8,402	Management fees	8,195
3,311	Performance related fees	6,547
1,621	Custody / Investment Admin Fees	1,435
2,785	Transaction costs	1,569
463	Property Expenses	0
378	Other	297
16,960	**Total**	**18,043**

* Includes management fees totalling £15.2m deducted from fund assets at source but have been "grossed-up" in the accounts to aid transparency.

Note 10 Pension Fund Investment Income

A detailed breakdown of funding investment income from all managers is shown below:

2020/21 £'000		**2021/22 £'000**
(129)	Dividends from UK equities	(236)
(3,609)	Dividends from overseas equities	(4,780)
(2,277)	Income from pooled property investments	(3,332)
(4,304)	Income from other pooled investment vehicles	(4,801)
(3)	Income from cash deposits	(132)
(10,321)	**Total income before taxes**	**(13,281)**

Note 11 Analysis of Investments at Market Value

31-Mar-21 £'000		31-Mar-22 £'000
	Equities	
312,529	Quoted	177,363
150	Unquoted	150
312,679		**177,513**
	Pooled Funds	
193,516	Fixed income and Index Linked	252,968
1,042,688	Equities	1,085,157
0	Fund of Hedge Funds	0
250,034	Diversified Growth Funds	172,294
25,095	Infrastructure funds	45,325
1,511,333		**1,555,744**
	Other Investments	
171,035	Pooled Property Investments	287,141
42,435	Private equity	57,532
213,470		**344,673**
	Other Assets	
301	Forward currency contracts	656
51,949	Cash deposits	146,415
2,708	Investment income due	3,214
887	Amounts receivable from sales	425
55,845		**150,710**
2,093,327	**Total investment assets**	**2,228,640**
	Investments liabilities	
(301)	Forward currency contracts	(657)
(291)	Amounts payable for purchases	(1,315)
(592)	**Total liabilities**	**(1,972)**
2,092,735	**Net investment assets**	**2,226,667**

Note 12 Valuations by Fund Managers

31-Mar-21 £'000	%		31-Mar-22 £'000	%
		Baring Asset Management Ltd		
137,566		- Pooled investment vehicle - Diversified Growth	0	
137,566	**6.6**		**0**	**0**
		CB Richard Ellis Collective Investors Ltd		
78,115		- Property - Managed Funds	102,245	
9,722		- Property - Unit Trusts	1,618	
3,623		- Cash	7,409	
0		- Amounts payable for purchases	(1,315)	
88		- Income Receivable	156	
508		- Amounts receivable from sales	0	
92,056	**4.4**		**110,113**	**4.9**
		HarbourVest		
42,435		- Pooled investment vehicle - Private equity	57,532	
42,435	**2.0**		**57,532**	**2.6**
		Harris Associates L.P.		
29,448		- UK equities	9,454	
283,081		- Overseas equities	167,909	
301		- Derivative contracts: forward FX assets	656	
1,604		- Income Receivable	1,915	
6,424		- Cash	1,496	
379		- Amounts receivable from sales	425	
(301)		- Derivative contracts: forward FX liabilities	(657)	
(291)		- Amounts payable for purchases	0	
320,645	**15.3**		**181,198**	**8.1**
		Insight Investment		
98,071		- Pooled investment vehicle (Fixed interest)	99,734	
98,071	**4.7**		**99,734**	**4.5**
		Legal & General Assurance Ltd		
43,632		- Pooled investment vehicle (Index linked securities)	100,315	
359,078		- Pooled investment vehicle (Global equities)	404,517	
654,648	**31.3**		**787,307**	**35.4**

		London CIV Ltd (Baillie Gifford)		
0		- Pooled investment vehicle - Diversified Growth	96,275	
431,672		- Pooled investment vehicle (Global equities)	398,165	
431,672	**20.6**		**494,440**	**22.2**
		London CIV Ltd (Ruffer)		
70,868		- Pooled investment vehicle - Diversified Growth	76,019	
70,868	**3.4**		**76,019**	**3.4**
		London CIV Ltd (CQS)		
51,814		-Pooled investment vehicle (fixed interest)	52,919	
51,814	**2.5**		**52,919**	**2.4**
		London CIV Ltd (Stepstone)		
25,095		- Pooled investment vehicle (Infrastructure)	45,325	
25,095	**1.2**		**45,325**	**2.0**
		London CIV Ltd (Aviva)		
0		- Pooled Investment Vehicle - Property	92,903	
0	**0.0**		**92,903**	**4.2**
		Partners Group (UK) Ltd		
83,197		- Pooled investment vehicle - Global property	90,375	
83,197	**4.0**		**90,375**	**4.1**
		Standard Life		
41,600		- Pooled investment vehicle - Diversified Growth	0	
41,600	**2.0**		**0**	**0.0**
		JPM Custodian Cash Account		
41,903		- Cash	137,510	
1,015		- Income Receivable	1,142	
42,918	**2.1**		**138,652**	**6.2**
		Council*		
150		- UK equities	150	
150	**0.0**		**150**	**0.0**
2,092,735	**100.0**	**TOTAL MARKET VALUE**	**2,226,667**	**100.0**

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

Note 13a 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 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 where these techniques use inputs that are based significantly on observable market data.

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	Level 2	Closing bid price where bid and offer prices are published; closing single price where single price published	NAV per share	Not required
Alternative Assets: Private Equity	Level 2	Most recent valuation	NAV published, cashflow transactions i.e., distributions or capital calls	Not required
Alternative Assets: Pooled 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 table provides 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, £150,000, and classified as Level 3 in the tables below.

Values at 31 March 2021	Quoted market price Level 1 £'000	Using observable inputs Level 2 £'000	With significant unobservable inputs Level 3 £'000	Total £'000
Assets:				
Alternatives Assets		189,596		189,596
Cash & Currencies	10,047			10,047
Cash Equivalents		41,903		41,903
Equities	312,529		150	312,679
Pooled Funds		1,535,207		1,535,207
Receivables	3,895			3,895
Total Financial Assets	**326,471**	**1,766,706**	**150**	**2,093,327**
Liabilities:				
Payables	(592)			(592)
Total Financial Liabilities	**(592)**	**0**	**0**	**(592)**
Grand Total	**325,879**	**1,766,706**	**150**	**2,092,735**

Values at 31 March 2022	Quoted market price Level 1 £'000	Using observable inputs Level 2 £'000	With significant unobservable inputs Level 3 £'000	Total £'000
Assets:				
Alternative Assets		222,136		222,136
Cash & Currencies	13,180			13,180
Cash Equivalents		133,235		133,235
Equities	178,981		150	179,131
Pooled Funds		1,676,663		1,676,663
Receivables	4,294			4,294
Total Financial Assets	**196,455**	**2,032,034**	**150**	**2,228,639**
Liabilities:				
Payables	(1,972)			(1,972)
Total Financial Liabilities	**(1,972)**	**0**	**0**	**(1,972)**
Grand Total	**194,483**	**2,032,034**	**150**	**2,226,667**

Note 13b Transfers between the Levels

There were no transfers between the levels during the year.

Note 13c Classification of Financial Instruments

			31-Mar-21			31-Mar-22
	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
Financial Assets						
Equities	1,355,367			1,262,670		
Fixed income and Index Linked	193,516			252,968		
Diversified Growth Funds	250,034			172,294		
Property	171,035			287,141		
Private equity	42,435			57,532		
Infrastructure	25,095			45,325		
Forward currency contracts	301			656		
Cash deposits		51,949			146,415	
Investment income due		2,708			3,214	
Amounts receivable from sales		887			424	
	2,037,783	**55,544**	**0**	**2,078,586**	**150,053**	**0**
Financial Liabilities						
Forward currency contracts	(301)			(657)		
Amounts payable for purchases			(291)			(1,315)
Total	**2,037,482**	**55,544**	**(291)**	**2,077,929**	**150,053**	**(1,315)**

Note 14 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.

2020/21 £'000		2021/22 £'000
	Financial assets	
-494,454	Fair value through profit and loss	-148,744
975	Assets at amortised cost	16
	Financial liabilities	
61	Fair value through profit and loss	-128
-493,418	**Total**	**-148,856**

*The difference between the net gains/losses of £148m versus the total in Note 18 is the management expenses of £15.2m deducted from fund assets at source but that have been "grossed-up" in the accounts to aid transparency. This is also referenced in Note 9.

Note 15 Analysis of Current Assets, Current Liabilities and Long Term Liabilities

31-Mar-21 £'000		31-Mar-22 £'000
	Current Assets	
2,357	Pension Fund Bank Account	0
588	Admitted Authorities payments receivable	485
0	Investment income receivable	0
335	Sundry Debtors	422
3,280		**907**
	Current Liabilities	
0	Pension Fund Bank Account	(362)
(2,049)	Sundry Creditors	(1,536)
(0)	Unpaid Benefits	(0)
(2,049)		**(1,898)**
	Long Term Liabilities	
(21,573)	Cash owed to council	(31,035)
(21,573)		**(31,035)**

Note 16 Derivative Contracts: Forward Foreign Exchange

Outstanding forward currency contracts are as follows

Settlement	Currency bought	Local Value £'000	Currency sold	Local Value £'000	Asset Value £'000	Liability Value £'000
Up to one month	USD	351	JPY	(42,780)	267	(268)
Up to one month	USD	212	EUR	(190)	161	(161)
Up to one month	EUR	24	USD	(27)	20	(20)
Up to one month	USD	148	GBP	(113)	113	(113)
Up to one month	EUR	113	USD	(125)	95	(95)
Open forward currency contracts at 31 March 2022					656	(657)
Net forward currency contracts at 31 March 2022						(0.5)
2020/21 Comparator						
Open forward currency contracts at 31 March 2021					301	(301)
Net forward currency contracts at 31 March 2021						(0.4)

Note 17 Additional Voluntary Contributions

Additional voluntary contributions are not included in the Pension Fund Accounts in accordance with regulation 4(2)(b) of the Pension Scheme (Management and Investment of Funds) Regulations 1999. The providers of Additional Voluntary Contributions are Phoenix Life Ltd and Prudential Assurance Company Ltd (from 1 April 2009). Phoenix operates two funds, the deposit fund and the managed fund and employees can contribute to either fund. Prudential offer nineteen funds, with the risk appetite ranging from minimal to higher risk. The employee has the option to choose a combination of these funds. Also the employee has the choice to invest in the default fund (with profits) or a lifestyle option, which commences with higher risk investments and is gradually switched to lower risk investments as the employee moves closer to retirement. The value and transaction summary of the AVC funds are below. It should be noted that the Phoenix Life accounts are produced on a calendar year basis so end December 2021.

	Prudential £'000		Prudential £'000
Value at 1 April 2021	**2,095**	**Value at 1 April 2020**	**1,945**
Contributions & Transfers Received	731	Contributions & Transfers Received	243
Investment Return	83	Investment Return	243
Paid Out	(488)	Paid Out	(337)
Value at 31 March 2022	**2,421**	**Value at 31 March 2021**	**2,095**
	Phoenix Life Ltd £'000		**Phoenix Life Ltd £'000**
Value at 31 December 2020	**824**	**Value at 31 December 2019**	**868**
Contributions & Transfers Received	13	Contributions & Transfers Received	14
Investment Return	38	Investment Return	(1)
Paid Out	(58)	Paid Out	(57)
Value at 31 December 2021	**817**	**Value at 31 December 2020**	**824**

Note 18 Reconciliation of Investments by Asset Class

2021/22

	31-Mar-21 £'000	Purchases and derivative payments £'000	Sales and derivative receipts £'000	Realised Gain £'000	Unrealised Gain £'000	Change in Market Value £'000	31-Mar-22 £'000
Pooled Investment Vehicles:							
- Fixed Income and Index Linked	193,516	58,791	(1)	0	661	661	252,967
- Equities	1,042,688	428,367	(426,629)	187,529	(146,798)	40,731	1,085,157
- Private equity	42,435	0	(11,298)	(47)	26,443	26,396	57,533
- Property	171,035	99,562	(13,091)	1,932	26,085	28,017	285,523
- Fund of Hedge Funds	0	0	0	0	0	0	0
- Diversified Growth Fund	250,034	96,029	(182,648)	40,960	(32,081)	8,879	172,294
- Infrastructure	25,095	18,315	0	0	1,915	1,915	45,325
	1,724,803	**701,064**	**(633,667)**	**230,374**	**(123,775)**	**106,599**	**1,898,799**
Directly Owned Assets:							
- Equities	312,680	113,217	(273,672)	57,250	(30,343)	26,906	179,132
	312,680	**113,217**	**(273,672)**	**57,250**	**(30,343)**	**26,906**	**179,132**
Derivatives* – Forward Currency Contracts	(1)	714	(842)	128	0	128	(1)
Total Investments	**2,037,482**	**814,995**	**(908,181)**	**287,752**	**(154,117)**	**133,634**	**2,077,930**
Cash	54,307						146,053
Net Debtors/Creditors	(19,396)						(29,342)
Fund Total	**2,072,393**						**2,194,641**

* Purchases and sales derivatives are recognised as follows:

- Forward Currency Contract settlements are reported as gross receipts and payments.

The difference between the net gains/losses of £133m versus the profit and loss amount shown in the Pension Fund Account table of £148m is the management expenses of £15.2m deducted from fund assets at source but that have been "grossed-up" in the accounts to aid transparency. This is also referenced in Note 9 and Note 14.

2020/21

	31-Mar-20 £'000	Purchases and derivative payments £'000	Sales and derivative receipts £'000	Realised Gain £'000	Unrealised Gain £'000	Change in Market Value £'000	31-Mar-21 £'000
Pooled Investment Vehicles:							
- Fixed Income and Index Linked	174,165	1,749	0	0	17,602	17,602	193,516
- Equities	735,257	116,429	(117,000)	19,588	288,414	308,002	1,042,688
- Private equity	43,603	0	(1,929)	(37)	798	761	42,435
- Property	183,970	5,540	(6,268)	934	(13,141)	(12,207)	171,035
- Fund of Hedge Funds	0	0	225	(225)	0	(225)	0
- Diversified Growth Fund	213,740	9,188	(17,109)	1,435	42,780	44,215	250,034
- Infrastructure	1,092	25,298	0	0	(1,295)	(1,295)	25,095
	1,351,827	**158,204**	**(142,081)**	**21,695**	**335,158**	**356,853**	**1,724,803**
Directly Owned Assets:							
- Equities	187,816	103,503	(101,361)	18,235	104,487	122,721	312,680
	187,816	**103,503**	**(101,361)**	**18,235**	**104,487**	**122,721**	**312,680**
Derivatives* – Forward Currency Contracts	0	564	(504)	(60)	(1)	(61)	(1)
Total Investments	**1,539,643**	**261,271**	**(243,946)**	**39,870**	**439,644**	**479,513**	**2,037,482**
Cash	14,514						54,307
Net Debtors/Creditors	(8,474)						(19,396)
Fund Total	**1,545,683**						**2,072,393**

* Purchases and sales derivatives are recognised as follows:

- Forward Currency Contract settlements are reported as gross receipts and payments

Note 19 - Nature & Extent of Risks Arising from Financial Instruments

Risk and risk management

The Pension Fund is exposed to various risks from its financial instruments, including credit risk, liquidity risk, and market risk. The objective of the Fund's risk management policy is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains, whilst ensuring sufficient liquidity to meet cash flow requirements. The management of these risks is an integral part of the Fund's strategy, overseen by the Pension Committee. Below, we detail the nature of the Fund's financial risks and how they are managed.

Credit Risk

Credit risk represents the risk that a counterparty will default on its contractual obligations, causing the Fund to incur a financial loss. The Fund is exposed to credit risk through its deposits, fixed income securities, and other financial instruments. The Fund mitigates this risk by:

- Investing in high-quality counterparties and financial institutions.
- Conducting due diligence on fund managers and custodians, including periodic reviews of their performance and credit ratings.

The Fund’s on-call sterling and dollar deposits at JP Morgan are swept into the JPMorgan Money Market Funds. These vehicles have a AAA rating from Fitch and S&P.

The Fund's maximum exposure to credit risk is represented by the market value of the financial instruments, and the overall risk is managed through diversification.

Liquidity Risk

Liquidity risk is the risk that the Fund will be unable 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 flow, considering contributions, benefit payments, and other expenses.
- Maintaining access to short-term funding options to meet any unexpected cash flow requirements.

Market Risk

Market risk represents the risk that changes in market prices, such as interest rates, equity prices, and foreign exchange rates, will affect the Fund's income or the value of its holdings. The Fund mitigates market risk by diversifying its investments across different asset classes, regions, and sectors. The Fund's exposure to market risk is described below:

Interest Rate Risk

The Fund is exposed to interest rate risk through its investments in fixed income securities. Interest rate risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Fund monitors interest rate risk using sensitivity analysis and other measures. As of 31 March 2022, a 1% increase in interest rates would decrease the fair value of the Fund's fixed income portfolio by £23,269k, whereas a 1% decrease would increase the fair value by the same amount.

31 March 2022

Assets exposed to interest rate risk	Value as at 31 March 2022 £'000	Potential movement on 1% change in interest rates £'000	Value on increase £'000	Value on decrease £'000
Cash deposits	146,415	0	146,415	146,415
Fixed income and Index Linked	252,968	23,269	229,699	276,237
Total	**399,383**	**23,269**	**376,114**	**422,652**

31 March 2021

Assets exposed to interest rate risk	Value as at 31 March 2021 £'000	Potential movement on 1% change in interest rates £'000	Value on increase £'000	Value on decrease £'000
Cash deposits	51,949	0	51,949	51,949
Fixed income and Index Linked	193,517	11,128	182,389	204,645
Total	**245,466**	**11,128**	**234,338**	**256,594**

Currency Risk

Currency risk arises when the fair value or future cash flows of a financial instrument fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments denominated in currencies other than Sterling, including overseas equities and property investments. To manage this risk, the Fund uses currency diversification, and the impact of a 10% change in exchange rates on the Fund's assets is monitored and disclosed.

As of 31 March 2022, the total overseas assets exposed to currency risk amounted to £1,124,074k. The table below summarises the potential impact of a 10% change in currency values on the Fund's assets:

Currency	Value (£'000)	% Change	Value on Increase	Value on Decrease
Euro	57,169	5.0%	60,016	54,322
Japanese Yen	1,110	9.0%	1,209	1,010
South Korean Won	5,217	7.5%	5,607	4,827
Swiss Franc	17,209	5.3%	18,113	16,306
US Dollar	88,087	7.5%	94,667	81,507
Hong Kong Dollar	4,692	7.4%	5,040	4,345
Global Basket	802,682	10.0%	882,950	722,414
Total Overseas Equity	**976,166**		**1,067,602**	**884,731**
Overseas private equity (US$)	57,532	7.5%	61,829	53,235
Overseas Property (€)	13,213	5.0%	13,871	12,554
Overseas Property (US$)	77,163	7.5%	82,927	71,399
Total Currency	**1,124,074**		**1,226,229**	**1,021,919**

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

For comparison, the following table summarised the Fund’s currency exposure as at 31 March 2021

Currency	Value (£'000)	% Change	Value on Increase	Value on Decrease
Euro	88,444	5.5%	93,318	83,571
Japanese Yen	5,378	6.8%	5,746	5,011
South African Rand	9,149	12.0%	10,245	8,053
South Korean Won	5,445	6.1%	5,774	5,115
Swiss Franc	38,049	6.3%	40,442	35,656
US Dollar	148,870	6.5%	158,591	139,149
Canadian Dollar	4	4.9%	4	3
Hong Kong Dollar	2,720	5.6%	2,872	2,568
Global Basket	938,527	10.0%	1,032,379	844,674
Total Overseas Equity	**1,236,585**		**1,349,370**	**1,123,800**
Overseas private equity (US$)	42,435	6.5%	45,206	39,664
Overseas Property (€)	15,326	5.5%	16,171	14,482
Overseas Property (US$)	67,871	6.5%	72,303	63,439
Total Currency	**1,362,217**		**1,483,049**	**1,241,384**

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

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 equity holdings, property investments, and pooled investment vehicles. The Fund aims to manage this risk by diversifying investments across asset classes and markets. The table below shows the impact of a 10% increase or decrease in market prices on the Fund's net assets:

	Value	Value on 10% price increase	Value on 10% price decrease
	£’000	£’000	£’000
As at 31 March 2021	2,037,482	2,241,230	1,833,733
As at 31 March 2022	2,077,930	2,285,724	1,870,138

Single Investment Risk

The Fund's single largest investments that represent more than 5% of the total net asset value are listed below. While these investments are pooled vehicles with diverse holdings, each pooled investment represents a notable proportion of the Fund:

Investment	Value at 31 March 2022 £'000	% of Total Fund	Value at 31 March 2021 £'000	% of Total Fund
Baillie Gifford Global Alpha Fund	494,441	22.2%	431,672	20.6%
Legal & General Global Equity Index Fund	404,517	18.2%	359,078	17.2%
Legal & General UK Equity Index Fund	284,475	12.7%	251,938	12.0%
Barings Dynamic Asset Allocation	137,566	0%	137,566	6.6%

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.

Conclusion

The Pension Fund manages its financial risks comprehensively, employing a robust risk management framework that includes risk identification, diversification, periodic reviews, and adherence to best practices as set out by the CIPFA Code. These measures ensure that the Fund is well-positioned to meet its long-term objectives of providing sustainable benefits to its members.

Note 20 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 £2.137m of undrawn contractual capital outstanding as at 31 March 2022 (£2.157m as at 31 March 2021), the US Dollar funds had a total of £45.346m of undrawn contractual capital outstanding as at 31 March 2022 (£48.335m as at March 2021). These are not required to be included in the Pension Fund accounts.

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 £15.092m of commitments outstanding as at 31 March 2022 (£18.139m as at 31 March 2021). This is not required to be included in the Pension Fund accounts.

Infrastructure

The Fund made a £106m commitment to the London Collective Investment Vehicle’s Infrastructure Fund on 31 October 2019. At 31 March 2022, this had £61.3m of commitments outstanding (£79.6m outstanding at 31 March 2021).

Note 21 Events after the reporting period

The Pension Fund accounts were authorised for issue by the Executive Director Corporate Services on 5 April 2024. 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 2023, 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 Fund 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 fund currently making any additional allowance within the accounts for this ruling.

7 Glossary and Contacts

Gasholder's Park

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*.

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