Greater London Authority

Statement of Accounts 2023-24
UNAUDITED

Contents

Narrative Report

The GLA's accounts provides a wealth of detail on the Authority's financial position. They are a critical part of our stewardship of large sums of public money. This narrative draws out the key issues from these accounts in an attempt to make them clearer and more understandable to all interested parties.

Structure

This narrative sets out the:

- Core accounting statements
- GLA's context
- Performance against the Mayor's vision
- Financial performance in 2023-24
- GLA's Balance Sheet at 31 March 2024, and
- Main financial issues and risks facing the Authority.

Core Accounting Statements

The **core accounting statements** covering the Authority and the Group are the:
Comprehensive Income and Expenditure Statement: this records the income and expenditure for the year. The top half of the statement provides an analysis by service area. The bottom half of the statement deals with corporate transactions and funding.

Movement in Reserves Statement: this is a summary of the changes to reserves over the course of the year. Reserves are divided into 'usable', which can be invested in capital projects or service improvements, and 'unusable' which must be set aside for specific accounting purposes and do not exist for investment or spending purposes.

Balance Sheet: This is a 'snapshot' of the assets, liabilities, cash balances and reserves at the year-end date; and

Cash Flow Statement: This shows the reason for changes in the cash balances during the year, and whether that change is due to operating activities, new investment, or financing activities (such as repayment of borrowing and other long-term liabilities) .

Context

The GLA is the strategic authority for London and sits between the national Government and the London boroughs. It consists of:

- the Mayor of London, who is to be responsible for making London a better place for all those who visit, live or work

in the city; and
- the London Assembly, which holds the Mayor to account.

The Mayor has five priorities to make London an even better city. They are to:
- keep Londoners safe
- get London's economy back on its feet
- ensure opportunities for young people
- deliver a green new deal; and
- build more affordable homes

The Mayor delivers this vision for London principally through the activities of:

- the GLA itself and its wide network of partnerships, including the London Partnership Board which the Mayor co-chairs with the chair of London Councils. Although much of the GLA's work is strategic – setting frameworks for London's boroughs and others to work within in areas like the environment, urban planning and economic development – the GLA now has significant delivery budgets for affordable homes and adult education

- London Fire Brigade, which provides the city's fire and rescue service, under the oversight of the London Fire Commissioner

- two Mayoral Development Corporations (MDCs) – London Legacy Development Corporation (LLDC) and Old Oak and Park Royal Development Corporation (OPDC) – responsible, respectively, for regeneration centred on the Queen Elizabeth Olympic Park and the Old Oak and Park Royal area

- the Metropolitan Police Service, which provides the capital's police service, under the oversight of the Mayor's Office for Policing and Crime; and

- Transport for London, which provides London's transport service.

The Mayor is responsible for setting an annual budget of some £20bn for these bodies. However, these accounts are limited to the GLA itself, GLA subsidiaries and the two MDCs which are treated as part of the GLA's Group Accounts.

The accounts also include any funds transfers in respect of council tax and retained business rates and as reflected in the Fund Account, certain grants the GLA passports to functional bodies including the Home Office police grant.

Performance against the Mayor’s vision

The Mayor’s Annual Report, will be published in June 2024 and will provide information on performance and achievements across the full range of Mayoral priorities.

Financial Performance 2023-24

The GLA’s Revised Net Revenue Budget, excluding financing costs and certain items funded from specific government grants such as Adult Education, for 2023-24 was £317m. The directorate underspend against budget is £10.2m or 3.2%. Strong performance was delivered despite consistent themes around market capacity limiting our ability to deploy programme spend. Investment income exceeded the budgetary plan of £60m by £93m. This strong performance and continuing prudent future years’ forecasts have been allocated during the 2024-25 budget setting process to support future years’ budgets.

A summary of the main reasons for this variance is set out below:

Revenue Outturn

Service	Revised Net Budget	Net Outturn	Variance	Main reasons for (underspends)/overspends
	£m	£m	£m	
Chief Officer	7.8	9.3	1.5	Approved but not budgeted at the outset of the year- additional expenditure related to the Job Families workstream
Communities & Skills	151.9	147.2	(4.7)	Underspend on Skills Capital revenue, Cost of Living and Income Maximisation programmes delivering next year
Good Growth	72.0	70.9	(1.1)	Underspend across Green Infrastructure projects
Housing & Land	24.3	22.8	(1.5)	Underspend related to reduced contract values for Crystal Palace National Sports Centre, this was offset by reduced income in respect of Royal Docks.
Resources	32.6	28.2	(4.4)	Underspend due to reduction in pension contribution rate and unused contingency budgets

Capital Programme Outturn – overall variance £0.2m underspend

Programme	Revised Net Budget	Net Outturn	Variance	Main reasons for (underspends)/overspends
	£m	£m	£m	
Communities & Skills	30.8	21.0	(9.8)	Underspend due to delays in finalising spend profiles with delivery partners
Good Growth	44.7	39.2	(5.5)	Mainly due to underspend on the Warmer Homes programme due to procurement delays
Housing & Land	1,047.8	1,064.2	16.3	Over achievement on Affordable Homes programmes of £147m (fully funded by DLUHC grant), offset by underspend of £79m on building safety programmes, where developers have contracted directly with DLUHC. Slippage in Specialist Housing projects in Specialist Housing programmes (£29m) and Land & Development (£17m) also offset the overspend
Resources	3.5	2.6	(0.9)	Delays in completion of works at City Hall, now expected in 2024-25
Strategy & Communications	0.5	0.2	(0.3)	London Database platform rebuild was paused to reflect on user feedback. This resulted in less development work, and therefore less spend, in this financial year

Budget monitoring reports on whether the Authority has a surplus or deficit on General Fund balances against its budget for the year by comparing annual expenditure against funding from government grants, rents, council tax and business rates and other funding sources calculated in accordance with statutory provisions. The Comprehensive Income and Expenditure Statement (CIES) in the financial statements differs from the budget monitoring report as it reports on the basis of expenditure measured under proper accounting practices. Proper accounting practices measure the resources that have been generated and consumed in the year including such things as the use of property (depreciation) and the value of pensions benefits earned by the employees, which alongside other charges, are not included in the budget monitoring reports as statutory provisions determine how much of the authority's expenditure needs to be met from council tax each year.

The Expenditure and Funding Analysis in Note 8 provides a reconciliation between spend as reported for budget monitoring purposes and spend reported in the CIES.

Authority's Balance Sheet

Set out below is a summary of the **Authority's Balance Sheet**, comparing the position to a year ago.

As at 31 March:	**2024**	**2023**
	£m	**£m**
Assets	5,175	5,178
Liabilities	(6,475)	(7,031)
Net Liabilities	(1,300)	(1,853)

The Authority's net liability position is driven by the borrowing undertaken to fund infrastructure assets held in Transport for London's balance sheet; this includes the Elizabeth Line (Crossrail) and the Northern Line Extension. The year-on-year reduction in net liabilities of £0.5bn is largely driven by a £0.2bn reduction in long-term borrowing and a £0.2bn reduction in trade creditors, the latter can be partly credited to a drive to improve the prompt payment of suppliers.

Group Balance Sheet

A significant change to the Group Balance sheet at 31 March 2024, as compared to last year, is the deconsolidation of LTLF LP (the Fund) as a result of the dilution of GLA's control of the Fund following the admission of five additional limited partners in June 2023 which changed the control the Authority has on the key financial and operating activities, from that of full control to significant influence.

At 31 March 2024, the Fund is no longer accounted for as a GLA subsidiary via line-by-line consolidation but is instead accounted for as an associate on the grounds that the GLA now exerts significant influence over the key financial and operating activities of the Fund.

The Authority holds a significant share of the Fund's assets, consistently exceeding 80% during the course of the year.

For major decisions such as the investment strategy, reserved investment decisions, and the strategic assets allocation the Fund's General Partner defers to the Limited Partnership Administration Committee (LPAC). Each Limited Partner has a "voting right" which varies as to the majority required.

In assessing decisions that drive the key financial and operating activities, the most important resolution would be the approval of the investment strategy. This requires 70% of the voting members with at least 50% of the Total core balance to agree. This vote requires the GLA to meet the over 50% of total core balances voting requirement, but in addition to that the agreement of five of the six Limited Partners is also required.

Group

As at 31 March:	**2024**	**2023**
	£m	**£m**
Assets	5,593	6,053
Liabilities	(6,981)	(7,987)
Net Liabilities	(1,388)	(1,934)

The £0.5bn reduction in the Group's net liability position is driven by a reduction in borrowing and trade payables.

Authority Reserves

Set out below is a summary of the GLA's usable and unusable reserves at 31 March 2024, comparing the position to a year ago.

As at 31 March:	**2024**	**2023**
	£m	**£m**
Usable Reserves	(2,890)	(2,550)
Unusable Reserves	4,190	4,403

The Authority's usable reserves have increased by £0.3bn and is largely due to the receipt of Affordable Housing grant that will be spent in 2024-25.

The Authority's unusable reserves are set aside for specific accounting purposes and cannot be used for investment or spending purposes. The balance relates largely to capital grants paid to TfL for the Northern Line extension (NLE) to Nine Elms and Battersea Power Station (NLE) and Crossrail (the Elizabeth line) which are financed from external borrowing but where TfL, rather than the GLA, holds these assets. These unusable reserves will be written down over time as the GLA's Crossrail and NLE borrowing is repaid over the next two decades.

Group Reserves

As at 31 March:	**2024**	**2023**
	£m	**£m**
Usable Reserves	(3,103)	(2,812)
Unusable Reserves	4,491	4,746

As the majority of the usable and unusable reserves are held by the Authority the explanations in the preceding two paragraphs apply equally to the Group reserves.

Borrowing
Set out below is a summary of the Authority's net decrease in overall level of debt.

As at 31 March	2024	2023
	£m	£m
Overall level of debt	5,349	5,550

There has been a reduction in overall borrowing of £201m. The borrowing undertaken is within CIPFA's Prudential Code and financed by discrete income streams i.e., the Crossrail business rate supplement and the Mayor's Community Infrastructure Levy (MCIL) in respect of Crossrail and business rates growth and developer contributions, collected by the London Boroughs of Lambeth and Wandsworth in the Nine Elms and Battersea Power station statutory designated area, in relation to the NLE.

Pensions

The GLA's pensions arrangements are set out in detail in Note 21 in these statements. These statements show that when valued in accordance with the accounting standard IAS 19 Employee Benefits, the GLA holds a net pensions asset (a surplus of plan assets over its liabilities) of £57 million at 31 March 2024, an increase of £30m from the £27m net asset position at 31 March 2023. This increase is due to the strong performance of the scheme assets.

The most recent triennial actuarial valuation covers the period 2023-24 to 2025-26 and set the employer contribution rate at 9.5%.

Business Rates and Council tax income

In respect of the 2023-24 financial year, the GLA received around £2.89 billion in business rates income from London billing authorities in instalments (i.e. 37 per cent of the total receipts estimated for the year across London through the 2023-24 National Non Domestic Return 1 returns submitted in January 2023). It also received £0.57 billion in related section 31 grants for the lost revenue arising from certain business rates reliefs and the freezing or capping of the NNDR multiplier in 2023-24 and prior years. From this combined sum £735.7m was paid to the government as a tariff and after providing for the expected levy payment on growth – which is ultimately payable based on the outturn position – this left around £2.7 billion of estimated retained business rates income that could be allocated to spend on services in the Mayor's 2023-24 budget. The actual outturn based on the National Non Domestic Rating 3 returns for 2023-24 submitted in April 2024 reported a £62.9 million surplus resulting in the total business rates income recognised for accounting purposes being £2.95 billion (as set out in Note 15). This surplus is in line with the estimated figure reported by billing authorities in January 2024 of which c£50 million was applied by the Mayor in his 2024-25 budget to fund policing. A further £1.35 billion was raised through the GLA's council tax precept in 2023-24 of which £909.6 million was applied to fund policing through the Mayor's Office for Policing and Crime.

The Mayor's 2022-23 budget approved the creation of a Transport Services Funding reserve, which had a balance at 31 March 2023 of £287.9m. This was supplemented by a new Environment Improvement reserve. This was created in the 2023-24 budget and is forecast to be fully disbursed by the end of 2024-25. These reserves have been applied to meet the costs of the £210 million vehicle scrappage scheme associated with the expansion of ULEZ across all London boroughs on 29 August 2023 of which £159.4 million had been incurred on an accrued basis by 31 March 2024. The 2023-24 Mayor's budget also introduced a free school meals programme for all state school primary children in London for the 2023-24 academic year funded from in year and prior year business rates income which has been continued in 2024-25 primarily funded through the use of reserves.

The Interim Chief Finance Officer is committed, taking into account the impact of the cost of living crisis on collection levels, to restoring the Business Rates Reserve (BRR) to a level that reflects the risks to future tax revenues. This target balance equates to the shortfall the GLA would need to meet were it to be in a safety net position for a single year within the business rates retention system based on the 92.5% threshold in place for the GLA and the majority of English local authorities. In the 2024-25 budget, the target balance was set at £102m after meeting approved budget commitments in line with this safety net estimate taking into account the latest local government finance settlement. The actual balance at 31 March 2024 on this reserve is £269.6 million and the forecast balance in the Mayor's approved 2024-25 budget as at 31 March 2027 was £112.5 million. The target balance for the BRR will also remain under review depending on the impact of the cost-of-living crisis on business rates collection, the greater certainty as to the accuracy of prior year income data once the 30 September deadline for the finalising of billing authority accounts up to 2022-23 has passed and potential future government reforms to local government finance and taxation following the July 2024 general election.

Main financial issues and risks facing the Authority

Details of the main risks facing the GLA are set out in our Risk Register and the Going Concern note (Note 2 iv). Further, the Annual Governance Statement published alongside these accounts also sets out many of the issues facing the GLA. The following paragraphs detail the main financial risks the Authority faces over climate change and its wholly owned subsidiaries, London Legacy Development Corporation (LLDC) and Greater London Authority Holdings (GLAH).

The Mayor is committed to ensuring that the Queen Elizabeth Olympic Park is fully regenerated on a sustainable basis and this requires a significant level of investment from the GLA. As the ultimate funder of LLDC, the GLA is also exposed to the financial risks of the Corporation. A key element of this investment is LLDC's East Bank development, its flagship project to deliver a world-class cultural and education district on the Park. The anticipated final cost of the project increased during the year and cost pressures remain. Construction work is progressing steadily, and final completion is now expected to be early 2025. Funding the project therefore remains a risk for the GLA over the coming year, particularly in light of continuing cost pressures, however, these would be funded as necessary from the Capital Programme Reserve for LLDC.

There are also cost pressures in the operation of the London Stadium which continues to require long term support from the GLA; albeit the London Stadium shows a small underspend of approximately £1.6m in LLDC's draft 2023-24 accounts compared to budget. In addition, the timing of the repayment of the loans the GLA has made to LLDC is dependent on factors including housing market and other commercial developments and this remains a long-term risk. These issues constitute a substantive financial risk for the GLA and accordingly there are measures in place for close monitoring.

GLAP's income is sensitive to macro-economic factors which impact on the real estate sector and the viability of house building. The recent economic landscape of higher interest rates, higher inflation and global supply chain disruptions are risk factors which have been taken into account in assessing the default position on loans to house builders and in future cash flow forecasting.

The Mayor is responsible for producing a London Environment Strategy which takes account of strategic environmental issues including climate change mitigation and adaptation. This includes setting out policies and actions he will take to address them. London faces the following key risks from climate change:

- Hotter, drier summers and warmer, wetter, winters. This is already being seen with the surface water floods of July 2021 and the recent heatwaves in 2020 and 2022 when temperatures in London hit 38 degrees Celsius or more.

- Over 200,000 residential and commercial properties at risk of flooding from heavy rainfall events in London.

- Hotter drier weather will increase the risk and severity of droughts and pressure on already stressed water resources that supply London will grow.

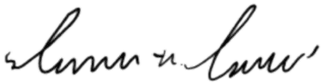
The Mayor has set a goal of London being net zero by 2030 and has published his preferred pathway for achieving this goal. As part of that ambition, the GLA is working with the functional bodies of the GLA to develop and implement their own plans to achieve net zero emissions across their estate and fleet by 2030. The Mayor has a number of programmes and policies to tackle emissions across London and improve the resilience of the city in the face of a changing climate.

In 2022-23 a climate emergency funding reserve was created to support the delivery of an estimated £500 million of projects across the GLA Group and strategic partners (such as the London Boroughs, the Corporation of London and the NHS), through the Green Finance Fund (GFF). At 31 March 2024, £90m has been set aside and consists of £15m to support project development and £75m to support the cost of finance associated with £500m and will be spent in the coming years. During the financial year, £218.5m was allocated from the GFF to low carbon and environmental projects, and of that amount £100m was drawn.

The Mayor's agreed 2024-25 budget included a climate budget that sits alongside the financial budget. The Climate budget (in its second year) sets out actions being taken across the group to cut emissions both in its own estate and fleet and across London. It also outlines measures to support climate adaptation in the city.

The purpose of the climate budget is to mainstream climate considerations into decision making via the budget allocation process and highlight progress towards delivering long-term climate targets.

The 2024-25 GLA Group budget details, for each functional body, the climate action areas and fully funded projects that are to be implemented, monitored and reported in line with the budget cycle, supported by clear targets. This actual spend on these projects will be reflected in the Authority's accounts in future years.



Enver Enver CPFA, FCCA
Interim Chief Finance Officer
21 June 2024

Statement of Responsibilities for the Statement of Accounts

The Authority's responsibilities
The Authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Interim Chief Finance Officer
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

The Interim Chief Finance Officer's responsibilities
The Interim Chief Finance Officer is responsible for the preparation of the Authority's statement of accounts in accordance with proper practices as set out in the *CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023-24* (the Code).

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

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent; and
- complied with the local authority Code.

The Interim Chief Finance Officer has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate of the Interim Chief Finance Officer
I certify that the Statement of Accounts for the Greater London Authority, gives a true and fair view of the financial position of the Greater London Authority as at 31 March 2024 and its income and expenditure for the year ended 31 March 2024.

Enver Enver CPFA, FCCA
Interim Chief Finance Officer
21 June 2024

Approval of the Statement of Accounts by the Mayor of London

In accordance with Regulation 9(2) of the Accounts and Audit Regulations 2015, I approve the accounts of the Greater London Authority.

Sadiq Khan
Mayor of London
2024

INDEPENDENT AUDITOR’S REPORT TO THE MAYOR OF THE GREATER LONDON AUTHORITY

<< Audit Opinion to be inserted once available>>

Consolidated Comprehensive Income and Expenditure Statement

2022/23 Gross Exp* £000	2022/23 Gross Income £000	2022/23 Net Exp* £000		Note	2023/24 Gross Exp* £000	2023/24 Gross Income £000	2023/24 Net Exp* £000
7,988	(6)	7,982	Assembly & Secretariat		8,522	(5)	8,517
8,079	(506)	7,573	Chief Officer		10,103	(515)	9,588
90,925	(44,724)	46,201	Communities & Skills		219,651	(49,968)	169,683
145,451	(22,111)	123,340	Good Growth		142,544	(43,536)	99,008
2,226,936	(77,039)	2,149,897	Housing & Land		1,217,891	(137,327)	1,080,564
6,172	-	6,172	Mayor's Office		6,311	-	6,311
36,905	(633)	36,272	Resources		33,615	(1,651)	31,964
63,664	(38,189)	25,475	Strategy & Communications		36,869	(3,955)	32,914
339,409	(351,633)	(12,224)	Adult Education		354,332	(334,099)	20,233
39,852	(16,224)	23,628	Olympic Legacy		179,727	(149,094)	30,633
1,921	(2,301)	(380)	Funding London SMEs		-	-	-
29,891	(7,759)	22,132	Corporate & Group Items		30,878	(3,771)	27,107
2,997,193	**(561,125)**	**2,436,068**	**Cost Of Services**		**2,240,443**	**(723,921)**	**1,516,522**
		3,653,117	Other Operating Expenditure	11			3,700,748
		12,998	Financing and Investment Income and Expenditure	12			13,201
		10,940	Impairment of loan investments and finance lease receivables	50h			114
		69,958	Movement in the fair value of investment properties	26			76,435
		(5,259,746)	Taxation and Non-Specific Grant Income	13			(5,897,222)
		923,335	**(Surplus) or Deficit on Provision of Services**				**(590,202)**
		7,837	Share of the (surplus) or deficit on the provision of services of associates and joint ventures				(16,978)
		-	Net (gain) /loss on deconsolidation				84,521
		14,251	Tax expenses of subsidiaries				5,194
		945,423	**Consolidated (Surplus) or Deficit**				**(517,465)**
			Items that are or may be reclassified to the surplus or deficit on the provision of services				
		2,206	Net change in financial instruments measured at fair value through other comprehensive income				-
			Items that will never be reclassified to the surplus or deficit on the provision of services				
		(195)	(Surplus) or deficit on revaluation of non-current assets	43			(30)
		(285,819)	Remeasurements of the net defined benefit liability	21			(34,374)
		(6,747)	Increase/ (decrease) in Members Capital				-
		-	Net (gain) /loss on deconsolidation				6,908
		(6,513)	Other comprehensive income and expenditure				-
		(20,329)	Deferred tax asset on net defined benefit liability and on revalued property, plant and equipment				-
		(317,396)	**Other Comprehensive Income and Expenditure**				**(27,496)**
		628,027	**Total Comprehensive Income and Expenditure**				**(544,961)**

***Exp – Expenditure**

Authority Comprehensive Income and Expenditure Statement

2022/23 Gross Exp £'000	2022/23 Gross Inc £'000	2022/23 Net Exp £'000	Gross expenditure, gross income and net expenditure	Note	2023/24 Gross Exp £'000	2023/24 Gross Inc £'000	2023/24 Net Exp £'000
7,988	(6)	7,982	Assembly & Secretariat		8,522	(5)	8,516
8,079	(696)	7,383	Chief Officer		10,103	(515)	9,588
90,925	(44,724)	46,201	Communities & Skills		219,651	(49,968)	169,683
145,451	(22,111)	123,340	Good Growth		142,544	(43,536)	99,008
2,184,229	(45,402)	2,138,827	Housing & Land		1,175,716	(70,303)	1,105,414
6,172	-	6,172	Mayor's Office		6,311	-	6,311
145,614	(3,155)	142,459	Resources		122,615	(1,651)	120,964
63,664	(38,189)	25,475	Strategy & Communications		36,869	(3,955)	32,914
339,409	(351,633)	(12,224)	AEB		354,332	(334,099)	20,233
72,051	(6,767)	65,284	Corporate Items		76,392	(5,481)	70,911
							-
3,063,583	**(512,683)**	**2,550,900**	**Cost of Services**		**2,153,055**	**(509,513)**	**1,643,542**
		3,653,623	Other operating expenditure	11			3,700,749
		35,508	Impairment of loan investments	50h			40
		61,736	Financing and investment income and expenditure	12			(36,745)
		(5,249,912)	Taxation and non-specific grant income and expenditure	13			(5,831,467)
		1,051,855	**(Surplus) or Deficit on Provision of Services**				**(523,880)**
			Items that will not be reclassified to the (Surplus) or Deficit on the Provision of Services				
		(195)	(Surplus) or deficit on revaluation of non-current assets	43			(30)
		(244,614)	Remeasurements of the net defined benefit liability	21			(29,513)
		(244,809)	**Other Comprehensive Income and Expenditure**				**(29,543)**
		807,046	**Total Comprehensive Income and Expenditure**				**(553,423)**

Consolidated Movement in Reserves Statement

2023/24	Note	Non-Earmarked Reserves	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Usable Reserves	Unusable Reserves	Total Authority Reserves	Adj between Authority and Group Usable	Authority's Share of Subsidiaries' and Joint Venture's Reserves Usable	Authority's Share of Subsidiaries' and Joint Venture's Reserves Unusable	Group Usable	Group Unusable	Total Reserves
		------------	--------------	Authority	--------------	------------	------------	------------		------------	Group	------------	------------	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2023		**(10,000)**	**(1,160,543)**	**(645,043)**	**(734,442)**	**(2,550,028)**	**4,403,517**	**1,853,489**	**(51,308)**	**(210,933)**	**342,973**	**(2,812,268)**	**4,746,490**	**1,934,221**
Movement in reserves in year														
(Surplus) or deficit after tax		(523,880)	-	-	-	**(523,880)**	**-**	**(523,880)**	**-**	6,416	-	**(517,464)**	**-**	**(517,464)**
Other Comprehensive Expenditure and Income		-	-	-	-	**-**	**(29,543)**	**(29,543)**		(22)	2,069	**(22)**	**(27,474)**	**(27,496)**
Comprehensive Expenditure and Income		**(523,880)**	**-**	**-**	**-**	**(523,880)**	**(29,543)**	**(553,423)**	**-**	**6,394**	**2,069**	**(517,486)**	**(27,474)**	**(544,960)**
Adjustments between accounting basis and funding basis under regulations	9	464,915	-	(20,610)	(260,535)	**183,770**	**(183,770)**	**-**	**-**	43,933	(43,933)	**227,703**	**(227,703)**	**-**
Net (Increase)/ Decrease before Transfers to Earmarked Reserves		**(58,965)**	**-**	**(20,610)**	**(260,535)**	**(340,110)**	**(213,313)**	**(553,423)**	**-**	**48,719**	**(41,862)**	**(291,391)**	**(255,175)**	**(546,566)**
Transfers (to)/from Earmarked Reserves	10	58,965	(58,965)	-	-	**-**	**-**	**-**		-	-	**-**	**-**	**-**
(Increase)/Decrease in year		**-**	**(58,965)**	**(20,610)**	**(260,535)**	**(340,110)**	**(213,313)**	**(553,423)**	**-**	**48,719**	**(41,862)**	**(291,391)**	**(255,175)**	**(546,566)**
Balance at 31 March 2024		**(10,000)**	**(1,219,508)**	**(665,653)**	**(994,977)**	**(2,890,138)**	**4,190,204**	**1,300,066**	**(51,308)**	**(162,214)**	**301,111**	**(3,103,659)**	**4,491,315**	**1,387,655**

2022/23	Note	Non-Earmarked Reserves	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Usable Reserves	Unusable Reserves	Total Authority Reserves	Adj between Authority and Group Usable	Adj between Authority and Group Unusable	Authority's Share of Subsidiaries' and Joint Venture's Reserves Usable	Authority's Share of Subsidiaries' and Joint Venture's Reserves Unusable	Group Usable	Group Unusable	Total Reserves
		------------	--------------	Authority	--------------	------------	------------	------------			------------	Group	------------	------------	
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2022		**(10,000)**	**(1,862,085)**	**(621,840)**	**(1,986,118)**	**(4,480,043)**	**5,526,484**	**1,046,441**	**-**	**(11,966)**	**(156,199)**	**428,013**	**(4,636,241)**	**5,942,530**	**1,306,289**
Movement in reserves in year															
(Surplus) or deficit after tax		1,051,857	-	-	-	**1,051,857**	**-**	**1,051,857**	**(39,342)**		(67,092)	-	**945,423**	**-**	**945,423**
Tax on Other Comprehensive Income		-	-	-	-	**-**	**-**	**-**			-	(20,329)	**-**	**(20,329)**	**(20,329)**
Other Comprehensive Expenditure and Income		-	-	-	-	**-**	**(244,809)**	**(244,809)**			(24,628)	(27,630)	**(24,628)**	**(272,439)**	**(297,067)**
Comprehensive Expenditure and Income		**1,051,857**	**-**	**-**	**-**	**1,051,857**	**(244,809)**	**807,048**	**(39,342)**	**-**	**(91,720)**	**(47,959)**	**920,795**	**(292,768)**	**628,027**
Adjustment between authority accounts and group accounts			-	-		**-**	**-**	**-**	**-**		-	-	**-**	2	**2**
Other adjustments		-	-								(97)	2	**(97)**	**-**	(97)
Adjustments between accounting basis and funding basis under regulations	9	(350,315)	-	(23,203)	1,251,676	**878,158**	**(878,158)**	**-**	**(11,966)**	**11,966**	37,082	(37,082)	**903,274**	**(903,274)**	**-**
Net (Increase)/ Decrease before Transfers to Earmarked Reserves		**701,542**	**-**	**(23,203)**	**1,251,676**	**1,930,015**	**(1,122,967)**	**807,048**	**(51,308)**	**11,966**	**(54,735)**	**(85,039)**	**1,823,972**	**(1,196,040)**	**627,932**
Transfers (to)/from Earmarked Reserves	10	(701,542)	701,542	-	-	**-**	**-**	**-**			-	-	**-**	**-**	**-**
(Increase)/Decrease in year		**-**	**701,542**	**(23,203)**	**1,251,676**	**1,930,015**	**(1,122,967)**	**807,048**	**(51,308)**	**11,966**	**(54,735)**	**(85,039)**	**1,823,972**	**(1,196,040)**	**627,932**
Balance at 31 March 2023		**(10,000)**	**(1,160,543)**	**(645,043)**	**(734,442)**	**(2,550,028)**	**4,403,517**	**1,853,489**	**(51,308)**	**-**	**(210,933)**	**342,974**	**(2,812,268)**	**4,746,490**	**1,934,221**

Consolidated and Authority Balance Sheet

	Note	Authority 31 March 2024 £000	Group 31 March 2024 £000	Authority 31 March 2023 £000	Group 31 March 2023 £000
Property, plant & equipment	25	23,563	37,557	19,656	33,265
Investment property	26	-	228,008	-	186,418
Intangible assets		1,781	1,796	2,629	2,703
Net Pensions Asset	21	57,196	59,643	26,705	26,780
Long term investments	30,50	10,539	405,912	52,161	1,744,824
Equity Investment in Limited Partnership	30,49	-	-	-	2
Investments in associates	31	75,530	102,301	-	-
Long term debtors	33,50	999,499	246,780	779,277	145,852
Finance lease receivables	34	-	8,525	-	47,327
Long Term Assets		**1,168,108**	**1,090,522**	**880,428**	**2,187,171**
Short term investments	50	176	47,104	-	1,205,694
Finance lease receivables	34	-	39,515	-	3,202
Inventories	37	-	361,926	-	529,977
Trade and other receivables	38	1,371,847	1,264,481	1,640,621	1,423,888
Cash and Cash Equivalents	39	2,634,524	2,789,731	2,656,661	703,132
Current Assets		**4,006,547**	**4,502,757**	**4,297,282**	**3,865,893**
Short term borrowing	50,51	(462,996)	(420,108)	(427,982)	(346,243)
Short term creditors	40	(831,919)	(974,702)	(991,165)	(1,172,897)
Receipts in advance - revenue	16,40	(350)	(1,105)	(20,542)	(21,321)
Receipts in advance - capital	16,40	(2,301)	(2,301)	(77,788)	(79,317)
Finance lease liabilities	35	-	(12)	-	(12)
Provisions	41	(200)	(159,214)	(2,025)	(258,001)
Current Liabilities		**(1,297,766)**	**(1,557,442)**	**(1,519,502)**	**(1,877,791)**
Long term creditors		(4,394)	(15,880)	(2,909)	(65,624)
Provisions	41	(286,700)	(454,656)	(386,397)	(561,674)
Long term borrowing	50,51	(4,885,861)	(4,910,872)	(5,122,391)	(5,445,999)
Finance lease liabilities	35	-	(277)	-	(289)
Net pensions liability	21	-	-	-	(2,044)
Receipts in advance - revenue	16	-	(5,349)	-	(5,349)
Receipts in advance - capital	16	-	(29,388)	-	(21,447)
Deferred tax liability	52	-	(7,070)	-	(7,068)
Long Term Liabilities		**(5,176,955)**	**(5,423,492)**	**(5,511,697)**	**(6,109,494)**
Net Assets/(Liabilities)		**(1,300,066)**	**(1,387,654)**	**(1,853,489)**	**(1,934,221)**
Usable reserves		(2,890,138)	(3,103,659)	(2,550,028)	(2,812,268)
Unusable Reserves	43	4,190,204	4,491,314	4,403,517	4,746,490
Total Reserves		**1,300,066**	**1,387,654**	**1,853,489**	**1,934,221**

Consolidated and Authority Cash Flow Statement

	Note	Authority 2023/24 £000	Group 2023/24 £000	Authority 2022/23 £000	Group 2022/23 £000
Net surplus or (deficit) on the provision of services		523,880	517,465	(1,051,857)	(945,422)
Adjustments to net surplus or deficit on the provision of services for non-cash movements	44	(143,517)	(109,213)	(92,086)	(104,675)
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	45	(1,236,370)	(1,325,681)	(975,053)	(1,082,471)
Net cash flows from Operating Activities		**(856,007)**	**(917,429)**	**(2,118,996)**	**(2,132,568)**
Investing Activities	46	1,061,038	1,113,605	1,043,497	1,880,905
Financing Activities	47	(227,169)	(172,595)	(85,132)	57,621
Net increase or (decrease) in cash and cash equivalents		**(22,138)**	**23,581**	**(1,160,631)**	**(194,043)**
Cash and cash equivalents at 1 April	39	2,656,661	703,132	801,106	897,175
Reversal of intra-group adjustments on deconsolidation of subsidiary		-	2,769,190	-	-
Deconsolidation of subsidiary cash balance			(706,172)	-	-
Reclassification of investments into cash equivalents as a result of a change in the purpose for which they are held (see note 50f)	50f	-	-	3,016,186	-
Cash and cash equivalents at 31 March		**2,634,523**	**2,789,731**	**2,656,661**	**703,132**

Notes to the Core Financial Statements

1. Changes in accounting policies, prior period restatements and reclassifications

There have been no changes to accounting policies.

2. Accounting Policies

i. Code of Practice
ii. Basis of Accounting
iii. Basis of Preparation of Group Accounts
iv. Going Concern
v. Prior Period Adjustments, Changes in Accounting Policies and Errors and Estimates
vi. Events after the Balance Sheet Date
vii. Accruals of income and expenditure
viii. Government Grants and Third-Party Contributions
ix. Council Tax Accounting
x. Non-domestic rates
xi. Crossrail Business Rate Supplement
xii. Community Infrastructure Levy (CIL)
xiii. Exceptional Items
xiv. Charges to Revenue for Non-Current Assets
xv. Employee Benefits
xvi. Fair Value
xvii. Financial Instruments
xviii. Cash and cash equivalents
xix. Foreign Currency Translation
xx. Interests in Companies and Other Entities
xxi. Inventories
xxii. Leases
xxiii. Intangible Assets
xxiv. Property, Plant and Equipment
xxv. Heritage Assets

xxvi. Investment Property
xxvii. Revenue expenditure funded from capital under statute (REFCUS)
xxviii. Provisions, Contingent Liabilities and Contingent Assets
xxix. Reserves
xxx. VAT
xxxi. Corporation Tax
xxxii. Minimum Revenue Provision

i. Code of Practice

The Statement of Accounts summarises the Greater London Authority’s ("GLA"/ “the Authority”) and the GLA Group’s (“the Group”) transactions for the 2023-24 financial year and its position at 31 March 2024. As required by the Accounts and Audit (England) Regulations 2015, the Authority has prepared the 2023-24 Statement of Accounts in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24 (“the Code”) and the International Financial Reporting Standards (“IFRS”) adopted by the United Kingdom (“Adopted IFRS”).

ii. Basis of Accounting

The accounts are prepared as at 31 March.

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.

Where items are considered significant by virtue of their size or nature, they are disclosed separately in the financial statements in order to aid the reader’s understanding of the Authority and Group’s financial performance.

iii. Basis of Preparation of Group Accounts

The Code requires local authorities with, in aggregate, material interests in subsidiary and associated companies and joint ventures, to prepare group financial statements.

The Group's financial statements incorporate the financial statements of the Greater London Authority and its subsidiaries prepared as at the year-end date. Where significant, adjustments are made to the financial statements of the subsidiaries to bring the accounting policies used in line with other GLA Group entities.

Subsidiaries

The Group accounts presented with the Authority's accounts consolidate the individual accounts of the Greater London Authority and its subsidiaries. A subsidiary is an entity over which the Authority exercises or has the potential to exercise control. The Authority controls an entity when the Authority is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenditure, assets and liabilities of subsidiaries have been consolidated on a line-by-line basis, except for London Travel Watch, London Treasury Limited and London Power Co. Limited which have been excluded on materiality grounds. Material intragroup transactions and balances between the remaining GLA Group entities are eliminated.

In 2023-24, London Treasury Liquidity Fund LP (the Fund) ceased being a GLA subsidiary and is accounted for as an associate on the grounds that the GLA exerts significant influence over the key financial and operating activities of the Fund.

The Authority's subsidiaries are:

Subsidiaries and sub-subsidiaries	Principal Activities
Greater London Authority Holdings Limited (GLAH)	Holding company
◦ GLA Land and Property Limited (GLAP)	Development, sale and rental of land and buildings
◦ London Power Co. Limited (LPC)*	Energy services
◦ London Treasury Limited (LTL)*	Fund management services
◦ LTLF GP Limited (formerly LSR GP Limited) - subsidiary of LTL	Fund management services
London Legacy Development Corporation (LLDC)	Regeneration of the Queen Elizabeth Olympic Park
◦ Stratford East London Developments Limited (SELD)	Property development
◦ Stratford East London Partners LLP	SELD 50/50 joint venture with Ballymore Stratford East (2) (incorporated 7 July 2022)
◦ Stratford East London Holdings Limited (SELH)	Holding company and member of E20 Stadium LLP

◦ Stratford Waterfront Management Co Ltd	Manage the public realm of Stratford Waterfront
◦ E20 Stadium LLP (E20) (LLDC & SELH are members)	Running the London Stadium
◦ London Stadium 185 Limited (LS185) (subsidiary of E20)	London Stadium operator
◦ Stratford Waterfront Retail Management Company Limited (incorporated on 8 September 2023) – subsidiary of LLDC	Sub-letting of retail units on the Stratford Waterfront
◦ Pudding Mill Legacy Developments Limited (incorporated on 24 November 2023) – subsidiary of LLDC	Property development
Old Oak and Park Royal Development Corporation (OPDC)	Regeneration of Old Oak and Park Royal
SME Wholesale Finance Limited (SMEWFL) t/a Funding London	Financing of small and medium businesses
◦ London Co-Investment Fund LLP (LCIF)	Financing of small and medium businesses
◦ Greater London Investment Fund Limited (GLIF)	Financing of small and medium businesses
London Travel Watch (LTW)*	Transport watchdog

*On materiality grounds, LTL, LTW and LPC are not consolidated in the GLA's group accounts.

Investments in associates and joint venture

Joint ventures are accounted for using the equity method and are initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss of the investee after the date of acquisition. The Group's share of the investee's profit or loss is recognised in the Group's profit or loss.

When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount is reduced to £nil and the remaining loss is offset against any loans to the investee after which any recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

Associates are accounted for using the equity method, if the net assets of the associates are material to the Group.

In 2023-24, London Treasury Liquidity Fund LP (the Fund) ceased being a GLA subsidiary and is accounted for as an associate on the grounds that the GLA exerts significant influence over the key financial and operating activities of the Fund.

The Authority holds a significant share of the Fund's assets, consistently exceeding 80% during the course of the year.

For major decisions such as the investment strategy, reserved investment decisions, and the strategic assets allocation the Fund's General Partner defers to the Limited Partnership Administration Committee (LPAC). Each Limited Partner has a "voting right" which varies as to the majority required.

In assessing decisions that drive the key financial and operating activities, the most important resolution would be the approval of the investment strategy. This requires 70% of the voting members with at least 50% of the Total core balance to agree. This vote requires the GLA to meet the over 50% of total core balances voting requirement, but in addition to that the need agreement of five of the six Limited Partners is also required.

On matters requiring unanimous consent such as the investment duration and allocation to strategic assets, the agreement of four of the six Limited Partners holding 2.5% of total core account balance is required, again the Authority meets this voting threshold.

Climate Change Considerations

In preparing the financial statements, management has considered the impact of climate change, particularly in the context of the disclosure made in the Narrative report and the sustainability goals. Management has considered the impact of climate change on a number of key estimates within the financial statements including estimates of future cashflows, the useful economic life of PPE, the impairment of PPE, inventory and provisions. The LLDC onerous contracts provision and the assessment includes assumptions on the cost and consumption of utilities, the latter reflecting reductions as a result of investment in energy reduction/sustainability measures at the Stadium (e.g., LED lights).

These considerations did not have a material impact on the financial reporting judgements and estimates, consistent with the assessment that climate change is not expected to have a significant impact on the Group's going concern assessment to the 31 March 2026.

iv. Going Concern

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24 (the Code), which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The financial statements have been prepared on a going concern basis as the GLA's statutory Chief Finance Officer considers that the activities of the GLA and the GLA Group will continue in operational existence to 31 March 2026 following the date of the auditor's report, and it will be able to meet its liabilities as they fall due for payment.

GLA reserves and cash balances

The GLA has a healthy level of earmarked reserves balances, at 31 March 2024 non-earmarked reserves totalled £10m and earmarked reserves totalled some £1,219m (£618m Core GLA and £601m in respect reserves available to support the wider GLA Group). The approved GLA budget for 2024-25 and indicative budgets for later years reflect both the agreed delivery structure and a strong level of reserves.

At 31 March 2025, the Authority’s expected General Fund reserve has a predicted balance of £10 million, this remains at the minimum level of General Fund balances as set by the Interim Chief Finance Officer; earmarked reserves are forecast at £409m for GLA Core (excluding Revenue Grants Unapplied reserve £49m) and in line with the February’s 2024 approved budget is assumed to be £292m for GLA Group. It is anticipated that at 31 March 2026 the General Fund balance of £10m will remain and earmarked reserves will total £344m for GLA Core (excluding Revenue Grants Unapplied reserve £68m) with a budgeted target of £232m for GLA Group.

The GLA will be reviewing the forecast Group reserves balances in light of the 2023-24 outturn data and future planned commitments as part of the development of the Mayor’s budget guidance for 2025-26 which is expected to be published in July 2024.

The reduction GLA Group reserves by the end of 2024-25 compared to the position at 31 March 2024 includes the application of the remaining balances on the Transport services funding (£88.5m) and Environmental Improvement (£85m) reserves to fund the balance of the Greater London ULEZ vehicle scrappage scheme and other programmes.

The majority of the cost of the primary free school meals programme for the 2024-25 academic year approved as part of the Mayor’s 2024-25 budget is also being funded from a combination of core GLA reserves and a repurposing of part of the above remaining funds in the Transport services funding reserve.

The GLA receives around £5 billion per annum in business rates and council tax after accounting for reliefs and cap compensation. The GLA maintains a business rates reserve which is intended to manage volatility in both income streams – including managing collection fund deficits which may arise compared to budgeted allocations which have already been transferred to functional bodies. This reserve has a target balance of around £110m by March 2027 (allowing for inflation) equivalent to the maximum in year shortfall the GLA would need to meet were it to be in a safety net position within the rates retention system.

There are risks associated with managing prior year and current year volatility in revenues – these risks increased following the pandemic and the delays in signing off billing authority accounts (including their collection funds). The actual balance on the BRR at 31 March 2024 was £269m. This is £152m above the balance forecast in the Mayor's Final Budget for 2024-25. This balance is now forecast to be c£160m above the target balance by 2026-27. This reflects caution that was built into the assumption underlying the budget forecasts due to the wider risks. These cautionary estimates included downward adjustments to account for potential repayment of prior deficits should they materialise. Recent outturn figures from boroughs have confirmed that this is not needed because they have already accounted for the prior deficits and those adjustments can be unwound thus increasing the BRR balance. This will be reviewed in the forthcoming budget process.

The GLA's projected cashflow forecast remains strong, with cash balances forecast £2.1bn at the end of 2024-25. It is anticipated that cash balances will remain strong at this level at the end of 2025-26, currently forecast at £1.7bn. This is principally due to the profile of spend anticipated, driven mainly by capital grant spending.

Group financial risks and uncertainties

Borrowing
The key elements of the GLA's loan repayments relate to Crossrail – now called the Elizabeth Line – and the Northern Line Extension to Battersea Power Station.

Crossrail – Elizabeth Line
The balance of the GLA's residual borrowing for the Crossrail project is c£4.1 billion as at 31 March 2024. The interest and principal repayment of this borrowing is being funded from Crossrail Business Rates Supplement and Mayoral Community Infrastructure Levy (Note24). In 2023-24, £404.5 million was collected from these two funding streams net of collection costs. This contributed to a £276.1 million surplus on the Crossrail revenue account which illustrates how annual revenues from these two sources now materially exceed debt financing and related administration costs. This surplus is available to be set aside to repay the outstanding Crossrail debt.

In 2024-25 combined revenues from MCIL and BRS are budgeted to be over £370 million – which exceeds the budgeted capital financing costs of c£125 million by over £235m. In light of these actual and forecast surpluses the Authority therefore remains confident that it will have more than sufficient revenues to cover the in-year financing costs each year relating to the Elizabeth line thus allowing the surplus revenues to be set aside to fund the repayment of the outstanding debt, by the target date of the early 2040s.

Northern Line Extension

The GLA agreed in 2014 to make a £1 billion contribution towards the Northern Line Extension (NLE), primarily funded using borrowing from the European Investment Bank and other sources. This borrowing is being financed and repaid using the business rates growth in the local designated area and by local developer contributions collected by the London Boroughs of Lambeth and Wandsworth. The GLA's residual debt associated with the project at 31 March 2024 was c£0.9 billion.

The Mayor's 2022-23 annual budget approved the creation of the NLE reserve which had a balance of £71.5 million at 31 March 2024. This reserve will be applied to meet any future deficits in the short term until the expected significant additional growth in business rates income from the local designated area following the opening of the NLE materialises – with the final balance expected to be released in 2026-27 to contribute towards the repayment of the GLA's outstanding debt.

In 2023-24 there was a net revenue surplus (excluding the £7.5 million additional capital contribution) of £20.0 million on the NLE revenue account. The business rates growth from the local designated area is expected to increase significantly by the 2024-25 outturn as the assessments arising from the opening and expansion Battersea Power station development are added to the valuation list. The Authority is therefore also confident that it will have more than sufficient revenues to cover the financing costs on its NLE related debt each year allowing surplus revenues to be set aside to fund the repayment of the principal by the statutory deadline for the ending of the designated area of March 2041. Albeit the secondary legislation which established the designated area in 2015 does, however, provide for this possibility of this being extended by a further five years should it be required to repay the GLA's remaining debt.

Functional Bodies

The LFC, MOPAC and TfL are ordinarily required to meet any additional unforeseen expenditure themselves although volatility in council tax and business rates income from the Mayor is managed initially through the GLA's business rates reserves. Where these are a consequences of Mayor policy announcements, GLA funding will be identified in advance of such an announcement. This includes the additional sums provided in the Mayor's 2024-25 budget to TfL to fund additional programmes and support the Mayor's fares freeze until March 2025.

LLDC group

The LLDC's long term funding model continues to demonstrate that sufficient receipts are forecast to be generated that will result in surplus funds at the programme end. The model is subject to on-going review. The Corporation's borrowing limit remains capped at £550 million and the GLA will continue to provide additional grant funding during the going concern period, if necessary, to ensure that this level is not breached. There is on-going financial risk as the construction of East Bank nears completion, in the operation of the London Stadium and from housing market developments.

The GLA continues to be committed to meeting the funding requirements of E20 Stadium LLP. It has agreed funding for E20 for 2024-25 through the GLA statutory budget process and the Mayor's Budget Guidance for 2024-25 recognised this on-going commitment in proposed funding for LLDC.

The GLA's cash balances continue to mean that all LLDC cashflow requirements during the going concern period can be met. The Capital Funding Reserve for LLDC has a forecast balance of £11.0 million at the end of March 2026. The adequacy of this reserve is assessed regularly to ensure that sufficient resources are in place to fund cost pressures arising from the completion of the East Bank development, E20 Stadium LLP and other emergent risks.

GLA Group (excluding LLDC)

The Authority is also exposed to the financial risks of its subsidiaries Greater London Authority Holdings (GLAH) group, the Funding London group and the Old Oak and Park Royal Development Corporation. It is management's view that none of these subsidiaries poses a significant financial risk to the Authority.

The GLAH group made a loss before tax for the period of £6.6m (£56.2m loss before tax in 2022-23) mainly driven by £16m in write downs in value of land held for development and a £10m share of BRL's in-year loss; offset by £20m profit on land disposals. However, the balance sheet remains strong with net assets currently totalling £180m (£198m at 31 March 2023) and cash flows forecast at £67.6m at 31 March 2025 and £22.1m at 31 March 2026. Further to this, the GLAH Group's liquidity position is assured as the Greater London Authority has provided written assurances to the Company's directors that, so long as the Company is a subsidiary of the GLA, the GLA will continue to make sufficient monies available to the Company to enable it to meet all its debts as they fall due.

Funding London's investments are reviewed at the GLA's Financial Risk Oversight Board on a quarterly basis and the view is that these loans do not represent a material risk to the GLA during the going concern period. Funding London is being integrated into LTL.

OPDC's net revenue expenditure for 2024-25 is relatively small (£11.8m) in relation to the rest of the GLA Group. However, to facilitate government agreement of OPDC's Outline Business Case for Old Oak West, where HS2 is currently scheduled to terminate, the Mayor's Consolidated Group Budget 2024-25 increased OPDC's authorised borrowing limit by £50 million (to £100 million in total) for 2024-25. This additional borrowing will be utilised to support OPDC's land acquisitions programme. The GLA has an OPDC Flexibility Reserve to ensure adequate contingency funding for the organisation is in place. The OPDC Flexibility Reserve currently has a forecast balance of £15.1 million at the end of March 2025, of which £2.2 million relates to ringfenced planning income. The adequacy of this reserve is always considered and reviewed as part of the annual GLA Group Consolidated Budget process.

TfL financial settlement

A financial settlement was agreed for TfL on 30 August 2022 which provides both base funding and a guaranteed level of passenger income via a revenue top-up mechanism thereby ensuring TfL's ongoing financial viability. Under this agreement – which expired at 31 March 2024 – around £936.9 million was paid via the GLA as GLA transport grant as set out in the fund account statement. A further capital settlement was agreed for TfL on 18 December 2023 under which an additional £250 million of government funding was provided.

As part of this, the GLA made available until 31 March 2024, a financial facility of up to £500m – subsequently reduced to £350 million from April 2024 – which TfL can draw upon, to be repaid from future years business rates. This facility was not required to be utilised in 2023-24. To the extent that this financial facility is required by TfL this will be funded temporarily from the GLA's cash, pending its repayment from future years' business rates. Only in extremis will the GLA seek to temporarily borrow to make the facility available. However, this is considered to be an unlikely occurrence.

In order to place TfL on a more sustainable financial footing and protect concessions the level of resource provided by the Mayor through council tax to TfL has increased from £6m in 2020-21 to £244.1 million in 2024-25. Including retained business rates the total level of resource provided through the GLA to TfL from local taxation will exceed £2.4 billion in 2024-25.

Through the environmental improvement reserve and the transport services funding reserve £210 million has been budgeted by the GLA to fund the ULEZ scrappage scheme.

The GLA has agreed to an eventual issuance of a Green Bond, when suitable market conditions prevail, to provide TfL with capital resources to support the delivery of net zero by 2030. Until this bond issuance TfL and other functional bodies can access the Green Finance Fund.

Conclusion

Our cash flow forecasting and assessment of the adequacy of our liquidity position demonstrates positive cash balances throughout the going concern period, and no expectation of any additional external borrowing being required. This covers the period to 31 March 2025.

The Mayor's approved 2024-25 budget set out his forecast funding allocations and assumptions in respect of council tax and business rates income for the next three financial years – and the associated risks and uncertainties.

In determining our forward plans we have considered possible downside scenarios, including for business rates and council tax income making appropriate provisions in reserves to manage potential downsides in income:

- business rates income would be at the minimum Government safety net level – although in practice based on the 2023-24 outturn position and the expectation that the government will not implement any fundamental reforms to local government funding and taxation this is considered highly unlikely over the planning period. The business rates reserve includes a provision to meet this potential risk for at least one financial year

- potential lower levels of increases in the council tax base in light of the impact of the cost-of-living crisis, the more challenging housing market and pressures on local council tax support schemes

- expenditure within the GLA Missions and Foundations exceeds budget

- LLDC group requires additional grant funding to meet unforeseen expenditure over the planning period

- GLAH group commitments and potential defaults on loans.

Modelling was undertaken to inform July 2023 budget guidance allocations for 2024-25 but ultimately the revenues available – and final sums allocated – reflect additional revenues which came available via the local government finance settlement and the business rates forecasts provided by London billing authorities in early 2024.

If retained business rates income did, for example, fall to the minimum guarantee safety net level the GLA would seek to temporarily mitigate this by considering applying the Business Rates Reserve whilst reviewing the options available and taking remedial action. The adequacy of reserves balances to meet future commitments is also kept under review.

Future years' income from retained business rates is, in practice, heavily dependent on government policy decisions on local government finance and funding – including the level of support for inflation pressures delivered through the settlement – and the rate of London's long-term recovery from the economic impact of the pandemic and the current economic challenges due to the cost-of-living crisis.

The Mayor's final 2024-25 budget approved additional expenditure including a mixture of one-off and ongoing commitments which can be managed within existing business rates and council tax funding envelopes. The level of resources available to meet these commitments will be kept under review in light of future government announcements on potential changes to the local government funding both in terms of the policy reforms and the quantum provided.

Inflation pressures have eased in the early part of 2024 but the ongoing impact of the increases since 2022 has inevitably had an impact pay and prices including for capital investment. London's economy, is gradually recovering following the impact of the COVID-19 pandemic, but the cost of living crisis, the UK's exit from the European Union and the impacts of inflation on household continue to impact on corporate budgets.

Should the above downsides scenarios occur or risks materialise, the minimum level of general fund reserves is forecast to remain above £200m and liquidity would be more than adequate to manage such a scenario.

A detailed review is undertaken each year of GLAP's loan exposure. The assessment is unbiased, probability-weighted and uses forward-looking macro-economic information. In determining whether there has been a significant increase in credit risk, shadow credit ratings are undertaken, and a provision is made for any expected losses, therein setting aside cash to offset any future defaults. The company's operations put it in a position to continue to meet its borrowing obligations.

Having assessed the funding challenges and other uncertainties faced by the GLA Group over the period to the 31 March 2025, the Mayor considers it appropriate to adopt the going concern basis in preparing these financial statements given the Group's liquidity and reserves position and the ongoing action taken by the Authority to reduce spend commensurate with the funding pressures.

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

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error.

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 a transaction, other events and conditions on the Group's financial position or financial performance. Where a change is made, it is applied retrospectively as if the new policy had always been applied (unless stated otherwise), by adjusting the comparative amounts for the prior period and the opening balances, if the adjustments have had a material effect on the financial position at the beginning of the comparative period. See note 1.

Material errors discovered in prior period figures or reclassifications are corrected retrospectively by adjusting the comparative amounts for the prior period and the opening balances, if the adjustments have had a material effect on the financial position at the beginning of the comparative period, see note 1.

Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

vi. Events after the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue (see Note 6). Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period - the Statement of Accounts is adjusted to reflect such events; and

- those that are indicative of conditions that arose after the reporting period - the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

vii. Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue is recognised when the Group has a contract with a customer and a performance obligation has been satisfied, at the transaction price allocated to that performance obligation. Where payment is deferred, the transaction price is adjusted for the time value of money.

- Development properties and land sales - Revenue is recognised in the income statement when control has been transferred to the purchaser. It is considered that control passes on legal completion. Revenue is recognised at the fair value of the consideration received or receivable on legal completion.

- Contributions from East Bank partners towards the cost of constructing their buildings will not be recognised until the buildings are complete and handed over to the partners. Any revenue received in advance of that will be treated as deferred income on the balance sheet.

- Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

- Supplies are recorded as expenditure when they are consumed - where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

- Property held for sale during the normal course of business is recorded as expenditure when control transfers to the purchaser. It is considered that control passes on legal completion. The properties are carried as inventories on the Balance Sheet, see Inventories accounting policy xxii for further details.

- 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

- Interest receivable on investments and payable on borrowings are accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract; and

- Where revenue and expenditure have been recognised but the cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance, is applied and the resulting changes to impairment loss is written off to the Comprehensive Income and Expenditure Statement (CIES).

viii. Government Grants and Third-Party Contributions

Revenue grants

Whether paid on account, by instalments or in arrears, revenue government grants and third-party revenue contributions and donations are recognised as due to the Group when there is reasonable assurance that:

- the Group will comply with the conditions attached to the payments; and
- the revenue grants or contributions will be received.

Amounts recognised as due to the Group are not credited to the CIES until conditions, attached to the revenue grant or contribution, have been satisfied. Conditions are stipulations that specify how the revenue grant should be used by the Group, and which if not met require the grant to be returned to the transferor.

Monies advanced as revenue grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors (receipts-in-advance). When conditions are satisfied, the revenue grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the CIES.

Where revenue grant income has been received that has no conditions attaching to it, but where the grant has yet to be applied and there are restrictions as to how the monies are to be applied, the Group recognises this income in the CIES and then earmarks it until it is applied.

Capital grants
Capital grants recognised as due are not credited to the CIES until conditions attached to the capital grant have been satisfied. They are carried in the Balance Sheet as creditors (receipts-in-advance) until the conditions have been met.

Where capital grants are credited to the CIES, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

ix. Council Tax Accounting

The GLA is the only major preceptor on the 32 London Boroughs and City of London Corporation.

In their capacity as billing authorities, the boroughs and the City of London Corporation, act as the GLA’s agent: they collect and distribute council tax income on behalf of themselves and the GLA.

The council tax income included in the CIES for the year will be the accrued income for that year. The difference between the income included in the CIES and the amount required by statute to be credited to the General Fund is managed by a transfer to or from the Collection Fund Adjustment Account in the Movement in Reserves Statement.

This ensures that the amount included in the General Fund is as required under statute and is the precept for the year plus the preceptor's share of the Council Tax surplus on the billing authorities' Collection Fund for the previous year or less its share of the Council Tax deficit on the Collection Fund for the previous year. As required, however, under the provisions of the Local Authorities (Collection Fund: surplus and deficit) (Coronavirus) (England) Regulations 2020, the GLA's share of a billing authority's 2020-21 council tax deficit (if applicable) using the estimate calculated by 15 January 2021 is recoverable over the following three financial years - of which 2023-24 was the final year. These arrangements do not apply in respect of any deficits incurred in respect of subsequent years.

Since the collection of council tax is in substance an agency arrangement, the cash collected by the boroughs and the City of London Corporation from council tax debtors belongs proportionately to them and the GLA. A debtor/creditor position between these billing authorities and the GLA is recognised since the net cash paid to the GLA in the year will not be its share of cash collected from council taxpayers.

x. Non-domestic rates (or Business Rates)

In their capacity as billing authorities, the 32 boroughs and the City of London Corporation, act as the Greater London Authority and the Secretary of State's agent: they collect and distribute non-domestic rates income on behalf of themselves, the Secretary of State and the GLA in proportion to the agreed shares set out in the Non-Domestic Rating (Rates Retention) Regulations 2013.

The non-domestic rates income included in the CIES for the year will be the GLA's share of accrued income for that year. The difference between the income included in the CIES and the amount required by statute to be credited to the General Fund is managed by a transfer to or from the Collection Fund Adjustment Account in the Movement in Reserves Statement. See Note 15.

This ensures that the amount included in the General Fund is as required under statute and is the Authority's proportionate share of non-domestic rates for the year plus the Authority's share of the Non-Domestic Rates surplus on the billing authorities'

Collection Fund for the previous year or less its share of the Non-Domestic Rates deficit on the Collection Fund for the previous year.

For 2023-24 the amounts reflected in these draft accounts are based on NNDR3 returns (and amended versions) approved by section 151 officers and officially submitted to DLUHC (and GLA) by the date at which the entries in the draft accounts were prepared. Billing authorities may make further amendments subsequently, which if submitted in good time, will be included in the audited GLA Group accounts.

Since the collection of non-domestic rates is in substance an agency arrangement, the cash collected by the boroughs and the City of London Corporation from non-domestic rates debtors belongs proportionately to them, the GLA and, for prior years, notionally in respect of their centrally retained share the Secretary of State. A debtor/creditor position between these billing authorities and the GLA is recognised since the net cash paid to the GLA in the year will not be its share of cash collected from non-domestic rate payers.

xi. Crossrail Business Rate Supplement

The GLA is empowered to levy a business rate supplement under the Business Rate Supplements Act 2009. The revenue collected can only be applied in respect of Crossrail related expenditure.

BRS income is presented within "Taxation and Non-Specific Grant Income". As the GLA is required to refund BRS levies that have not been used to finance the project (e.g. where the imposition of the Business Rate Supplement has come to an end) any BRS income is therefore subject to a condition, and therefore all BRS receipts are initially recognised as a creditor.

The GLA receives amounts in respect of BRS from billing authorities during the year based on a provisional estimate at the start of the year net of reliefs, borough collection costs and a 5% contingency allowance. After the financial year-end each billing authority calculates the amount it has collected in BRS after allowing for collection and other costs. This uses a different methodology - as specified in section 7 to Schedule II of the BRS Transfers to Revenue Business Rate Supplements (Transfers to Revenue Accounts) (England) Regulations 2009.

The amount calculated as having been collected in BRS under this methodology is based on the total amount paid into each billing authority's collection fund in business rates and BRS multiplied by the share which BRS liabilities represent of the total business rates liability for all ratepayers (including those not liable for BRS) adjusted for prior year liabilities and refunds. A debtor or creditor is raised depending on whether the amount calculated as having been collected is higher or lower than the amount paid in instalments based on the provisional estimate. There is no direct relationship between the methodology used to calculate the provisional returns and the final returns.

The GLA recognises its BRS revenue as income in the CIES only at the point the conditions it has set out in the Crossrail BRS final prospectus published in January 2020 are satisfied.

The GLA recognises all revenue expenditure relating to its contribution towards the Crossrail project as expenditure in the relevant service revenue account(s) as it is incurred. Its contributions paid to Transport for London in respect of Crossrail have been recognised as Revenue Expenditure Funded from Capital under Statute ("REFCUS").

Interest payable on the associated borrowing is recognised within financing and investment income.

Further details on the BRS can be found in note 55. The Crossrail revenue account sets out the sums receivable in respect of 2023-24 in BRS and how they have been applied.

xii. Community Infrastructure Levy (CIL)

The Authority has elected to charge a Mayoral CIL (MCIL). The levy is charged on new builds (chargeable developments for the Authority) with appropriate planning consent. Under existing legislation, the GLA's CIL may only be applied to fund transport projects and the income from the levy is currently being used to fund Crossrail.

The Authority is the chargeable body and the London Boroughs and City of London Corporation – the 33 collecting authorities - collect the levy on the Authority's behalf. Transport for London manages the administration of CIL on behalf of the GLA under an agency arrangement.

Prior to 2019-20 MCIL income was paid into the Crossrail Sponsor Funding Agreement Account held by Transport for London before being applied by it to fund the Crossrail project.

From 2019-20 the GLA has been permitted under regulations approved by Parliament (The Community Infrastructure Levy

(Amendment) (England) Regulations 2019) to apply MCIL for capital financing purposes for Crossrail. MCIL income retained by GLA from 1 April 2019 is now reported as part of the Crossrail revenue account which includes the statutory BRS revenue account. This ensures that all the funds received and applied to fund the GLA's contributions to Crossrail and its associated financing costs are reported in one account. The Community Infrastructure Levy (Amendment) (England) Regulations 2021 laid before Parliament in March 2021 following the November 2020 Crossrail funding deal permit the Mayor to apply MCIL revenues to finance and repay the GLA's Crossrail debt up to 31 March 2043.

CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the CIES in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure. However, a small proportion, of the charges, has been used to fund revenue expenditure. Further details on the CIL can be found in note 24.

The Crossrail revenue account sets out the sums receivable in respect of 2023-24 from MCIL and how they have been applied to meet the GLA's expenditure on Crossrail including financing costs on its debt.

xiii. Exceptional Items

When items of income and expense are material, their nature and amount are disclosed separately, either on the face of the CIES or in the notes to the accounts, depending on how significant the items are to an understanding of the Group's financial performance.

xiv. Charges to Revenue for Non-Current Assets

Services and support services are debited with the following amounts to record the cost of holding fixed 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 assets attributable to the service.

The Authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the annual contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

xv. Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within twelve months of the year-end. They include such benefits as salaries, other remuneration, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Group. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end that employees can carry forward into the next financial year. The accrual is made at the salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Group to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the relevant service in the CIES at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Group to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

Post-Employment Benefits
Group employees are members of the following pension schemes:

- *Local Government Pension Scheme (LGPS):* Authority, LLDC and OPDC staff
- *AVIVA:* GLA Assembly members

The Local Government Pension Scheme
The Local Government Pension Scheme in respect of GLA, LLDC and OPDC employees is administered by the London Pensions Fund Authority (LPFA) and is accounted for as a defined benefits-scheme:

- The liabilities of the LPFA pension scheme attributable to the Authority, LLDC and OPDC 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 earnings for current employees.

- Liabilities are discounted to their value at current prices, at a discount rate of 4.95%. An estimate of the Authority's future cashflows is made using notional cashflows based on an estimated service liability of 21 years. These estimated cashflows are then used to derive a Single Equivalent Discount Rate (SEDR). The discount rate derived is such that the net present value of the notional cashflows, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30-year point). The assets of the LPFA pension fund attributable to the Authority, LLDC and OPDC are included in the Balance Sheet at their fair value as follows:

    - Quoted securities- bid value to bid value basis
    - Unquoted securities-professional estimate
    - Unitised securities- bid value to bid value basis
    - Property-market value

The change in the net pensions asset/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-allocated in the CIES to the services for which the employees worked
  - past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the CIES as part of Non-Distributed Costs; and
  - interest on the net defined benefit asset/liability, i.e. net interest expense for the Authority – the change during the period in the net defined benefit asset/liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES – 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 asset/liability at the beginning of the period – taking into account any changes in the net defined benefit asset/liability during the period as a result of contribution and benefit payments.
- Remeasurements comprising:
  - the return on plan assets – excluding amounts included in the interest on the net defined benefit asset/liability – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure; and
  - actuarial gains and losses – changes in the net pensions asset/liability that arise because events have not coincided with the assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable to the pension fund in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary benefits

Discretionary awards of retirement benefits are sometimes made in the event of early retirements. Any liabilities estimated to arise as a result of an award to a member of staff 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.

Greater London Authority AVIVA master trust scheme

The Greater London Authority AVIVA master trust scheme is a defined contribution scheme open to the Mayor and Assembly Members. As it is a defined contribution scheme no liability for future payments is recognised in the balance sheet and revenue is charged with the employer's contributions payable in the year. The scheme commenced on 1 March 2018.

Allianz Pensions Scheme (London House Brussels staff)

On 1 January 2020, Brussels staff pensions transferred from the LGPS to a group insurance scheme operated by Allianz. This is a defined contributions scheme open solely to the one staff member employed in the Authority's Brussels office. As it is a defined contribution scheme, no liability for future payments is recognised in the balance sheet and revenue is charged with the employer's contributions payable in the year.

xvi. Fair Value

The Group measures some of its non-financial assets such as investment properties and some of its financial instruments such as equity mortgages at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between knowledgeable 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 or in its absence, in the most advantageous market for the asset or liability.

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

When measuring the fair value of a non-financial asset, the authority 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 authority 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 authority'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.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

xvii. Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the CIES 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 borrowings that the Group has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Where premia and discounts have been charged to the CIES, regulations allow the impact on the General Fund Balance to be spread over future years. Where material, the Group has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the CIES to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

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 cashflow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVTPL), and
- fair value through other comprehensive income (FVOCI)

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the CIES (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Group, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

However, the Group has made a number of loans to organisations at less than market rates (soft loans). When soft loans are made, a loss is recorded in the CIES (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

Interest is credited to the Financing and Investment Income and Expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable from the organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CIES to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Any gains and losses that arise on the derecognition of a financial asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model

The Authority recognises expected credit losses on all of its financial assets held at amortised cost and at FVOCI, either on a 12-month or lifetime basis. For trade receivables and finance lease receivables, the Authority applies the simplified approach which allows entities to recognise lifetime expected losses on trade receivables without the need to identify significant increases in credit risk.

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.

The Group has a portfolio of a significant number of loans to subsidiaries and property developers. Losses have been assessed on an individual instrument basis, excluding loans to other local authorities as the Code excludes loans to other local authorities from impairment assessments.

The agreements and the financial standing of the counterparties are reviewed annually by an external credit rating agency and credit risk grades are determined using qualitative and quantitative factors that are indicative of risk of default and are aligned to external credit ratings definitions from Moody's. Expected credit losses are calculated as an unbiased and probability-weighted estimate using an appropriate probability of default, adjusted to take into account a range of possible future economic scenarios, and applying this to the estimated exposure at the point of default after taking into account the value of any collateral held.

Where loans are secured via collateral, an estimate of loss given default of 35% is applied, for unsecured loans an estimate of loss given default of 45% is applied.

At initial recognition, allowance is made for expected credit losses resulting from default events that are possible within the next 12 months (12-month expected credit losses). In the event of a significant increase in credit risk since origination, allowance is made for expected credit losses resulting from all possible default events over the expected life of the financial instrument (lifetime expected credit losses). Financial assets where 12-month expected credit losses are recognised are considered to be Stage 1; financial assets which are considered to have experienced a significant increase in credit risk since initial recognition are in Stage 2; and financial assets which have defaulted or are otherwise considered to be credit impaired are allocated to Stage 3.

An assessment of whether credit risk has increased significantly since initial recognition considers the change in the risk of default occurring over the remaining expected life of the financial instrument. In determining whether there has been a significant increase in credit risk, the Group reviews credit ratings and qualitative indicators such as watchlists and other indicators of historical delinquency, credit weakness or financial difficulty. Where the credit risk subsequently improves such that it no longer represents a significant increase in credit risk since origination, the asset is transferred back to Stage 1. Assets are transferred to Stage 3 when they have defaulted or are otherwise considered to be credit impaired. Default is considered to have occurred when there is evidence that the customer is experiencing financial difficulty which is likely to affect significantly the ability to repay the amount due.

Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment’s fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets measured at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method and losses and impairment are recognised in the CIES. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the CIES within Financing and Investment Income and Expenditure.

Financial Assets Measured at Fair Value through Profit of Loss (FVTPL)

Financial assets that do not meet the tests to be measured at amortised cost or at FVOCI are measured at FVTPL. They are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis
- instruments that do not have fixed and determinable payments – stated at fair value based on the Group’s share of the fair value of the underlying investments.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date.

Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.

Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

xviii. Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in ninety days or less from the date of acquisition, that are readily convertible to known amounts of cash with insignificant risk of change in value and are held for the purpose of meeting short–term cash commitments rather than for investment or other purposes.

In the Cash Flow statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority and group members' cash management.

xix. Foreign Currency Translation

Where the Group has entered into a transaction denominated in a foreign currency, the transaction is converted to sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the CIES.

xx. Interests in Companies and Other Entities

The Authority has material interests in companies and other entities that have the nature of subsidiaries and associates that require it to prepare group accounts.

xxi. Inventories

Greater London Authority Holdings Ltd and London Legacy Development Corporation

Land and buildings held for sale in the normal course of business are classified as inventories (IAS 2) and valued annually, by external professionally qualified valuers, at the lower of cost and net realisable value or the lower of cost and current replacement cost where they are held for distribution at no charge or nominal charge (IPSAS 12). Current replacement cost is the cost the entity would incur to acquire the asset on the reporting date.

Expenditure, of £10,000 and above, on direct materials, direct labour costs and those overheads which have been incurred in bringing the inventories to their present location and condition, is capitalised. Expenditure below £10,000 may be grouped and capitalised where it is practicable to do so.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. For LLDC, where its residential developments are undertaken on its behalf by third parties (for example, via a Development Agreement), LLDC uses its forecast share of the developer's estimated sale receipts to determine the net realisable value (as LLDC does not incur any costs of completion or marketing, selling and distribution). For East Bank properties classified as inventories, LLDC uses its forecast contributions from the East Bank partners and the estimated costs to complete (based on the anticipated final cost as determined in conjunction with its project management partner, Mace) to determine the net realisable value.

Land is de-recognised when control has been transferred to the purchaser, i.e., on legal completion. In relation to the East Bank development, the inventory balance will be derecognised upon completion of the development when the asset is handed over. Upon derecognition the remaining provision recognised as the estimate of the expenditure required to settle LLDC's present obligation towards the cost of the buildings will be released and offset against the partner contributions which are treated as deferred income until building completion.

Non-refundable land option payments are initially recognised in inventory and are written off to the income statements when it is probable that they will not be exercised.

xxii. Leases

Finance Leases (the Group as lessee)

Leased Assets

Leases are identified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Lease Payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent rents are charged as expenses in the periods in which they are incurred.

Finance Leases (the Group as lessor)

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Operating Leases (the Group as lessee)

Rentals paid under operating leases are charged to the CIES as an expense of the services that benefit from use of the leased property, plant or equipment.

Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments.

Operating Leases (the Group as lessor)

Rental income from operating leases and initial direct costs are recognised in the CIES on a straight-line basis over the term of the relevant lease.

xxiii. Intangible Assets

Expenditure, of £10,000 and above, on non-monetary assets that do not have physical substance but are controlled by the Group as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible assets to the Group.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible, is intended to be completed and will generate future economic benefits or deliver service potential through use of the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise services or goods.

Intangible assets are measured initially at cost and are subsequently measured at amortised cost less impairment. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service lines in the CIES. An asset is tested for impairment whenever there is an indication that the asset might be impaired - any losses recognised are posted to the relevant service lines in the CIES. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the CIES.

The useful lives and amortisation methods for software costs are as follows:

Software costs: Straight line - 3 to 5 years

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement on Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

xxiv. Property, Plant and Equipment

Assets that have physical substance and are held for use in the 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.

Recognition
Expenditure, of £10,000 and above, on the acquisition, creation or enhancement of Property, Plant and Equipment 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 Authority and the cost of the item can be reliably measured. 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. Expenditure below £10,000 may be grouped and capitalised where practicable to do so.

De-recognition
Where expenditure is incurred in the direct replacement of an existing asset or a significant component of an existing asset – that component is de-recognised prior to the recognition of any subsequent expenditure.

Initial Measurement and Valuations
Assets are initially measured at cost, comprising:

- the purchase price;

- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and

- Borrowing costs incurred are not capitalised whilst assets are under construction.

Assets are then measured on the Balance Sheet date using a current value basis:

- Specialised properties with no active market – measured at depreciated replacement cost (DRC), being the present value of the assets' remaining service potential, which can be assumed equal to the cost of replacing that service potential;

- Non-specialised operational properties – measured at existing use value, being the market value based on the assumption that the property is sold as part of the continuing enterprise;

- Surplus assets – measured at fair value, being the price that would be received to sell an asset in an orderly transaction between market participants; and

- Plant and equipment – measured at cost less accumulated depreciation and accumulated impairment losses as a proxy for current value.

Assets under construction are measured at cost less accumulated impairment losses.

Valuations

Assets included in the Balance Sheet at current and fair value are revalued annually to ensure that their carrying amount is not materially different from their current or fair value at the year-end. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Account in order to reverse a loss charged to services in a prior year.

Where decreases in value are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); and

- where there is an insufficient balance in the revaluation reserve, the revaluation reserve is written down to nil and the remaining amount of the decrease in value is written down against the relevant service line(s) in the CIES.

Where there is no balance in the Revaluation Reserve, the whole amount of the decrease in value is written down against the relevant service line(s) in the CIES.

Impairment

Assets are assessed at each year end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.
Where impairment losses are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); and

- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided on all Property, Plant and Equipment assets by systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets that are not yet available for use (i.e. assets under construction).

Depreciation is provided according to the following policy:

- Newly acquired assets are depreciated when they are brought into use or on an average basis; and
- Depreciation is calculated using the straight-line method and over the following useful lives:
    - Buildings – up to 60 years
    - Plant and equipment – 3 to 40 years
    - IT infrastructure and development – 3 years
    - Furniture, fixtures and fittings – 5 to 10 years
    - Motor vehicles – 3 years

Where an item of Property, Plant and Equipment has major components with significantly different useful lives and the cost of which is significant in relation to the total cost of the item, the components are depreciated separately.

Land is not depreciated as it is deemed to have an indefinite useful life.

Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the CIES 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 the disposal).

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. Receipts are apportioned to the Capital Receipts Reserve from the General Fund Balance in the Movement in Reserves Statement.

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

xxv. Heritage Assets

Heritage assets are assets that are held principally for their contribution to knowledge or culture and may be carried at cost or fair value based on market value.

Two heritage assets were transferred on 1 April 2012 from the Homes and Community Agency both had depreciated to a nil carrying value. The assets held are of a unique nature and there is no historical cost information available and no comparable market value information.

The Group considers the cost of obtaining such information outweighs the benefits to the users of the financial statements. As a result, the assets have not been recognised on the Balance Sheet. The appropriate disclosures have been made in Note 29.

xxvi. Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the supply of services or for administrative purposes.

Investment property is measured initially at cost, including transaction costs, and subsequently measured at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation and on disposal are recognised in the CIES. As statutory arrangements do not allow these gains and losses to impact the General Fund, they are subsequently reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve (sales proceeds). When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

External, professionally qualified valuers are used to measure fair value.

If the use of an investment property changes such that it requires a transfer to inventories, then the property's deemed cost in accordance IAS 2 (Inventories) shall be its fair value at the date of change in use.

Where there is a change in use of a property, this may result in a reclassification of an investment property to inventories, or vice versa. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use.

As set out in IAS 40, a change in management's intentions for the use of a property does not, in isolation, provide evidence of a change in use. However, an example of a change in use is the commencement of development with a view to sale.

In this context, management defines 'commencement of development' as the start of work on site, which could be on a phased basis and (with reference to Section 56 of the Town and Country Planning Act 1990) includes:

- any work of construction in the course of the erection of a building
- any work of demolition of a building
- the digging of a trench which is to contain the foundations, or part of the foundations, of a building
- the laying of any underground main or pipe to the foundations, or part of the foundations, of a building
- the course of laying out or constructing a road or part of a road

Where a group entity decides to dispose of an investment property (e.g. land) without development, it continues to treat the property as an investment property until it is derecognised (eliminated from the statement of financial position) and does not reclassify it as inventory.

xxvii. Revenue expenditure funded from capital under statute (REFCUS)

Revenue expenditure funded from capital under statute is expenditure that may be capitalised under statutory provisions but which does not result in the creation of a fixed asset to the Authority/Group. For example, grant paid to a third party for the purchase or creation of a fixed asset. This will include capital grants paid to Transport for London in respect of the Northern Line Extension and Crossrail, housing capital funding paid to London boroughs, developers and housing associations; and regeneration funding paid to London boroughs and other organisations.

REFCUS is charged as expenditure to the relevant service revenue account in the year. Where such expenditure is funded from capital grants or contributions, the grants or contributions (or the portions that relate to the expenditure) are recognised as revenue grants or contributions. Both the expenditure and the grant or contributions are reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account so there is no impact on the level of the precept.

xxviii. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives rise to a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the CIES in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried 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.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the obligation is settled.

Onerous contracts

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfil the obligation under the contract.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives rise to 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 Group. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

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

Contingent Assets

A contingent asset arises where an event has taken place that gives rise to a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Group. Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

xxix. Reserves

Specific amounts are set aside as reserves for future policy purposes or to cover contingencies. Reserves are created by earmarking amounts in the General Fund Balance and showing these as transfers between the earmarked and non-earmarked General Fund reserves in the Movement in Reserves Statement. 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 CIES. The reserve is then appropriated back into the non-earmarked portion of the General Fund reserves in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Capital reserves are kept to manage the accounting processes for non-current assets, retirement and employee benefits and do not represent usable resources for the Group – these reserves are explained in the relevant accounting policies.

xxx. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

xxxi. Corporation Tax

Corporation tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the CIES except to the extent that it relates to a business combination, or to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are disclosed net to the extent that they relate to taxes levied by the same authority and the Group has the right of set off.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

xxxii. Minimum Revenue Provision

A minimum revenue provision (MRP) is a requirement to spread the revenue cost of capital expenditure over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The provision is in respect of capital financed by borrowing or credit arrangements. The scheme for calculating MRP is set out in the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008.

The GLA’s relevant capital expenditure currently relates to major infrastructure projects, namely Crossrail and the Northern Line Extension (NLE). Due to the scale of the GLA commitment to these projects (c£7.0bn and £1.0bn total contributions respectively predominantly funded by borrowing), the GLA considers it prudent to maintain ringfenced project accounts for each. In the case of Crossrail, the requirement to present a separate revenue account is prescribed by statute due to the fact that a Business Rate Supplement has been raised and applied to fund the project.

In both cases, the GLA’s expenditure takes the form of grants to TfL to fund all or part of the project costs. Various statutory or contractual income streams are available to the GLA to meet these costs, and are credited to the relevant ringfenced project accounts, either to fund grants directly or meet associated financing costs, including repayment of borrowing.

- In the case of Crossrail, the principal income stream is Crossrail Business Rates Supplement (BRS), supplemented from 2019-20 (as a source of revenue to finance and repay debt following changes made to legislation) by the Mayoral Community Infrastructure Levy (MCIL)
- For the NLE, the funding is collected by the London Boroughs of Lambeth and Wandsworth and comprises a share of the ring-fenced business rates growth in the Battersea and Nine Elms statutory designated area and contributions from local developers.

For each project, the annual MRP is set at the surplus of income credited to the project account over the net financing and other revenue expenditure, including the making good of prior year project account deficits. On a temporary basis, for the NLE only, has been supplemented by the creation of an NLE volatility reserve to which surpluses or deficits are transferred until the GLA is confident that the ongoing business rates growth in the Battersea and Nine Elms designated regeneration area is sufficient to cover its in year capital financing and associated costs on an ongoing basis. Any excess held in the NLE reserve at that point will be released to repay the GLA's outstanding NLE debt.

This represents a prudent policy for both projects, since it will fully fund the costs attributable to each project over a period of time reasonably commensurate with the benefits of that project.

Where the GLA incurs capital expenditure as a result of making a loan to another entity for purposes that, had the GLA undertaken these directly, would be treated as capital expenditure, then the capital financing requirement element arising from such loans shall be excluded from the minimum revenue provision calculations to reflect the policy that the capital receipt arising from the repayment of the loan will be applied in full to meet the initial expenditure. The Acting Chief Finance Officer may override this exemption on the grounds of prudence, directing a provision to be made in accordance with the methodology set out in the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008. However, the impact of such direction on the revenue account shall be accounted for as a voluntary revenue provision (VRP).

3. Accounting Standards issued but not yet effective

At the date of authorisation of the Group financial statements, 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:

IFRS 16 Leases

- IFRS 16 Leases replaces IAS 17 Leases and will be effective for annual periods beginning on or after 1 April 2024. The Group's accounting as a lessor will remain aligned to the current approach under IAS 17; however, for lessee accounting there will no longer be a distinction between finance and operating leases. The transition approach adopted by the Group will result in the recognition of right of use assets and lease liabilities in respect of leased properties previously accounted for as operating leases. Work is currently underway to quantify the lease liabilities. As permitted by the transition options under IFRS 16, comparative figures for the prior year will not be restated. Going forward, the Group will recognise a finance charge on the lease liability and a depreciation charge on the right-of-use asset, whereas previously the Group included lease rentals within the respective service area's expenditure. The Group intends to take advantage of the exemption to not recognise a lease liability and a right-of-use asset for leases for which the underlying asset is of low value.

4. Transfer of function

There were no transfers of function in 2023-24.

5. Use of estimates and judgements

The preparation of financial statements in conformity with the Code requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed below:

Estimates

Inventory (Development Property)

The Group holds land and buildings for sale and for development and subsequent sale as Inventory. Annual valuation reviews are undertaken to identify property held for sale or developments in progress to ensure that the carrying value is the lower of cost or net realisable value (IAS 2) or for inventory being distributed at no or nominal charge, the lower of cost or current replacement cost (IPSAS 12).

The net realisable value is based upon the potential income to be generated by the various assets. Should evidence emerge that causes the Group entities to amend these estimates, the carrying value of inventories could change. This includes changes to the percentage of affordable housing in a planned development, the early termination development agreements and construction price inflation assumptions on developments, including on LLDC's development sites under construction.

Where there is a transfer to inventories from investment properties arising from a change of use, the inventory's deemed cost is its fair value at the date of change in use. For residential development inventories, the fair value at the date of transfer will be based upon the potential income to be generated by the various assets. Again, any change in these estimates could impact the carrying value of the inventories, which could result in a write-down in value to the CIES.

In the period to 31 March 2024, this valuation of inventories resulted in a write down to net realisable value of £22.4m. See note 37 for further details.

Investment Property

Investment properties (IAS 40), requires that properties are classified as investment properties where they are held for the purpose of capital appreciation or to earn rentals. To comply with IAS 40, judgement needs to be exercised in determining whether these properties should be classified as investment properties. As investment properties are valued at fair value, with movements in the fair value being recorded in the income statement, this could have a significant effect on the reported surplus or deficit of the Group.

Investment property valuations are based on the estimated potential income to be generated by the various assets. Should evidence emerge that requires amendments to these estimates, the estimated fair value of investment properties could change. This includes changes to future rental income, yields, comparable market land values; and for development sites within Investment Properties, key estimates are the affordable housing percentage and build cost inflation.

The carrying value of investment properties at Group level, at 31 March 2024, totalled £228m see note 26 for further details.

Loan Investments held at amortised cost – Allowances for Impairment Losses

Expected credit loss allowances (ECL) reflect past performance, current conditions and the Group's view of economic conditions over the expected lives of financial assets, notably loan investments and trade receivables held at amortised cost. It is the product of the loan investment balance, the borrower's probability of default and an assessment of the percentage risk of loss in the event of a default. The loss given default is currently assumed at 35% for collateral backed loans and 45% for non-collateral backed loans.

The probability of default (PD) of an exposure, both over a 12-month period and over its lifetime, is a key input to the measurement of the ECL allowance.

Default is deemed to have occurred when there is evidence that the customer is experiencing significant financial difficulty which is likely to affect the ability to repay amounts due or has failed to comply with key financial covenants and other performance obligations in development agreements.

E20 Stadium LLP Onerous Contract Provision

The methodology used to estimate the onerous contract provision uses revenues, costs and overheads that are directly attributable to the West Ham United Football Club and UK Athletics agreements and the discount rate used reflects a risk-free rate (based on Government gilt rates at the reporting date). Variations in these inputs could have a material impact upon the value of the provision. The provision is currently estimated at £177.6m (Note 41).

Post-retirement benefits

The estimation of the net pensions asset or liability is based on the requirements of IAS 19 *Employee Benefits* and relies on 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. Actuaries are engaged to provide the Authority with expert advice about the assumptions to be applied.

IAS 19 states that, when an entity has a surplus in a defined benefit plan, it should measure the net defined benefit of the asset at the lower of:

i. the surplus in the defined benefit plan, and
ii. the asset ceiling.

The actuaries estimate the impact of the asset ceiling by calculating a "surplus limit", which is the cost of future benefits less the future certified contributions. If the Authority's surplus is higher than this then the surplus is limited to the surplus limit. If the Authority's surplus is lower than the surplus limit then the asset ceiling does not bite and the surplus is unrestricted.

Under the LGPS rules there is not an unconditional right to a refund given that the Authority is expected to participate in the LGPS indefinitely and as a result an asset ceiling calculation has been made. This ceiling has been calculated as higher than the surplus and therefore the surplus is recognised in full.

Details of the assumptions made and related sensitivity analysis, are provided in Note 21.

At 31 March 2024, the carrying value of the Group's net pensions assets, totalled £59.6m (Note 21).

Judgements

Council tax accounting

The Authority's share of the actual 2023-24 council tax deficit was £7.9m (£13.3m surplus in 2022-23) (Note 14). This is based on unaudited figures from the 32 London boroughs and the City of London Corporation. Any post audit amendments on Council Tax are incorporated into the following year's accounts.

The *Code of Practice on Local Authority Accounting in the United Kingdom 2022-23* sets out the methodology for determining the Authority's attributable share of council tax and non-domestic debtors and creditors. It is an estimate based on the demand/precept proportions for the next financial year. Any post audit amendments on Council Tax are incorporated into the following year's accounts.

Business rates accounting

The Authority's share of the actual 2023-24 business rates surplus is £62.9m (£26.5 surplus in 2022-23) (Note 15). The amounts recorded for retained business rates in respect of 2022-23 are derived from the National Non-Domestic Rates 3 (NNDR3) outturn returns which have been received by the GLA from the capital's 33 local billing authorities and certified by their section 151 officers by the date the entries in these accounts were prepared. It is possible that billing authorities may amend their NNDR3 returns during or following the auditing of their final accounts.

The GLA's audited accounts will incorporate, where practical and material, amendments made compared to these draft figures where these have been advised to the GLA on a timely basis in advance of its publication. Any variations arising from the final NNDR3 returns not received by the date the authority's accounts are approved will generally be incorporated in the cumulative balances, accruals, non-domestic rating income figures and provisions in the following year's statutory accounts.

The assumption is that the data used will be materially consistent with the GLA's share of the income, expenditure and balances reported in the collection fund statements within the draft statutory accounts of each billing authority. The GLA is undertaking further analytical review work on these returns in consultation with billing authorities given the fact that many still require their 2022-23 – and in some prior year - accounts, including their collection fund data, to be signed off by their external auditors, so there may be adjustments relating to prior years still to be made.

Under statutory regulations the aggregate sums reported by billing authorities provide the source data for these estimates and provisions and determine the income and potential levy and safety net payments to or from the Secretary of State that the GLA is required to provide for and recognise. The instalments payable to the GLA during the financial year and used for budgeting purposes are calculated based on the National Non-Domestic Rates 1 estimates submitted by the 31 January prior to the start of the financial year.

The most significant provision relates to the estimate for potential refunds to ratepayers arising from successful non-domestic rating appeals and other changes to the valuation list relating both to the 2023-24 financial year and for backdated amounts for prior accounting periods. In estimating their provision, each London billing authority will have had regard to the settlement rates of historical appeals and the level of challenges unresolved at the financial year end as well as risks of future challenges which have a backdated impact including those arising from material changes of circumstances (MCC) in relation to a hereditament or its locality. Billing authorities have also generally considered the case for incorporating an estimate for the potential impact of challenges and appeals not lodged by the balance sheet date and made an assessment as to their potential materiality as part of the determination of their final provision estimates.

The GLA has considered the possibility that billing authorities may have under or over provided for the impact of challenges to valuations. Over provisions may arise where the Valuation Office and Valuation Tribunal rejects a greater proportion of challenges than anticipated because it considers that the rating list is generally accurate or successful appeals are backdated to an earlier reference date. Under provisions may occur if a higher proportion of the rating list is ultimately challenged successfully by ratepayers or there may be changes to national rating policies for certain business sectors which have a greater material impact in some billing authorities.

In addition, there is also a provision for non-collection of NNDR income (i.e., the impairment of doubtful debts). Billing authorities will have had regard to proper accounting practice and guidance in relation to the calculation of these provisions taking into account their local circumstances.

The GLA considers that based on its initial assessment the appeals provisions made appear reasonable having regard to the risks associated with business rates retention, the fact that it is supported by Valuation Office data on checks, challenges and assessment reviews against the 2017 and 2023 local rating lists at 31 March 2024, and that billing authorities have had regard to

Accounting Standards and their knowledge of historic trends in relation to the variation in the rating list in preparing their estimates.

The GLA has also made an estimate as to the levy on business rates growth it will be required to pay to the government in respect of 2023-24 and has accrued for this as a creditor in its accounts.

London Fire Commissioner (LFC)

In January 2016, the Government announced its decision to abolish the previous London Fire and Emergency Planning Authority (LFEPA) and make the Mayor directly responsible for fire and rescue services. The Policing and Crime Act 2017 replaced LFEPA with a London Fire Commissioner and a Deputy Mayor for Fire. The London Fire Commissioner was established as a corporation sole and new functional body from 1 April 2018.

LFC is the fire and rescue authority for London. It is responsible for providing London's fire and rescue service, ensuring that it is effective and efficient. All formal decisions about London Fire Brigade (LFB) are made by the LFC, though some decisions may need to receive prior approval from, or be consulted on, with the Deputy Mayor for Fire and Resilience or the Mayor of London.

A review of the governance arrangements was undertaken by management to determine whether the new arrangements meant LFC was now controlled by the GLA and, in accordance with IFRS 10, be consolidated in the GLA's group accounts. The review found that while the GLA has had more control over the LFB in the period since the change of governance arrangements on 1 April 2018 than it did previously, there are no direct benefits accruing to the GLA from this oversight, as the LFB primarily remains part of a nationwide fire service. Furthermore, operational control of the LFB clearly rests with the London Fire Commissioner rather than the GLA. While the GLA may provide some policy and resource oversight, as well as a challenge function, most of the LFB's activities continue as before – in an operational sense – without reference back to the GLA. In management's judgement the governance arrangements do not bring the LFC under the Authority's control and it will therefore not form part of the GLA's group accounts going forward.

Classification between investment properties and inventories

The intention for which a property is held, is considered at the outset when each property is acquired, to inform the classification of the property as either an investment property or an inventory. Where the intention is to trade or dispose the property within the ordinary course of business, the property is classified as inventory property. Where the intention is to hold the property for its long-term rental yield or capital appreciation (or both), the property is classified as an investment property. Where the intention cannot be determined with any certainty the property is classified as an investment property.

Where there is a demonstrable change in use of the property, a transfer between investment property and inventory property takes place. A change in use occurs when the property ceases to meet the definition of investment property and there is evidence of the change in use. The transfer will take place when there are observable actions toward effecting a change in use, for example the commencement of development, by the Group entity, with a view to a sale.

The classification of properties is a significant judgement which directly impacts the net asset position and reported financial performance, as inventory properties are held at the lower of cost and net realisable value or, when appropriate, at lower of cost and current replacement cost, whilst investment properties are held at fair value, with gains or losses taken through the Comprehensive Income and Expenditure Statement. Refer to notes 26, 27 and 37 for further information.

Leases

In assessing whether a lease is an operating lease or a finance lease, judgement needs to be exercised in determining whether or not substantially all the risks and rewards of ownership of the leased asset are held or have been transferred by the Group. Given that finance lease obligations/receivables are recognised as liabilities/assets, and operating lease obligations/receivables are not, this can have a significant effect on the reported financial position of the Group.

At 31 March 2024 the carrying values of finance lease receivables at Group level were significant, totalling £48m, see note 34 for further details.

Determining whether an arrangement contains a lease

When determining whether an arrangement contains a lease, as required by IFRIC 4, judgement needs to be exercised in determining whether the arrangement conveys the right to use an asset. Given that this could result in additional finance leases being recognised on the Balance Sheet this can have a significant effect on the reported financial position of the Group.

Financial instruments - Classification

The classification decision for non-equity financial assets under IFRS 9, is dependent on two key criteria:

- The business model within which the asset is held (the business model test), and
- The contractual cash flows of the asset (the SPPI test).

Determining the appropriate business model and assessing whether the cash flows generated by an asset consist solely of payments of principal and interest requires management judgement and can affect whether the financial instrument is held at amortised cost or fair value and whether changes in fair value are recognised in the Income and Expenditure Account or in Other Comprehensive Income.

6. Authorisation of the Statement of Accounts

The Statement of Accounts was authorised for issue on the date the Interim Chief Finance Officer certified that the accounts give a true and fair view of the financial position of the Authority at the year-end; and its income and expenditure, see the "Statement of Responsibilities for the Statement of Accounts". This is the date up to which events after the balance sheet date have been considered (Note 54).

7. Expenditure and Income analysed by nature

The Authority's expenditure and income is analysed as follows:

	2023/24 £'000	2022/23 £'000
Expenditure		
Employee benefits expenses	112,583	106,513
Other service expenses	4,511,087	5,507,029
Depreciation, amortisation and impairment	2,980	3,892
Interest payments and similar charges	174,414	216,181
Precepts and other payments to Functional Bodies	1,274,167	1,135,384
Non-domestic rates levy and pool contribution	39,740	14,713
BRR Tariff Payment	732,551	748,317
Total Expenditure	**6,847,522**	**7,732,029**
Income		
Government grants and other contributions	(2,535,140)	(2,269,763)
Income from council tax and non-domestic rates	(4,539,953)	(4,233,454)
Fees, charges and other service income	(88,153)	(58,018)
Interest and investment income	(208,156)	(118,937)
Total Income	**(7,371,402)**	**(6,680,172)**
(Surplus)/Deficit on Provision of Service	**(523,880)**	**1,051,857**

*BRR-Business Rates Retention

Other service expenses includes £1.2bn in capital grants paid to third parties, of which £1.1bn were housing grants, and £2.4bn relate to business rates paid to Transport for London, the London Fire Brigade and the Mayor's Office for Policing and Crime to part fund their budget requirements.

8. Expenditure and Funding Analysis

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

2022/23 Net Exp Chargeable to the General Fund	2022/23 Adjustments between Funding and Accounting Basis	2022/23 Net Exp in the CIES*	Authority	Note	2023/24 Net Expenditure Chargeable to the General Fund	2023/24 Adjustments between Funding and Accounting Basis	2023/24 Net Exp in the CIES*
£000	£000	£000			£000	£000	£000
7,511	471	7,982	Assembly & Secretariat		8,374	142	8,516
7,025	358	7,383	Chief Officer		9,441	147	9,588
25,330	20,870	46,201	Communities & Skills		149,132	20,551	169,683
69,839	53,502	123,340	Good Growth		61,579	37,429	99,008
35,093	2,103,734	2,138,827	Housing & Land		17,728	1,087,686	1,105,414
5,525	647	6,172	Mayor's Office		6,207	104	6,311
32,476	109,983	142,459	Resources		31,059	89,905	120,964
23,867	1,608	25,475	Strategy & Communications		32,374	540	32,914
(12,629)	405	(12,224)	Adult Education		20,165	68	20,233
466,311	(401,025)	65,286	Corporate & Group Items		451,015	(380,104)	70,911
660,348	**1,890,553**	**2,550,901**	**Net Cost of Services**		**787,074**	**856,468**	**1,643,542**
41,194	(1,540,238)	(1,499,044)	Other Income and Expenditure		(846,039)	(1,321,383)	(2,167,422)
701,542	**350,315**	**1,051,857**	**Surplus/Deficit**	8a	**(58,965)**	**(464,915)**	**(523,880)**
(1,872,085)			**Opening General Fund Balance**		(1,170,543)		
701,542			**Less Surplus/Deficit**		(58,965)		
(1,170,543)			**Closing General Fund Balance**		**(1,229,508)**		

*CIES-Comprehensive Income and Expenditure Account

The £1.32bn in Other Income and Expenditure largely consists of capital grant income and capital receipts, capital grant payments to TfL and the accounting entries required to recognise Council Tax and Business Rates income on an accrued basis.

8a. EFA – Adjustments between funding and accounting basis

Authority 2023/24

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statements amounts	**Adjustments for Capital Purposes**	**Net change for the Pensions Adjustments**	**Other Differences**	**Total Adjustments**
	£000	**£000**	**£000**	**£000**
Assembly & Secretariat	-	60	82	**142**
Chief Officer	-	59	88	**147**
Communities & Skills	20,126	187	238	**20,551**
Good Growth	36,843	270	316	**37,429**
Housing & Land	1,087,212	216	258	**1,087,686**
Mayor's Office	-	74	30	**104**
Resources	89,000	869	36	**89,905**
Strategy & Communications	194	194	152	**540**
Adult Education	-	55	13	**68**
Corporate and Group Items	2,980	-	(383,084)	**(380,104)**
Net Cost of Services	**1,236,355**	**1,984**	**(381,871)**	**856,468**
Other Income and Expenditure from the Expenditure and Funding Analysis	(1,271,649)	(2,963)	(46,771)	**(1,321,383)**
Difference between surplus or deficit on the General Fund and the CIES	**(35,294)**	**(979)**	**(428,642)**	**(464,915)**

Authority 2022/23

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statements amounts	**Adjustments for Capital Purposes**	**Net change for the Pensions Adjustments**	**Other Differences**	**Total Adjustments**
	£000	**£000**	**£000**	**£000**
Assembly & Secretariat	-	499	(28)	**471**
Chief Officer	-	425	(67)	**358**
Communities & Skills	19,433	1,394	44	**20,871**
Good Growth	51,307	2,321	(125)	**53,503**
Housing & Land	2,101,803	1,645	285	**2,103,733**
Mayor's Office	-	635	12	**647**
Resources	108,709	1,422	(148)	**109,983**
Strategy & Communications	105	1,475	27	**1,607**
Adult Education	-	359	46	**405**
Corporate and Group Items	3,892	-	(404,917)	**(401,025)**
Net Cost of Services	**2,285,249**	**10,175**	**(404,871)**	**1,890,553**
Other Income and Expenditure from the Expenditure and Funding Analysis	(647,704)	(225)	(892,309)	**(1,540,238)**
Difference between surplus or deficit on the General Fund and the CIES	**1,637,545**	**9,950**	**(1,297,180)**	**350,315**

9. Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Group in the year in accordance with proper accounting practice, and to the resources that are specified by statutory provisions as being available to the Group.

Group

2023/24

	USABLE RESERVES			
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000
Adjustments to Revenue Resources				
Amounts by which income and expenditure included in the CIES differ from revenue for the year calculated in accordance with statutory requirements:				
Pension Costs transferred to/(from) the Pensions Reserve	534	-	-	**534**
Financial instruments (transferred to/(from) the Financial Instruments Adjustments Account)	1,212	-	-	**1,212**
Council tax and NDR (transfers to/(from) Collection Fund Adjustment Account)	45,559	-	-	**45,559**
Holiday pay (transferred to/(from) the Accumulated Absences Reserve)	(1,235)	-	-	**(1,235)**
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(1,411,479)	-	-	**(1,411,479)**
Total Adjustments to Revenue Resources	**(1,365,409)**	**-**	**-**	**(1,365,409)**
Adjustments between Revenue and Capital Resources				
Transfer of capital grant reclaims and non-current asset sale proceeds from revenue to the Capital Receipts Reserve	156,692	(156,692)	-	**-**
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	1,135,084	-	(1,135,084)	**-**
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	276,074	-	-	**276,074**
Voluntary provision for the repayment of debt (transfer from the Capital Adjustment Account)	-	-	-	**-**
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	107,009	-	-	**107,009**
Total Adjustments between Revenue and Capital Resources	**1,674,859**	**(156,692)**	**(1,135,084)**	**383,083**
Adjustments to Capital Resources				
Application of capital grants to finance capital expenditure	98,874	-	1,000,583	**1,099,457**
Capital grant and borrowing financing swap	-	-	(145,745)	**(145,745)**
Cash receipts in relation to long term capital debtors	-	(43,929)	-	**(43,929)**
Use of the Capital Receipts Reserve to finance new capital expenditure	120,235	180,011	-	**300,246**
Total Adjustments to Capital Resources	**219,109**	**136,082**	**854,838**	**1,210,029**
Total Adjustments	**528,559**	**(20,610)**	**(280,246)**	**227,703**

Group
Adjustments between Accounting Basis and Funding Basis under Regulations

2022/23

	USABLE RESERVES			
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000
Adjustments to Revenue Resources				
Amounts by which income and expenditure included in the CIES differ from revenue for the year calculated in accordance with statutory requirements:				
Pension Costs transferred to/(from) the Pensions Reserve	(14,742)	-	-	**(14,742)**
Financial instruments (transferred to/(from) the Financial Instruments Adjustments Account)	2,005	-	-	**2,005**
Council tax and NDR (transfers to/(from) Collection Fund Adjustment Account)	933,805	-	-	**933,805**
Holiday pay (transferred to/(from) the Accumulated Absences Reserve)	239	-	-	**239**
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(2,757,744)	-	-	**(2,757,744)**
Total Adjustments to Revenue Resources	**(1,836,437)**	**-**	**-**	**(1,836,437)**
Adjustments between Revenue and Capital Resources				
Transfer of capital grant reclaims and non-current asset sale proceeds from revenue to the Capital Receipts Reserve	382,038	(382,038)	-	**-**
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	711,558	-	(593,015)	**118,543**
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	283,444	-	-	**283,444**
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	121,137	-	-	**121,137**
Total Adjustments between Revenue and Capital Resources	**1,498,177**	**(382,038)**	**(593,015)**	**523,124**
Adjustments to Capital Resources				
Application of capital grants to finance capital expenditure	13,061	-	1,844,691	**1,857,752**
Cash receipts in relation to long term capital debtors	-	(42,308)	-	**(42,308)**
Use of the Capital Receipts Reserve to finance new capital expenditure	-	401,143	-	**401,143**
Total Adjustments to Capital Resources	**13,061**	**358,835**	**1,844,691**	**2,216,587**
Total Adjustments	**(325,199)**	**(23,203)**	**1,251,676**	**903,274**

Authority

Adjustments between Accounting Basis and Funding Basis under Regulations

2023/24	USABLE RESERVES			
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Usable Reserves £000
Adjustments to Revenue Resources				
Amounts by which income and expenditure included in the CIES differ from revenue for the year calculated in accordance with statutory requirements:				
Pension Costs transferred to/(from) the Pensions Reserve	978	-	-	**978**
Financial instruments (transferred to/(from) the Financial Instruments Adjustments Account)	1,212	-	-	**1,212**
Council tax and NDR (transfers to/(from) Collection Fund Adjustment Account)	45,559	-	-	**45,559**
Holiday pay (transferred to/(from) the Accumulated Absences Reserve)	(1,213)	-	-	**(1,213)**
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(1,201,073)	-	-	**(1,201,073)**
Total Adjustments to Revenue Resources	**(1,154,537)**	**-**	**-**	**(1,154,537)**
Adjustments between Revenue and Capital Resources				
Transfer of capital grant reclaims & other capital receipts from revenue to the Capital Receipts Reserve	156,692	(156,692)	-	**-**
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	1,079,676	-	(1,079,676)	**-**
Statutory provision for the repayment of debt (transfer to/(from) the Capital Adjustment Account)	276,074	-	-	**276,074**
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	107,009	-	-	**107,009**
Total Adjustments between Revenue and Capital Resources	**1,619,452**	**(156,692)**	**(1,079,676)**	**383,083**
Adjustments to Capital Resources				
Application of capital grants to finance capital expenditure	-	-	964,886	**964,886**
Capital grant and borrowing financing swap	-	-	(145,745)	**(145,745)**
Capital receipts used to finance capital expenditure	-	180,011	-	**180,011**
Cash receipts in relation to capital debtors	-	(43,929)	-	**(43,929)**
Total Adjustments to Capital Resources	**-**	**136,081**	**819,141**	**955,222**
Total Adjustments	**464,915**	**(20,611)**	**(260,535)**	**183,769**

Authority
Adjustments between Accounting Basis and Funding Basis under Regulations

2022/23	USABLE RESERVES			
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Usable Reserves £000
Adjustments to Revenue Resources				
Amounts by which income and expenditure included in the CIES differ from revenue for the year calculated in accordance with statutory requirements:				
Pension Costs transferred to/(from) the Pensions Reserve	(9,950)	-	-	**(9,950)**
Financial instruments (transferred to/(from) the Financial Instruments Adjustments Account)	2,005	-	-	**2,005**
Council tax and NDR (transfers to/(from) Collection Fund Adjustment Account)	933,805	-	-	**933,805**
Holiday pay (transferred to/(from) the Accumulated Absences Reserve)	292	-	-	**292**
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(2,656,437)	-	-	**(2,656,437)**
Total Adjustments to Revenue Resources	**(1,730,285)**	**-**	**-**	**(1,730,285)**
Adjustments between Revenue and Capital Resources				
Transfer of capital grant reclaims & other capital receipts from revenue to the Capital Receipts Reserve	382,038	(382,038)	-	**-**
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	593,015	-	(593,015)	**-**
Statutory provision for the repayment of debt (transfer to/(from) the Capital Adjustment Account)	283,444	-	-	**283,444**
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	121,473	-	-	**121,473**
Total Adjustments between Revenue and Capital Resources	**1,379,970**	**(382,038)**	**(593,015)**	**404,917**
Adjustments to Capital Resources				
Application of capital grants to finance capital expenditure	-	-	1,844,691	**1,844,691**
Capital receipts used to finance capital expenditure	-	401,143	-	**401,143**
Cash receipts in relation to capital debtors	-	(42,308)	-	**(42,308)**
Total Adjustments to Capital Resources	**-**	**358,835**	**1,844,691**	**2,203,526**
Total Adjustments	**(350,315)**	**(23,203)**	**1,251,676**	**878,158**

10. Transfers to/from Earmarked Reserves – Authority

GLA Reserves	Balance at 31 March 2022 £000	Transfers In	Transfers Out	Balance at 31 March 2023 £000	Transfers In	Transfers Out	Balance at 31 March 2024 £000
Assembly Development & Resettlement	1,601	-	-	1,601	2,352	(1,332)	2,621
Capital Programme	33,995	-	(30,476)	3,519	102,482	-	106,001
Climate Emergency Funding Reserve	-	90,000	-	90,000	-	(1,918)	88,082
Compulsory Purchase Orders	1,329	-	-	1,329	-	-	1,329
Development	2,046	500	(1,493)	1,053	500	-	1,553
Dilapidations	6,500	-	-	6,500	-	-	6,500
Election	6,684	6,800	(365)	13,119	8,375	(3,641)	17,853
Environment Drainage	728	-	-	728	-	-	728
Estates	832	-	-	832	-	-	832
Group Collaboration Reserve	-	-	-	-	6,000	(4,056)	1,944
Interest Smoothing	14,492	-	31,000	45,492	42,000	-	87,492
Land Fund	8,314	-	(800)	7,514	-	(550)	6,964
London and Partners	2,245	-	-	2,245	-	-	2,245
London Green Fund Reserve	1,093	274	(1,093)	274	217	(274)	216
Major Events	11,013	2,739	(2,198)	11,554	-	(3,321)	8,233
Mayoral Resettlement	77	-	-	77	-	-	77
New Homes Bonus LEP grant reserve	1,087	-	(357)	730	-	-	730
New Museum Project	19,000	3,000	-	22,000	3,000	-	25,000
Planning Smoothing	199	-	-	199	-	-	199
Pre-Application Planning	2,696	-	-	2,696	-	(151)	2,545
Programme Reserves	62,777	30,876	(35,386)	58,267	204	(38,471)	19,999
Recycled Capital Grant Fund Interest reserve	144	-	-	144	-	-	144
Redundancy	1,751	-	(784)	967	6,274	(5,448)	1,792
Revenue Grants Unapplied	111,475	115,048	(79,943)	147,050	182,994	(168,705)	161,339
Right to Buy Revenue Grant	16,980	-	(3,590)	13,390	12,145	(10,556)	14,979
Sport Unites	1,155	9,124	(5,124)	5,155	-	(1,326)	3,829
The Royal Docks Enterprise Zone Reserve	4,267	-	(2,868)	1,399	2,492	(3,890)	1
Universal Free School Meals Reserve	-	-	-	-	40,000	(7,510)	32,490
Young Londoners Fund Reserve	27,309	24,000	(21,467)	29,842	-	(7,141)	22,701
Sub-Total	**339,789**	**282,361**	**(154,944)**	**467,676**	**409,036**	**(258,292)**	**618,420**
GLA Group Reserves							
Business Rates Reserve	1,007,329	177,383	(989,205)	195,037	231,440	(157,122)	269,355
Development Corporations (MDC*)	16,587	15,298	(15,467)	16,418	39,832	(21,050)	35,200
Environment Improvement reserve				-	134,400	(49,403)	84,997
LLDC Capital Funding Reserve	158,569		(82,909)	75,660	15,700	(89,000)	2,360
Northern Line Extension Reserve	63,707	5,276	(9,922)	59,061	19,987	(7,500)	71,548
OPDC Flexibility Reserve	1,377	12,800		14,177	4,502	(3,783)	14,896
Savings Target Reduction				-	-	-	-
Strategic Investment Fund	57,827		(13,213)	44,614	-	(10,384)	34,230
Transport Services funding reserve	216,900	105,000	(34,000)	287,900	-	(199,400)	88,500
Sub-Total	**1,522,296**	**315,757**	**(1,144,716)**	**692,867**	**445,861**	**(537,641)**	**601,088**
Total Earmarked Reserves	**1,862,085**	**598,118**	**(1,299,660)**	**1,160,543**	**854,898**	**(795,933)**	**1,219,508**

The earmarked reserves note sets out the amounts set aside, by the Authority, from the General Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in year.

The purpose of each reserve is detailed below:

GLA Reserves

The **Assembly Development and Resettlement Reserve** exists to ensure adequate funding is built up for future pay settlements, reviews and resettlement grants for the Assembly and Secretariat Directorate.

The **Capital Programme Reserve** provides a source of funding for those capital projects falling outside the programmes in housing and regeneration which are directly funded by Government grant.

The **Climate Emergency Funding Reserve** provides a source of funding for high-impact green investment opportunities for the public and private sector; and support for the GLA Green Bond programme, financing direct decarbonisation investment by the GLA Group and its strategic partners as part of the Mayor’s Green Financing facility.

The **Compulsory Purchase Orders Reserve** has been created to provide for estimated future costs related to the settlement of a number of significant programmes inherited by a statutory transfer scheme from the London Development Agency.

The **Development Reserve** exists to fund organisational change and business improvement projects.

The **Dilapidations Reserve** exists to fund repairs required at the end of the GLA tenancy lease at the current City Hall.

The **Directorate (Programme Reserve)** represents underspends on directorate and budgets carried forward to fund projects that were delayed and are due to start or be completed within the next financial year.

The **Election Reserve** exists to fund the Mayor and Assembly elections when they fall due every four years.

The **Environment Drainage Reserve** has been created to earmark the funding received from central government for the preparation of surface water management plans.

The **Estates Reserve** has been created to fund exceptional repairs and maintenance works across the GLA Estate, works undertaken at Parliament and Trafalgar Squares and the development of land and property schemes.

The **Group Collaboration Reserve** sets aside funding for the collaborative projects of the Authority and its functional bodies, in areas such as procurement and land assembly.

The **Interest Smoothing Reserve** has been created to manage fluctuations in interest receipts.

The **Land Fund Reserve** has been created to hold the fund for future revenue works required where it does not meet the conditions of the capital grant receipts from DLUHC approved under MD2396.

The **London and Partners Reserve** has been created to ensure that adequate funding is built up for future reviews of the organisation.

The **London Green Fund Reserve** exists to fund schemes that cut London's carbon emission.

The **Major Events Reserve** represents sums set aside to build up resources for future events.

The **Mayoral Resettlement Reserve** funds the resettlement grants paid to the former Mayor following the Mayoral elections.

The **New Homes Bonus LEP grant reserve** consists of New Homes Bonus grant that has been set aside to fund revenue expenditure that will be incurred by London Boroughs on regeneration schemes in future years.

The **New Museum Project Reserve** has been created to ensure adequate funding is accumulated to meet future costs relating to the proposed relocation of the Museum of London.

The **Planning Smoothing Reserve** has been created to smooth the funding of the Examination in Public of the London Plan and other planning functions.

The **Pre-Application Planning Reserve** carries forward surplus pre-application planning income to fund the running costs of the Pre-Application Planning service in future years.

The **Recycled Capital Grant Fund Interest** reserve holds interest received on unutilised capital grants that have been returned for redistribution.

The **Redundancy Reserve** has been created to fund restructuring costs.

The **Revenue Grants Unapplied Reserve** contains grants and contributions received that have no repayment conditions attached. Where expenditure has not yet been incurred this income is rolled forward and will be released when expenditure is incurred on the relevant project or initiative.

The **Right to Buy (RTB) Revenue Grant Reserve** holds grants received for expenditure towards the Mayor’s Homes for Londoners: Affordable Homes Programme.

The **Sport Unites Reserve** exists to support the Mayor's community sports initiatives which are currently under development.

The **Royal Docks Enterprise Zone Reserve** manages the funding flows of the Royal Docks Programme, which is a joint initiative from the Mayor and the London Borough of Newham to develop the Royal Docks area in the east of London. The project will create jobs and new homes and promote cultural and economic development of the Docks on a local, regional and international level over the coming years.

The **Universal Free School Meals** Reserve will fund the future provision of free school meals to primary school children in London.

The **Young Londoners’ Fund Reserve** exists to support the Mayor's £45 million Young Londoners’ Fund is helping children and young people to fulfil their potential, particularly those at risk of getting caught up in crime. It is supporting a range of education, sport, cultural and other activities for young Londoners.

GLA Group Reserves

The **Business Rates Reserve** (formerly the Resilience Reserve) has been created to manage special risks to which the GLA is exposed as a result of the timing and the potential quantum of changes to the council tax base, retained business rates income, relative collection fund shares for both council tax and business rates, and government grant settlements as well as wider volatility in those key income streams such as the timing and phasing of the repayment of collection fund deficits including those arising from the business rates relief schemes funded by the government during the Covid-19 pandemic.

The **Development Corporation Reserve** has been created to ensure that adequate contingency funding is available for unexpected costs relating to Mayoral Development Corporations.

The **Environment Improvement Reserve** was created to fund the ULEZ scrappage funding and other environmental initiatives.

The **LLDC Capital Funding Reserve** provides a source of funding for revenue grants to LLDC for the financing of future LLDC capital expenditure.

The **Northern Line Extension Reserve** (NLE reserve) manages volatility in revenues from business rates growth and developer contributions from the Battersea and Nine Elms regeneration area relating to the financing and repayment of the Authority's NLE related borrowing.

The **OPDC Mayoral Development Corporation (MDC) Flexibility Reserve** has been created to ensure that adequate contingency funding is available for unexpected costs relating to Old Oak and Park Royal Corporation (OPDC).

The **Strategic Investment Fund Reserve** exists to support the Mayor's commitment to spend additional income generated from the London business rates retention pooling arrangements in 2018-19 and 2019-20 on strategic investment projects which will contribute to the sustainable growth of London's economy. This has been allocated in full to fund various strategic investment projects and is therefore due to be reduced to a nil balance as the approved funding is drawn down.

The **Transport Services Funding Reserve** (TSFR) manages the phasing of certain funds raised in business rates and council tax which have been approved by the Mayor for transport services prior to their application for this purpose.

11. Other Operating Expenditure

Sections 102 and 103 of the Greater London Authority Act 1999 (as amended) require the Greater London Authority to pay over to the functional bodies, their share of government grants and precepts required to fund their budget requirements, as calculated under section 85(4) to (7) of the aforementioned Act. The table below sets out the allocation of the council tax precepts and retained business rates to the functional bodies. The allocation of specific and general government grants to the functional bodies is shown in the Fund Account. Business rates payments to the Functional Bodies form part of the cost of services analysis in the CIES. It also reports on LLDC's activities in relation to the sale and holding of land and buildings as trading stock (Inventories).

	Authority 2023/24 £000	Group 2023/24 £000	Authority 2022/23 £000	Group 2022/23 £000
Precept payable to the Functional Bodies	1,274,167	1,274,167	1,135,384	1,135,384
Fire Services	249,875	249,875	245,254	245,254
Police Services	94,792	94,792	65,393	65,393
Transport Services	2,081,914	2,081,914	2,207,593	2,207,593
Total	**3,700,748**	**3,700,748**	**3,653,624**	**3,653,117**

12. Financing and Investment Income and Expenditure

	Authority 2023/24 £000	Group 2023/24 £000	Authority 2022/23 £000	Group 2022/23 £000
Interest payable and similar charges	174,374	173,473	180,898	169,794
Other investment Expenditure	-	-	-	753
Net interest on the net defined liability	(2,963)	(2,910)	(225)	749
Interest receivable and similar income	(208,156)	(188,859)	(127,106)	(173,829)
Net (gain)/loss from financial assets at fair value through profit and loss	-	1,861	8,169	(12,415)
Net (gain)/loss from financial assets at fair value through other comprehensive income	-	-	-	(633)
Unwinding of provision discount	-	9,712	-	4,564
Income and expenditure in relation to investment properties	-	19,924	-	24,015
Total	**(36,745)**	**13,201**	**61,736**	**12,998**

13. Taxation and Non-Specific Grant Income and Expenditure

	Note	Authority 2023/24 £000	Group 2023/24 £000	Authority 2022/23 £000	Group 2022/23 £000
Precept receivable from Council Tax payers	14	(1,345,177)	(1,345,177)	(1,226,884)	(1,226,884)
Non-domestic rate income	15	(2,952,469)	(2,952,469)	(2,752,170)	(2,752,170)
Non-domestic rate - prior year income		(102)	(102)	(9,332)	(9,332)
Non-domestic rate tariff payment		732,551	732,551	748,317	748,317
Non domestic rate levy and pool contribution		39,740	39,740	14,713	14,713
Business Rate Supplement - Crossrail		(242,205)	(242,205)	(245,068)	(245,068)
Community Infrastructure Levy - Crossrail		(175,250)	(175,250)	(185,364)	(185,364)
Non-ringfenced revenue government grants	16	(603,325)	(653,261)	(572,819)	(572,819)
Capital grants and contributions	16	(1,285,230)	(1,301,049)	(1,021,305)	(1,031,139)
Total		**(5,831,467)**	**(5,897,222)**	**(5,249,912)**	**(5,259,746)**

14. Council Tax Precepts

The CIES contains the 2023-24 council tax precept issued by the Greater London Authority on the 32 London boroughs and the City of London Corporation and the Authority's share of the actual net surplus or deficit on their collection funds in respect of Council Tax. In the Movement in Reserves Statement the 2023-24 share of the council tax net surplus or deficit on their collection funds is reversed from the General Fund balance and taken to the Collection Fund Adjustment account and the cash received in 2023-24 for the Authority's estimated share of the 2022-23 net surplus/deficit – based on the forecasts submitted by billing authorities in January 2023 - is brought in as the amount required by statute to be credited to the General Fund. An analysis of these amounts is contained in this table:

	2023-24 Precept Demand	2023-24 (surplus) / deficit	2023-24 Precept recognised in CIES	Share of 2022-23 Estimated (Surplus)	2022-23 Precept Demand	2022-23 (surplus) / deficit	2022-23 Precept recognised in CIES	Share of 2021-22 Estimated (Surplus) / Deficit
	£000	£000		£000	£000	£000		£000
Corporation of London	(1,259)	6	(1,253)	(100)	(985)	(80)	(1,065)	(27)
Barking & Dagenham	(23,152)	(44)	(23,196)	(218)	(20,602)	490	(20,112)	(546)
Barnet	(66,455)	1,478	(64,977)	633	(59,668)	499	(59,169)	(356)
Bexley	(36,087)	186	(35,901)	(446)	(32,464)	(230)	(32,694)	556
Brent	(43,930)	2,140	(41,790)	(609)	(39,057)	(2,627)	(41,684)	519
Bromley	(58,215)	(1,300)	(59,515)	(3,172)	(52,751)	(3,557)	(56,308)	(2,878)
Camden	(40,182)	3,166	(37,016)	340	(35,690)	(1,885)	(37,575)	831
Croydon	(59,577)	416	(59,161)	442	(53,947)	163	(53,784)	325
Ealing	(52,797)	(644)	(53,441)	(446)	(46,936)	(842)	(47,778)	(95)
Enfield	(42,022)	299	(41,723)	(660)	(38,123)	1,695	(36,428)	(22)
Greenwich	(37,211)	(276)	(37,487)	(1,573)	(33,109)	(1,554)	(34,663)	0
Hackney	(33,476)	1,177	(32,299)	387	(29,266)	(1,175)	(30,441)	366
Hammersmith & Fulham	(36,440)	(360)	(36,800)	586	(32,542)	648	(31,894)	(222)
Haringey	(34,609)	(570)	(35,179)	36	(31,371)	(619)	(31,990)	402
Harrow	(38,675)	(207)	(38,882)	(81)	(35,122)	(196)	(35,318)	57
Havering	(39,128)	(210)	(39,338)	229	(35,362)	38	(35,324)	(184)
Hillingdon	(44,987)	379	(44,608)	1,647	(41,078)	904	(40,174)	973
Hounslow	(38,772)	(331)	(39,103)	(2,353)	(34,325)	(814)	(35,139)	(401)
Islington	(35,548)	121	(35,427)	(1,016)	(31,718)	(223)	(31,941)	(316)
Kensington & Chelsea	(42,429)	9	(42,420)	(189)	(38,483)	139	(38,344)	990
Kingston Upon Thames	(28,032)	(759)	(28,791)	99	(25,001)	(208)	(25,209)	121
Lambeth	(48,941)	1,375	(47,566)	383	(43,974)	(49)	(44,023)	(797)
Lewisham	(38,573)	(172)	(38,745)	(96)	(35,170)	(213)	(35,383)	624
Merton	(33,730)	273	(33,457)	(314)	(29,968)	(664)	(30,632)	(794)
Newham	(37,244)	(117)	(37,361)	(581)	(32,388)	(2,569)	(34,957)	1,615
Redbridge	(39,278)	(200)	(39,478)	574	(35,945)	222	(35,723)	(33)
Richmond Upon Thames	(38,764)	(246)	(39,010)	(70)	(35,090)	(352)	(35,442)	(183)
Southwark	(47,397)	1,195	(46,202)	(125)	(42,434)	(535)	(42,969)	(91)
Sutton	(32,109)	(755)	(32,864)	(179)	(29,063)	211	(28,852)	(357)
Tower Hamlets	(49,036)	3,000	(46,036)	1,373	(42,808)	801	(42,007)	1,361
Waltham Forest	(34,784)	8	(34,776)	(704)	(31,099)	(700)	(31,799)	(560)
Wandsworth	(61,220)	(1,311)	(62,531)	(1,751)	(54,603)	(1,695)	(56,298)	(1,056)
City of Westminster	(59,024)	180	(58,844)	(195)	(53,428)	1,663	(51,765)	118
Amounts receivable	**(1,353,083)**	**7,906**	**(1,345,177)**	**(8,149)**	**(1,213,570)**	**(13,314)**	**(1,226,884)**	**(60)**

15. Non-Domestic Rates income (NDR)

The CIES contains the Authority's share of 2023-24 non-domestic rates estimated collectable by the 32 London boroughs and the City of London Corporation when the 2023-24 original budget was set and the Authority's share of the actual net surplus or deficit on their collection funds in respect of non-domestic rates. In the Movement in Reserves Statement the 2023-24 share of the actual net surplus or deficit in respect of non-domestic rates is reversed from the General Fund balance and taken to the Collection Fund Adjustment account and the Authority's estimated share of the 2022-23 net surplus/deficit – based on the forecasts submitted by billing authorities in January 2023 used for budgeting purposes - is brought in as the amount required by statute to be credited to the General Fund. An analysis of the NDR income received in 2023-24 and 2022-23 is contained in this table:

	2023-24 NDR Income	2023-24 (Surplus) / Deficit	2023-24 NDR income recognised in CIES	Share of 2022-23 Estimated (Surplus) / Deficit	2022-23 NDR Income	2022-23 (Surplus) / Deficit	2022-23 NDR income recognised in CIES	Share of 2021-22 Estimated (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000	£000	£000
Corporation of London	(420,380)	(5,999)	(426,379)	(3,562)	(395,878)	(35,639)	(431,517)	46,495
Barking & Dagenham	(26,588)	948	(25,640)	6,576	(22,177)	1,237	(20,940)	4,283
Barnet	(35,200)	2,249	(32,951)	(8,791)	(30,747)	(5,557)	(36,304)	21,643
Bexley	(33,241)	1,712	(31,529)	(1,947)	(25,779)	(150)	(25,929)	7,647
Brent	(50,809)	(1,219)	(52,028)	1,857	(41,568)	(2,396)	(43,964)	20,511
Bromley	(30,529)	848	(29,681)	5,446	(30,959)	1,003	(29,956)	6,928
Camden	(210,421)	(19,873)	(230,294)	(41,911)	(187,044)	14,698	(172,346)	56,417
Croydon	(39,674)	930	(38,744)	15,065	(37,926)	1,888	(36,038)	9,358
Ealing	(61,110)	(1,255)	(62,365)	4,952	(47,384)	755	(46,629)	18,225
Enfield	(44,732)	(1,803)	(46,535)	3,892	(35,089)	(1,167)	(36,256)	4,531
Greenwich	(35,135)	5,575	(29,560)	(7,726)	(26,254)	(5,648)	(31,902)	7,905
Hackney	(59,897)	(7,554)	(67,451)	257	(47,125)	(3,422)	(50,547)	3,769
Hammersmith & Fulham	(77,513)	(7,490)	(85,003)	(9,537)	(72,389)	(16,198)	(88,587)	15,538
Haringey	(25,783)	753	(25,030)	1,158	(22,498)	(2,301)	(24,799)	15,016
Harrow	(15,747)	297	(15,450)	(1,872)	(15,797)	(1,057)	(16,854)	7,266
Havering	(29,585)	(527)	(30,112)	217	(25,730)	(4,480)	(30,210)	9,518
Hillingdon	(128,874)	(9,371)	(138,245)	(5,440)	(127,029)	(3,419)	(130,448)	15,770
Hounslow	(72,176)	12,565	(59,611)	(3,638)	(63,602)	(1,849)	(65,451)	18,556
Islington	(92,275)	(10,409)	(102,684)	(7,870)	(90,932)	(6,701)	(97,633)	29,414
Kensington & Chelsea	(89,792)	(3,976)	(93,768)	3,762	(109,401)	12,720	(96,681)	60,615
Kingston Upon Thames	(25,797)	(2,327)	(28,124)	1,423	(26,653)	2,266	(24,387)	9,408
Lambeth	(62,688)	5,286	(57,402)	5,585	(61,587)	5,360	(56,227)	13,780
Lewisham	(20,746)	45	(20,701)	(826)	(21,719)	59	(21,660)	9,520
Merton	(35,378)	960	(34,418)	2,085	(28,177)	(467)	(28,644)	4,829
Newham	(62,453)	490	(61,963)	(2,109)	(48,257)	(8,614)	(56,871)	15,284
Redbridge	(20,009)	1,302	(18,707)	2,057	(17,807)	(1,574)	(19,381)	9,002
Richmond Upon Thames	(28,874)	(464)	(29,338)	(282)	(26,903)	1,766	(25,137)	11,560
Southwark	(122,609)	5,191	(117,418)	6,495	(103,363)	(1,290)	(104,653)	30,718
Sutton	(24,378)	1,628	(22,750)	1,402	(18,795)	(142)	(18,937)	4,985
Tower Hamlets	(148,779)	24,407	(124,372)	20,928	(153,974)	17,144	(136,830)	38,069
Waltham Forest	(22,463)	573	(21,890)	72	(20,966)	(881)	(21,847)	5,981
Wandsworth	(39,626)	2,956	(36,670)	(726)	(35,956)	1,684	(34,272)	15,844
City of Westminster	(696,306)	(59,350)	(755,656)	11,204	(706,236)	15,897	(690,339)	340,782
Amounts receivable	**(2,889,567)**	**(62,902)**	**(2,952,469)**	**(1,804)**	**(2,725,701)**	**(26,475)**	**(2,752,176)**	**889,167**

16. Grant Income

The Authority credited the following grants and contributions to the CIES:

Credited to Taxation & Non Specific Grant Income	2023/24	2022/23
	£000	£000
Non-ringfenced government grants (Revenue):		
DLUHC* - S31 grant NDR reliefs	568,829	538,383
DLUHC - NDR top-up grant	(56)	-
DLUHC - NDR compensation for the green plant and machinery exemption	7,953	-
DLUHC - NDR national levy account surplus	4,430	4,430
DLUHC - Local Tax Income Guarantee - NDR	-	(9,964)
DLUHC - Local Tax Income Guarantee - Council Tax	-	-
DLUHC - Council Tax Support & Losses		-
DLUHC - General Services grant	21,363	36,414
DLUHC - Right to Buy revenue	746	3,548
DLUHC - Other revenue grants	60	8
	603,325	**572,819**
Capital grants and contributions:		
DLUHC - Capital grants (Housing)	635,849	206,191
DLUHC - East Bank	3,900	25,800
DLUHC - Housing Infrastructure Fund - Marginal Viability Funding	12,705	5,193
DLUHC - Cladding remediation grant-Social Sector	3,384	25,121
DLUHC - Cladding remediation grant-Private Sector	42,190	54,150
DLUHC - Building Safety Fund	247,589	241,417
DLUHC - Waking Watch Relief	67	1,089
DLUHC - Rough Sleeping Accommodation Programme	-	23,458
DLUHC - GLA Capital Funding	-	14,155
DOH*- Care & Support Fund	12,400	25,018
BEIS - Homes Upgrade Grant 2	1,531	-
BEIS - Sustainable Warmth	18,455	-
DLUHC - Shared Prosperity Fund	8,735	-
BEIS - Green Homes	6,285	-
DfT - Growing Places Fund	15,230	-
DfT - Levelling Up Fund	12,717	-
DLUHC - Local Authority Housing Fund	88,328	-
DLUHC - Single Homelessness Accommodation Programme	6,717	-
Housing Grant reclaims	156,392	381,486
London Green Fund capital receipt	-	553
London Boroughs contributions for Elephant & Castle roundabout	11,847	17,600
Other Contributions	909	74
Total	**1,285,230**	**1,021,305**
	1,888,555	**1,594,124**

Credited to Services	2023/24	2022/23
	£000	£000
DfE* - Adult Education	333,394	351,645
DfE - Skills Bootcamp	713	9,922
DfE - Multiply	9,807	11,874
DLHUC - Shared Prosperity Fund	-	5,361
DLUHC - Homelessness & Rough Sleeping	34,743	14,589
DLUHC - Domestic Abuse Duty	21,160	20,745
DLUHC ERDF	245	4,596
DLUHC - Shared Prosperity Fund	40,663	-
DWP* - European Social Fund	20,456	17,371
DCMS - Operation London Bridge	-	31,540
Home Office	196	299
NHS* Commissioning Board	400	800
European Commission - Horizon 2020	430	2,948
LB Newham - Royal Docks Enterprise Zones	-	1,766
Other contributions	9,183	12,839
Total : Credited to Services	**471,393**	**486,295**

The following grants have conditions which have not yet been met and are held as creditors in the balance sheet. They will be recognised as income in future years.

Grants Receipts In Advance (Capital Grants)	2023/24	2022/23
	£000	£'000
DLUHC - Growing Places Fund	-	15,230
DLUHC - Housing Infrastructure Fund - Marginal Viability Funding	-	4,692
DLUHC Shared Prosperity Fund	-	4,177
BEIS* - Green Homes	-	6,285
BEIS - Sustainable Warmth	-	40,237
London Borough of Southwark-S106 Elephant & Castle	-	7,048
Other grants	350	119
Total	**350**	**77,788**

Grants Receipts In Advance (Revenue Grants)	2023/24 £000	2022/23 £'000
DLUHC - Rough Sleeping	-	9,903
DLUHC - Hong Kong Integration Programme	-	1,098
DLUHC - Shared Prosperity Fund	-	8,030
BEIS - Sustainable Warmth	2,301	
Other grants and contributions	-	1,511
Total	**2,301**	**20,542**

*DLUHC-Department for Levelling Up, Housing and Communities; DOH-Dept of Health & Social Care; DfE-Dept for Education; DfT - Dept for Transport; DWP-Dept for Works and Pensions; NHS-National Health Service; BEIS-Department for Business, Energy & Industrial Strategy

17. Elections

The table below contains a summary of the expenditure and income incurred in year relating to the May 2024 Mayor of London and London Assembly elections. All costs have been met from the Election Reserves.

	2023/24 £000	2022/23 £000
Gross Income	**-**	**-**
Gross Expenditure		
Staff	391	225
Premises	-	(90)
Reimbursement of London Borough costs	-	(79)
Supplies and Services	1,375	8
Gross Expenditure	**1,766**	**64**
Net Expenditure	**1,766**	**64**
Net contribution to/ (from) Reserves	4,734	6,435
Amount to be met by Grant and Taxpayer	**6,500**	**6,499**

18. Operating Leases

Authority and Group as Lessee

The Group has the following operating leases:

Greater London Authority

New and on-going leases

- Property lease – City Hall, Kamal Chunchie Way, London E16 1ZE – following the termination of the Queen's Walk lease, the Authority moved its main headquarters to The Crystal building in the London Borough of Newham. The lease commenced on 16 November 2021 and is for a period of 25 years, with a break notice of 12 months by either party prior to the break date of 16 November 2041. There is a rent-free period of two years which commenced on 18 March 2022.
- Property lease – Union Street, London – following the termination of the Queen's Walk lease the Authority entered into a new lease with the London Fire Brigade which increased the space occupied by the Authority to all of the ground floor and part of the first floor. The Authority previously occupied part of the ground floor.
- Co-working space agreement – the London European Office entered into a licence agreement to rent 1 desk in a co-working building in Brussels. The agreement can be ended by either party with 3 months' notice. On the grounds of materiality, the future payments under this licence are not included in the future lease rental table below.

London Legacy Development Corporation

- Property lease- LLDC leases office accommodation from TfL under a 3-year lease
- Waterways lease – rent payable to the Canal River Trust. This lease was revised on 1 January 2022 and will be revised annually thereafter with the amount due based on the number of existing outfalls, taking into account the number of new, abandoned or surrendered outfalls in the year.

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

	Authority 31 March 2024 £000	Group 31 March 2024 £000	Authority 31 March 2023 £000	Group 31 March 2023 £000
Not later than one year	4,573	6,912	4,650	6,951
Later than one year and not later than five years	12,187	14,318	15,451	18,439
Later than five years	20,607	52,718	22,544	55,100
	37,367	**73,948**	**42,645**	**80,490**

The expenditure charged to the CIES during the year in relation to these leases amounted to:

	Authority 2023/24 £000	Group 2023/24 £000	Authority 2022/23 £000	Group 2022/23 £000
Rent payble in year	3,832	5,466	3,896	5,375
	3,832	**5,466**	**3,896**	**5,375**

Authority and Group as Lessor

Details of some of the properties leased out as operating leases include:

GLA Land and Property Limited

- Thames Wharf – Dock Road and Scarab Close - the site is currently occupied by a number of industrial type occupiers comprising waste management, aggregate storage and a concrete batching facility
- Wick Lane, Poplar London - a 3 bedroomed semi-detached house
- North Middlesex Hospital – rented to an NHS Trust
- The Crystal Building – rented to the GLA
- Charles Street – occupied by an industrial type business and
- Royal Docks – Silvertown Dock, Albert Island, Thames Barrier Park – various properties currently occupied by a number of commercial and industrial type businesses

London Legacy Development Corporation

- London Aquatics Centre - Sports and Leisure Management (SLM) T/A Everyone Active was appointed as the new operator of the London Aquatics Centre in March 2024 under an 8-year service agreement
- Copper Box Arena - Greenwich Leisure Limited was appointed as the operator of the Copper Box Arena, in March 2024, under a 10-year arrangement
- Stadium Island - leased to E20 Stadium LLP under a 102-year lease arrangement, until 2115
- Here East - leased to iCITY (London) Limited over a 200-years lease
- Multi Storey Car Park: proportion of spaces leased to iCITY (London) Limited
- On and Off Park rentals: currently leased by a mixture of industrial and residential tenants
- Queen Elizabeth Olympic Park - various cafés and kiosks leased across the Park, including the Podium and Timber Lodge
- Chobham Manor - leased to Chobham Manor LLP for residential and business development over a 250-year lease.

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

	Group 31 March 2024 £000	**Group 31 March 2023 £000**
Not later than one year	6,858	7,151
Later than one year and not later than five years	19,748	22,852
Later than five years	452,917	450,449
	479,523	**480,452**

The income credited to the CIES during the year in relation to these leases amounted to:

	Group 2023/24 £000	**Group 2022/23 £000**
Rent receivable in year	10,345	9,735
	10,345	**9,735**

19. Mayor and Assembly Members' remuneration and expenses

The table below shows the total amount of remuneration and expenses reclaimed by the Mayor and Assembly members during the year. The amount for travel cards is the cash value of travel cards issued during the year.

		Salary	Employer Pension Contribution	Travel Card	Other Domestic Travel	Foreign Travel	Hotels	Total
		£	£	£	£	£	£	£
Mayor	Khan, Sadiq	160,309	19,237	-	193	-	-	179,739
Statutory Deputy Mayor	McCartney, Joanne	111,206	13,345	-	-	-	-	124,551
Current Assembly Members								
Assembly Member	Ahmad, Marina	62,501	7,500	2,784	-	-	-	72,785
Assembly Member	Bailey, Shaun	62,501	-	2,976	-	-	-	65,477
Assembly Member	Barker, Elly	62,501	7,500	2,976	-	-	-	72,977
Assembly Member	Berry, Sian	62,501	7,500	-	50	-	-	70,051
Assembly Member	Best, Emma	62,501	-	-	-	-	-	62,501
Assembly Member	Boff, Andrew *	73,621	8,834	-	-	-	-	82,455
Assembly Member	Bokhari, Hina	62,501	7,500	-	-	-	-	70,001
Assembly Member	Clarke, Anne	62,501	7,500	-	-	-	-	70,001
Assembly Member	Cooper, Leonie	62,501	7,500	2,976	-	-	-	72,977
Assembly Member	Desai, Unmesh	62,501	7,500	-	189	-	-	70,190
Assembly Member	Devenish, Tony	62,501	7,500	1,916	-	-	-	71,917
Assembly Member	Duvall, Len	62,501	7,500	2,976	-	-	-	72,977
Assembly Member	Fortune, Peter	62,501	7,500	2,976	-	-	-	72,977
Assembly Member	Garratt, Neil	62,501	7,500	-	-	-	-	70,001
Assembly Member	Hall, Susan	62,501	7,500	-	-	-	-	70,001
Assembly Member	Hirani, Krupesh	62,501	7,500	-	-	-	-	70,001
Assembly Member	Moema, Sem	62,501	7,500	2,340	-	-	-	72,341
Assembly Member	Pidgeon, Caroline	61,381	7,366	656	-	-	-	69,403
Assembly Member	Polanski, Zack	62,501	7,500	-	-	-	-	70,001
Assembly Member	Prince, Keith	62,501	7,500	-	-	-	-	70,001
Assembly Member	Rogers, Nicholas	62,501	7,500	-	-	-	-	70,001
Assembly Member	Russell, Caroline	62,501	7,500	-	-	-	-	70,001
Assembly Member	Sahota, Onkar	63,834	-	-	-	-	-	63,834
Assembly Member	Sheikh, Sakina	62,501	7,500	2,976	-	-	-	72,977
Total 2023/2024		**1,782,872**	**191,282**	**25,552**	**432**	**-**	**-**	**2,000,138**
Total 2022/2023		**1,692,953**	**194,033**	**35,364**	**110**	**255**	**794**	**1,923,509**

* Chair of the London Assembly 2023/24

20. Senior Officers' Remuneration

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

2023/24

Post	Name of Post Holder	Salary (Including fees and allowances)	Compensation for loss of office	Employer Pension Contributions	Total Remuneration including pension contributions
GLA Staff		£	£	£	£
Chief Officer	Mary Harpley	225,692	-	21,441	**247,133**
Interim Chief Finance Officer (from 5/6/2023) Note 1	Enver Enver	136,409	-	12,959	**149,367**
Executive Director, Assembly Secretariat	Helen Ewen	133,502	-	12,683	**146,184**
Executive Director, Good Growth	Philip Graham	137,977	-	13,108	**151,085**
Executive Director, Housing and Land	Tim Steer	137,977	-	13,108	**151,085**
Interim Executive Director, Resources and Business Improvement (from 29/01/2024) Note 2	Niranjeet Mothada	137,977	-	13,108	**151,085**
Interim Executive Director, Strategy and Communications (from 29/01/2024) Note 3	Luke Bruce	126,193	-	11,988	**138,181**
Executive Director, Communities & Skills	Tunde Olayinka	137,977	-	13,108	**151,085**
Former GLA Staff					
Executive Director, Resources (effective to 2/6/2023) Note 4	David Gallie	43,703	52,642	3,521	**99,866**
Mayoral Team					
Statutory Deputy Mayor/ Deputy Mayor, Education and Childcare	Joanne McCartney	See note 19			
Chief of Staff	David Bellamy	149,071	-	14,162	**163,233**
Deputy Chief of Staff	Richard Watts	144,692	-	13,746	**158,437**
Deputy Mayor for Business (from December 2023)	Howard Dawber	37,940	-	3,604	**41,545**
Deputy Mayor for Housing and Residential Development	Tom Copley	140,804	-	13,376	**154,181**
Deputy Mayor for Planning, Regeneration and Skills	Jules Pipe	143,023	-	13,587	**156,610**
Deputy Mayor for Environment and Energy	Shirley Rodrigues	140,804	-	13,376	**154,181**
Deputy Mayor for Communities and Social Justice	Debbie Weekes-Bernard	140,804	-	13,376	**154,181**
Deputy Mayor for Transport	Seb Dance	140,804	-	8,227	**149,032**
Deputy Mayor for Culture and the Creative Industries	Justine Simons	140,804	-	13,376	**154,181**
Deputy Mayor for Fire and Resilience	Fiona Twycross	84,483	-	8,026	**92,509**
Mayoral Director for Communications	Sarah Brown	135,174	-	12,842	**148,016**
Mayoral Director for Operations	Ali Picton	124,056	-	11,785	**135,841**
Mayoral Director for Political and Public Affairs	Felicity Appleby	124,056	-	11,785	**135,841**
Deputy Mayor for Policing and Crime	Sophie Linden	Remuneration paid by the Mayor's Office for Policing and Crime			
Former Mayoral Appointee					
Deputy Mayor for Business (to 27/11/2023)	Rajesh Agrawal	99,480	-	9,451	**108,931**

Note 1: Full year salary includes previous post as Assistant Director, Group Finance and Performance

Note 2: Full year salary includes previous post as Executive Director, Strategy and Communications

Note 3: Full year salary includes previous post as Programme Director, Recovery

Note 4: Compensation for loss of office also reported in Termination Note

2022/23

Post	Name of Post Holder	Salary (Including fees and allowances)	Compensation for loss of office	Employer Pension Contributions	Total Remuneration including pension contributions
GLA Staff		£	£	£	£
Chief Officer	Mary Harpley	194,110	-	23,293	**217,403**
Executive Director, Resources	David Gallie	130,208	-	15,625	**145,833**
Executive Director, Secretariat	Helen Ewen	117,187	-	14,062	**131,249**
Executive Director, Good Growth	Philip Graham	130,208	-	15,625	**145,833**
Interim Executive Director, Housing and Land (from 18/07/2022) Note 1	Tim Steer	126,590	-	15,236	**141,826**
Executive Director, Strategy and Communications	Niranjeet Mothada	130,208	-	15,625	**145,833**
Executive Director, Communities & Skills	Tunde Olayinka	131,606	-	15,793	**147,399**
Former GLA Staff					
Executive Director, Housing and Land (to 17/07/2022)	Rickardo Hyatt	37,071	-	4,449	**41,520**
Mayoral Team					
Statutory Deputy Mayor/ Deputy Mayor, Education and Childcare	Joanne McCartney		See note 19		
Chief of Staff	David Bellamy	137,408	-	16,607	**154,015**
Deputy Chief of Staff	Richard Watts	136,545	-	16,385	**152,930**
Deputy Mayor for Business	Rajesh Agrawal	132,876	-	15,945	**148,821**
Deputy Mayor for Housing and Residential Development	Tom Copley	132,876	-	15,945	**148,821**
Deputy Mayor for Planning, Regeneration and Skills	Jules Pipe	131,884	-	15,930	**147,814**
Deputy Mayor for Environment and Energy	Shirley Rodrigues	132,876	-	15,945	**148,821**
Deputy Mayor for Communities and Social Justice	Debbie Weekes-Bernard	132,876	-	15,945	**148,821**
Deputy Mayor for Transport	Seb Dance	132,876	-	15,945	**148,821**
Deputy Mayor for Culture and the Creative Industries	Justine Simons	132,876	-	15,945	**148,821**
Deputy Mayor for Fire and Resilience	Fiona Twycross	120,428	-	14,451	**134,879**
Mayoral Director for Communications	Sarah Brown	127,322	-	15,279	**142,601**
Mayoral Director for Operations	Ali Picton	114,816	-	13,778	**128,594**
Mayoral Director for Political and Public Affairs	Felicity Appleby	114,816	-	13,778	**128,594**
Deputy Mayor for Policing and Crime	Sophie Linden	Remuneration paid by the Mayor's Office for Policing and Crime			

Note 1: Full year salary includes previous post as Assistant Director, Transport and Infrastructure.

The Authority's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

Remuneration Band	2023/24 Number of Employees	2022/23 Number of Employees
£		
50,000 - 54,999	180	175
55,000 - 59,999	189	117
60,000 - 64,999	146	111
65,000 - 69,999	101	33
70,000 - 74,999	29	45
75,000 - 79,999	48	32
80,000 - 84,999	43	19
85,000 - 89,999	27	20
90,000 - 94,999	17	12
95,000 - 99,999	12	5
100,000 - 104,999	6	3
105,000 - 109,999	4	1
110,000 - 114,999	4	5
115,000 - 119,999	5	5
120,000 - 124,999	9	3
125,000 - 129,999	5	1
130,000 - 134,999	3	2
140,000 - 144,999	2	-
145,000 - 149,999	-	-
150,000 - 154,999	-	3
155,000 - 159,999	1	-
160,000 - 164,999	-	-
165,000 - 169,999	-	-
170,000 - 174,999	1	-
	832	**592**

Termination Benefits

The table below details the number and cost of compulsory and voluntary severances packages agreed during the year for staff.

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
(including special payments)	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024 £	2022/2023 £
£0 - £20,000	-	1	12	6	12	7	73,038	76,978
£20,001 - £40,000	-	1	7	3	7	4	217,116	108,797
£40,001 - £60,000	-	1	1	1	1	2	52,642	100,496
£60,001 - £80,000	-	1	1	1	1	2	61,689	138,691
£80,001 - £100,000	-	-	-	1	-	1	-	92,496
£100,001 - £150,000	-	-	-	2	-	2	-	248,598
£150,000+	-	-	2	2	2	2	440,618	528,741
Total amount included in the CIES	**-**	**4**	**23**	**16**	**23**	**20**	**845,103**	**1,294,797**

21. Pensions

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

Local Government Pension Scheme

The LGPS, administered by the London Pensions Fund Authority, is a defined benefit statutory scheme – from 1 April 2014 the LGPS became a career average revalued earnings scheme (benefits built up to 31 March 2014 are protected under the final salary scheme) – meaning that the GLA, OPDC and LLDC employees and elected officers pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The employer contributions payable to the London Pension Fund Authority are paid in at a percentage of employees' pensionable earnings. The contribution rate is determined by the pension fund's actuary based on triennial actuarial valuations, the 31 March 2022 actuarial valuation set the Authority's employer contribution rate for the period 1 April 2023 to 31 March 2026 at 9.5%.

Under pension regulations, contribution rates are set to meet 100% of the overall liabilities of the Fund. The value of in-year employer contributions and the applicable contribution rates are set out in the table below.

	2023/24	2022/23	1 April 2020 - 31 March 2023	1 April 2023 - 31 March 2025
	£m	£m	%	%
GLA	7.0	8.1	12.0%	9.5%
OPDC	0.4	0.3	12.0%	10.4%
LLDC	1.5	1.4	12.0%	10.4%

Transactions Relating to Post-Employment Benefits

The cost of retirement benefits is recognised 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 made against council tax is based on the cash payable in the year, so the real 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 CIES and the General Fund Balance via the Movement in Reserves Statement during the year:

2022/23 Authority £000	2022/23 Group £000	Cost of Retirement Benefits	2023/24 Authority £000	2023/24 Group £000
		Comprehensive Income and Expenditure Statement		
		Cost of Services		
17,536	23,502	Current service costs	8,386	10,651
115	127	Administration Fee	117	131
661	661	(Gain)/loss from settlements	464	464
18,312	**24,290**		**8,967**	**11,246**
		Financing and Investment Income and Expenditure		
(225)	749	Net Interest Expense	(2,963)	(2,910)
18,087	**25,039**	**Total Post-employment Benefit charged to the Surplus or Deficit on the Provision of Services**	**6,004**	**8,336**
		Other Post-employment Benefit charged to the Comprehensive Income and Expenditure Statement		
		Remeasurement of the net defined benefit liability comprising:		
10,092	10,560	Return on plan assets (excluding the amount included in the net interest expense)	(16,271)	(14,114)
(282,639)	(331,011)	Actuarial (gains)/losses arising on changes in financial assumptions	(10,381)	(7,956)
(14,700)	(15,013)	Actuarial (gains)/losses arising on changes in demographic assumptions	(4,061)	(3,544)
40,194	46,664	Experience (gains)/losses on defined benefit obligation	1,200	1,044
2,439	2,982	Other actuarial (gains)/losses on assets	-	-
-	9,864	Deferred tax asset on the net defined benefit liability		
(226,527)	**(250,915)**	**Total Post-employment Benefit charged to the Comprehensive Income and Expenditure Statement**	**(23,509)**	**(16,234)**
		Movement in Reserves Statement		
(18,087)	**(25,039)**	Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	**(6,004)**	**(8,336)**
		Actual amount charged against the General Fund Balance for pensions in the year		
8,137	**9,861**	Employers' contributions payable to the Local Government Pension Scheme	**6,982**	**8,870**

Pensions Asset and Liabilities recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the GLA's, OPDC's and LLDC's obligation in respect of their defined benefit plans is as follows:

2022/23 Authority £000	2022/23 Group £000		2023/24 Authority £000	2023/24 Group £000
(364,490)	(412,892)	Present value of the defined benefit obligation	(374,922)	(425,751)
391,195	437,628	Fair Value of scheme assets (bid value)	432,118	485,395
26,705	**24,736**	**Net (liability)/asset arising from defined benefit obligation**	**57,196**	**59,644**

Reconciliation of fair value of the scheme (plan) assets:

2022/23 Authority £000	2022/23 Group £000		2023/24 Authority £000	2023/24 Group £000
381,720	**423,963**	**Opening fair value of scheme assets**	**391,195**	**437,628**
15,155	16,275	Interest Income	20,454	22,738
		Remeasurement gain/(loss):		
(10,092)	(11,050)	Return on plan assets, excluding the amount included in the net interest expense	16,271	18,353
(115)	(97)	Administration expenses	(117)	(131)
(2,439)	(1,077)	Other actuarial gains/(losses)	-	(7)
8,137	9,861	Contributions from employer	6,982	8,870
5,460	6,725	Contributions from employees into the scheme	5,792	7,203
(6,631)	(6,972)	Benefits paid	(8,459)	(9,259)
391,195	**437,628**	**Closing fair value of scheme assets**	**432,118**	**485,395**

Reconciliation of present value of the scheme liabilities (defined benefit obligation)

2022/23 Authority £000	2022/23 Group £000		2023/24 Authority £000	2023/24 Group £000
(589,679)	**(670,303)**	**Opening balance at 1 April**	**(364,490)**	**(412,892)**
(17,536)	(23,096)	Current service cost	(8,386)	(10,651)
(14,930)	(17,024)	Interest cost	(17,491)	(19,828)
(5,460)	(6,723)	Contributions from scheme participants	(5,792)	(7,203)
14,700	16,425	Actuarial gains/(losses) arising from changes in demographic assumptions	4,061	4,578
282,639	328,607	Actuarial gains/(losses) arising from changes in financial assumptions	10,381	12,806
(40,194)	(47,087)	Experience gains/(loss) on defined benefit obligation	(1,200)	(1,356)
(661)	(661)	Past service costs, including curtailments	(464)	(464)
6,631	6,970	Estimated benefits paid net of transfers in	8,459	9,259
(364,490)	**(412,892)**	**Closing balance at 31 March**	**(374,922)**	**(425,751)**

Local Government Pension Scheme assets comprised (Bid value):

Authority	%	20223/24 Authority Quoted Prices £000	%	20223/24 Authority Unquoted Prices £000	20223/24 Total £000	2022/23 Authority Quoted Prices £000	2022/23 Authority Unquoted Prices £000	2022/23 Total £000
Equities								
Basic Materials	*0.75%*	3,241		-	3,241	-	-	-
Consumer Discretionary	*10.25%*	44,291		-	44,291	55,157	-	55,157
Consumer Staples	*3.40%*	14,692		-	14,692	-	-	-
Energy	*0.48%*	2,074		-	2,074	4,303	-	4,303
Financials	*7.19%*	31,069		-	31,069	27,775	-	27,775
Health Care	*3.73%*	16,118		-	16,118	16,039	-	16,039
Industrial	*10.27%*	44,378		-	44,378	23,863	-	23,863
Real Estate	*0.41%*	1,772		-	1,772	-	-	-
Technology	*14.74%*	63,693		-	63,693	51,247	-	51,247
Materials	*0.00%*	-		-	-	-	-	-
Telecommunication	*0.60%*	2,593		-	2,593	12,127	-	12,127
Utilities	*0.62%*	2,679		-	2,679	-	-	-
Fixed Income & Other	*0.05%*	216		-	216	-	-	-
Trade Cash/Pending	*1.01%*	4,364		-	4,364	-		-
Private Equity		-	*7.05%*	30,464	30,464	-	31,296	31,296
					-			
Fixed Income	*2.41%*	10,414		-	10,414	4,303		4,303
Investment/Hedge funds and Unit trusts	*2.94%*	12,704		-	12,704	31,687		31,687
Credit		-	*11.90%*	51,421	51,421	-	35,208	35,208
Infrastructure		-	*11.49%*	49,628	49,628	-	50,855	50,855
Property Fund/Real Estate		-	*9.15%*	39,522	39,522	-	39,120	39,120
Cash	*1.54%*	6,655		-	6,655	-	-	-
Cash at bank		-		-	-	8,215	-	8,215
Currency (forward contracts)		-	*0.03%*	130	130	-	-	-
BlackRock DDG	*0.00%*	-		-	-	-	-	-
Total	**60.39%**	**260,953**	**39.61%**	**171,165**	**432,118**	**234,716**	**156,479**	**391,195**

Local Government Pension Scheme assets comprised (Bid value):

Local Government Pension Scheme assets comprised (Bid Value):

Group	%	**20223/24 Group Quoted Prices £000**	**%**	**20223/24 Group Unquoted Prices £000**	**20223/24 Total £000**	**2022/23 Group Quoted Prices £000**	**2022/23 Group Unquoted Prices £000**	**2022/23 Total £000**
Equities								
Basic Materials	*0.75%*	3,641		-	3,641	-	-	-
Consumer Discretionary	*10.25%*	49,752		-	49,752	62,143	-	62,143
Consumer Staples	*3.40%*	16,504		-	16,504	-	-	-
Energy	*0.48%*	2,330		-	2,330	-	-	-
Financials	*7.19%*	34,900		-	34,900	40,262	-	40,262
Health Care	*3.73%*	18,105		-	18,105	18,380	-	18,380
Industrial	*10.27%*	49,852		-	49,852	31,509	-	31,509
Real Estate	*0.41%*	1,990		-	1,990	-	-	-
Technology	*14.74%*	71,548		-	71,548	45,076	-	45,076
Materials	*0.00%*	-		-	-	-	-	-
Telecommunication	*0.60%*	2,912		-	2,912	14,004	-	14,004
Utilities	*0.62%*	3,010		-	3,010	-	-	-
Fixed Income & Other	*0.05%*	242		-	242	-	-	-
Trade Cash/Pending	*1.01%*	4,902			4,902	9,628	-	9,628
Private Equity			*7.05%*	34,218	34,218	-	35,010	35,010
Fixed Income	*2.41%*	11,698		-	11,698	5,252	-	5,252
Investment/Hedge funds and Unit trusts	*2.94%*	14,270		-	14,270	36,323	-	36,323
Credit			*11.90%*	57,763	57,763	-	42,888	42,888
Infrastructure			*11.49%*	55,751	55,751	-	55,141	55,141
Property Fund/Real Estate			*9.15%*	44,397	44,397	-	42,012	42,012
Cash	*1.54%*	7,476			7,476	-	-	-
Cash at bank				-	-	-	-	-
LDI	*0.00%*	-		-	-	-	-	-
Currency (forward contracts)			*0.03%*	134	134	-	-	-
BlackRock DDG	*0.00%*	-		-	-	-	-	-
Total	**60.39%**	**293,132**	**39.61%**	**192,263**	**485,395**	**262,577**	**175,051**	**437,628**

Basis for Estimating Assets and Liabilities

The actuarial valuation, undertaken by Barnett Waddingham, an independent actuarial firm, involves determining the value of pension benefits that have been accrued by LGPS members and comparing this to the value of the assets held in respect of these pension benefits.

When carrying out a funding valuation, they receive data for each individual member and information on their accrued pension benefits. They then project each members' benefits into the future based on a set of assumptions (e.g. salary increases and pension increases) and allowing for the probability that these future benefits will be paid (e.g. the probability of a death benefit being paid on a death in active service). Through an approach known as 'discounting', these projected benefit cashflows are summarised into a figure known as the "present value of obligations", or more commonly the "liability", and this represents the value of the future benefits at the current valuation date. A discount rate assumption is used which represents the future investment return on the fund's assets.

In the case of the accounting valuation used for figures reported in these statements, the full valuation of member data, as described in the preceding paragraph, is not plausible and therefore a roll forward approach is usually adopted instead. A roll-forward approach involves estimating an employer's assets and liabilities from the latest full valuation (i.e. using individual member data) which was carried out. This involves using cashflow information to estimate changes in the assets and liabilities since the latest full valuation.

The assets and the liabilities are then compared. If the assets are more than the liabilities then there is a surplus and if they are less than the liabilities then there is a deficit. Under the LGPS rules there is not an unconditional right to a refund given that the Authority is expected to participate in the LGPS indefinitely and as a result an asset ceiling calculation has been made. This ceiling has been calculated as higher than the surplus and therefore the surplus is recognised in full.

The principal assumptions used by the actuary in their calculations have been:

	2023/24 Authority	2023/24 Group	2022/23 Authority	2022/23 Group
Expected return on assets	4.95%	4.95%	4.80%	4.80%
Mortality Assumptions				
Longevity at 65 for current pensioners				
Men	22.1	22.0 - 22.6	22.4	22.0 - 22.6
Women	24.4	24.0 - 24.5	24.7	24.0 - 24.7
Longevity at 65 for future pensioners				
Men	22.6	22.3 - 23.5	22.9	22.4 - 23.5
Women	25.4	25.2 - 25.8	25.7	25.5 - 25.8
Rate of inflation - CPI	3.15%	3.12%	2.90%	2.90%
Rate of increase in salaries	3.90%	3.88%	3.90%	3.90%
Rate of increase in pensions	2.90%	2.88%	2.90%	2.90%
Rate for discounting scheme liabilities	0.00%	0.00%	4.80%	4.80%

The return on the fund (on a bid value to bid value basis) for the year to 31 March 2024 is estimated to be, as follows:

GLA 9.34%
LLDC 9.34%
OPDC 10.96%

The actual return on fund assets may differ from the above returns.

Sensitivity Analysis

The following table reports on the sensitivity of the value of the defined benefit obligation to increases or decreases in key assumptions.

Impact on the Defined Benefit Obligation in the Scheme	**2023/24**		
	Increase in Assumption £000	**Actual £000**	**Decrease in Assumption £000**
Longevity (increase or decrease in 1 year)			
Greater London Authority	(386,360)	(374,922)	(363,845)
London Legacy Development Corporation	(45,608)	(44,461)	(43,343)
Old Oak and Park Royal Development Corporation	(6,586)	(6,368)	(6,205)
GLA Group	**(438,554)**	**(425,751)**	**(413,393)**
Rate of increase in salaries (increase or decrease by 0.1%)			
Greater London Authority	(375,341)	(374,922)	(374,507)
London Legacy Development Corporation	(44,540)	(44,461)	(44,383)
Old Oak and Park Royal Development Corporation	(6,379)	(6,368)	(6,357)
GLA Group	**(426,260)**	**(425,751)**	**(425,247)**
Rate of increase in pensions (increase or decrease by 0.1%)			
Greater London Authority	(382,393)	(374,922)	(367,667)
London Legacy Development Corporation	(45,452)	(44,461)	(43,501)
Old Oak and Park Royal Development Corporation	(6,550)	(6,368)	(6,193)
GLA Group	**(434,395)**	**(425,751)**	**(417,361)**
Rate for discounting scheme liabilities (increase or decrease by 0.1%)			
Greater London Authority	(367,408)	(374,922)	(382,662)
London Legacy Development Corporation	(43,445)	(44,461)	(45,509)
Old Oak and Park Royal Development Corporation	(6,186)	(6,368)	(6,557)
GLA Group	**(417,039)**	**(425,751)**	**(434,728)**

Impact on future cash flows

Authority

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The latest triennial valuation has set the annual employer's contribution at 9.5% until 31 March 2026. Funding levels are monitored on an annual basis.

Group

The total contributions expected to be made to the Local Government Pension Scheme by the Group in the year to 31 March 2025 is £8.5m.

The weighted average duration of the defined benefit obligation for scheme members ranges from 21 to 31 years (22 to 31 years for 2022-23).

Greater London Authority AVIVA master trust scheme

The Greater London Authority AVIVA master trust scheme is a defined contribution scheme open to the Mayor and Assembly Members.

Employer contributions are payable at 12% of pensionable pay. A total of £0.16m employer contributions were paid in 2023-24 (£0.19m for 2022-23).

22. External Audit Costs

The Authority and Group have incurred the following costs in relation to the audit of the Statement of Accounts for services provided by external auditors.

	Authority 2023/24	Group 2023/24	Authority 2022/23	Group 2022/23
	£000	**£000**	**£000**	**£000**
Fees payable to external auditors with regard to external audit services carried out by the appointed auditor	436	941	243	652
Fees payable in respect of other services provided by the external auditors during the year	-	-	-	9
	436	**941**	**243**	**661**

The £436k chargeable to 2023/24 for Authority audit fees consists of £397k for 2023-24, an additional £65k in respect of 2022-23 and a reduction of £26k in respect of 2021-22.

23. Agency arrangements

The GLA was the designated Intermediate Body (IB) for the management and administration of the European Regional Development Fund (ERDF) programmes in London and carried out the function on behalf of DLUHC under Article 123 of EC Regulation 1303/2013. In carrying out this function, the GLA acted as DLUHC's agent, making funding decisions and entering into contracts on behalf of DLUHC. Post the UK's withdrawal from the European Union, the Authority continues to act on behalf of

DLUHC in respect of returned ERDF funds. The Authority has a duty to ensure that recycled funds continue to be used to support sustainable urban development.

London Green Fund (LGF) (formerly JESSICA Holding Fund London)

The Joint European Support for Sustainable Investment in City Area (JESSICA) was a policy initiative of the European Commission, supported by the European Investment Bank (EIB), and designed to help the authorities in the Member States of the European Union to exploit financial engineering mechanisms to support investment in sustainable urban development in the context of the cohesion policy. Under this programme, Managing Authorities (DLUHC for England) were allowed to use some of their Structural Funds, principally those supported by the ERDF to invest in Urban Development Funds to accelerate investment in urban areas.

For the London region, DLUHC's ERDF investment was matched funded by the London Waste and Recycling Board (LWARB) and the London Development Agency (LDA). In October 2009, the LDA, LWARB and the EIB signed a funding agreement for the purpose of establishing the JESSICA Holding Fund, also known as the London Green Fund. On 1 July 2011, when the operational responsibilities for the ERDF transferred to the GLA, the responsibility for DLUHC's ERDF contribution transferred also.

At 31 March 2024, £110m has been invested and comprises £60m of ERDF, £18m of LWARB and £32m of GLA (formerly LDA) funds. The LGF provides funding for three urban development funds that invest directly in waste, energy efficiency, decentralised energy and social housing programmes.

The Authority manages the fund on behalf of itself, LWARB and the ERDF (DLUHC).

During the year, the Authority received £3.9m (£1.7m in 2022-23) in interest on the balances invested and part payment of the original investment, net of fund manager fees and is holding balances totalling £16.8m at 31 March 2024 (£13.1m at 31 March 2023).

During the year, ERDF receipts totalled £4.4m (£2.8m in 2022-23) and at 31 March 2024 the balance of ERDF cash totalled £21.2m (£18.9m at 31 March 2023), as a creditor on behalf of the DLUHC.

Mayor of London's Energy Efficiency Fund (MEEF)

The Mayor of London's Energy Efficiency Fund (MEEF) is a low carbon infrastructure fund providing repayable finance to viable projects across London. The Authority, in its role as Intermediate Body and DLUHC's agent, committed some £73.8m of European Regional Development Fund (ERDF) funding to the MEEF (including via MD2165, MD2597 and MD2865) and on 29 June 2018 was admitted as a limited partner in the MEEF Limited Partnership.

The ERDF programme closed on 31 December 2023. The ERDF funding was paid directly from DLUHC to Amber Infrastructure Limited and was invested through the MEEF. Returns related to ERDF funding will be held as a creditor in the balance sheet.

24. Mayor's Community Infrastructure Levy (MCIL)

In 2012, the Mayor agreed his MCIL charging schedule to be applied to developments consented on or after 1 April 2012 and was collected by London boroughs once development commences.

The setting of a London-wide Community Infrastructure Levy is a power given to the Mayor under the Planning Act 2008 designed to raise money for the infrastructure needed to develop an area.

The Levy was charged on most developments in London at the following rates, which were subject to annual indexation, in line with the Tender Price Index:

Zone 1 boroughs - £50 per square metre
Camden, City of London, City of Westminster, Hammersmith and Fulham, Islington, Kensington and Chelsea, Richmond-upon-Thames, Wandsworth

Zone 2 boroughs - £35 per square metre
Barnet, Brent, Bromley, Ealing, Greenwich, Hackney, Haringey, Harrow, Hillingdon, Hounslow, Kingston upon Thames, Lambeth, Lewisham, Merton, Redbridge, Southwark, Tower Hamlets

Zone 3 boroughs - £20 per square metre
Barking and Dagenham, Bexley, Croydon, Enfield, Havering, Newham, Sutton, Waltham Forest

Mayor's Community Infrastructure Levy 2 (MCIL2)

On 1 April 2019, following successfully passing an Examination in Public, MCIL2 replaced MCIL and the Crossrail Section 106 charge on office, retail and hotel development in certain parts of London. The MCIL2 rates apply to all planning permissions granted from 1 April 2019 and may also apply to some phased planning permissions granted before the 1 April 2019.

The new MCIL2 charges, which will also be subject to annual indexation, are as follows:

Zone 1 boroughs - £80 per square metre
Camden, City of London, City of Westminster, Hammersmith and Fulham, Islington, Kensington and Chelsea, Richmond-upon-Thames, Wandsworth

Zone 2 boroughs - £60 per square metre
Barnet, Brent, Bromley, Ealing, Enfield, Hackney, Haringey, Harrow, Hillingdon, Hounslow, Kingston upon Thames, Lambeth, Lewisham, Merton, Redbridge, Southwark, Tower Hamlets, Waltham Forest, London Legacy Development Corporation (LLDC), Old Oak and Park Royal Development Corporation (OPDC)

Zone 3 boroughs - £25 per square metre
Barking and Dagenham, Bexley, Croydon, Greenwich, Havering, Newham, Sutton

MCIL2 charging rates for office, retail and hotel in Central London and Isle of Dogs:
Office - £185 per square metre
Retail - £165 per square metre
Hotel - £140 per square metre

From 2019-20 the GLA has been permitted under regulations approved by Parliament (The Community Infrastructure Levy (Amendment) (England) Regulations 2019) to apply MCIL for capital financing purposes for the Elizabeth line (referred to in the legislation as ‘the Crossrail project’). The Community Infrastructure Levy (Amendment) (England) Regulations 2021 laid before Parliament in March 2021 following the November 2020 Crossrail funding deal permit the Mayor to apply MCIL and MCIL2 revenues to finance and repay the GLA’s Crossrail debt up to 31 March 2043.

In 2023-24, MCIL has raised £163.3m (£173.9m in 2022-23), after deductions of £11.4m allowable collection and administration costs and a provision for non-collection with all money being directed towards financing the GLA's contributions towards the cost of delivering the Elizabeth Line. MCIL is recognised in the CIES as income and is reported within the Taxation and Non-Specific Grant Income and Expenditure, see Note 13.

25. Property, Plant and Equipment

	-----------Group------------				-----------------Group----------------			
	2023/24				2022/23			
	Land and Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Total Property, Plant and Equipment	Land and Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
Balances at 1 April	**4,042**	**38,372**	**3,268**	**45,682**	**3,872**	**40,657**	**2,648**	**47,177**
Additions	-	3,355	3,692	**7,047**	-	12,562	501	**13,063**
Revaluation increases/(decreases) recognised in the revaluation reserve	-	-	-	**-**	170	**-**	119	**289**
the Provision of Services	-	-	-	**-**	-	-	-	**-**
Derecognition- disposals	-	(2,473)	-	**(2,473)**	-	-	-	**-**
Derecognition- other	-	-	-	**-**	-	(14,847)	-	**(14,847)**
Other movements in cost or valuation	-	-	(119)	**(119)**	-	**-**	-	**-**
At 31 March	**4,042**	**39,254**	**6,841**	**50,137**	**4,042**	**38,372**	**3,268**	**45,682**
Accumulated Depreciation and Impairment								
Balances at 1 April	**(76)**	**(12,340)**	**-**	**(12,416)**	**(57)**	**(22,896)**	-	**(22,953)**
Depreciation charged to the (Surplus)/Deficit on the Provision of Services	(48)	(2,618)	-	**(2,666)**	(45)	(3,202)	-	**(3,247)**
Depreciation written out to the Revaluation Reserve	30	-	-	**30**	26	-	-	**26**
Derecognition- disposals	-	2,473	-	**2,473**	-	-	-	**-**
Derecognition- other	-	-	-	**-**	-	13,758	-	**13,758**
Other movements in depreciation and impairment	-	-	-	**-**	-	-	-	**-**
At 31 March	**(94)**	**(12,485)**	**-**	**(12,579)**	**(76)**	**(12,340)**	**-**	**(12,416)**
Net Book Value								
At 1 April	**3,966**	**26,032**	**3,268**	**33,266**	**3,815**	**17,761**	**2,648**	**24,224**
At 31 March	**3,948**	**26,769**	**6,841**	**37,557**	**3,966**	**26,032**	**3,268**	**33,266**

Revaluations

Valuations of land and buildings held by the GLA and GLAP are undertaken every year at 31 March by registered RICS Valuers external valuers, JLL; the details of significant land and buildings and carrying values at 31 March 2024 are set out below:

- GLA - 639 High Road, Tottenham - a community centre facility. It is held at existing use value (EUV) and at 31 March 2024 had a value of £1.9m.
- GLA - Crystal Palace National Sports Centre (CPNSC) transferred from GLAP to GLA on 1 April 2022. It is held at existing use value (EUV) and at 31 March 2024 had a value of £1, reflecting the extent of repair works required to restore the asset to full working order.
- Assets under Construction relates to expenditure incurred in relation to the East Bank project (LLDC) and renovation works in relation to CPNSC (GLA).

Valuations were carried out in accordance with the Practice Statements contained in the RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors and the RICS Valuation – Global Standards (effective 31 January 2022) and UK national supplement as applicable (RICS Red Book), by valuers who conform to the requirements thereof.

26. Investment Properties

The following table summarises the movement in the fair value of investment properties over the year:

	Group 2023/24 £000	Group 2022/23 £000
Balances at 1 April	**186,418**	**240,166**
Additions:		
Purchases	77,564	36,738
Subsequent expenditure	46,846	-
Disposals	(6,386)	(900)
Net gains/(losses) from fair value adjustments	(76,435)	(69,958)
Transfers:		
To/from Inventories	-	(19,628)
Balance at 31 March	**228,007**	**186,418**

27. Investment Properties - Valuations

The Group investment portfolio was valued as at 31 March 2024 by JLL Limited. The investment property portfolio is now valued at £228m a net increase in fair value of £42m from the prior year, which is largely driven by adverse changes in market conditions such as interest rates and construction price inflation. Included in the valuation are elements of the East Bank project, which are delivered at a net cost to LLDC (and therefore has a negative valuation).

In line with the Mayor’s commitment to affordable housing, a portfolio approach has been adopted whereby 50% of the homes delivered across the sites at Pudding Mill, Rick Roberts Way, and the residential element of Stratford Waterfront are affordable homes. This is factored into the valuation for these development sites, which have not yet started on site (and so continue to be classified as investment properties).

Asset	31 March 2024	31 March 2023	Change	Basis
	£000	£000	£000	
LLDC				
London Aquatics Centre and	(2,800)	4,322	(7,122)	Greenwich Leisure Limited was appointed as the operator of the London Aquatics Centre and Copper Box Arena under a 10 year arrangement. These venues (including the car parks) are valued on the basis of the estimated future income the venues will produce until 2024. The operating contracts thereafter are currently being re-procured and will be reflected in future valuations.
Copper Box Arena	6,540	5,568	972	The valuation (inclusive of the car park) is based on rental income of the new 10-year operating lease with Greenwich Leisure Limited (GLL) entered in March 2024. The valuation also reflects the potential income from the commercial rights of the venue.
Here East (former Press and Broadcast Centre)	11,040	14,700	(3,660)	The valuation of the former Press and Broadcast Centre (known as Here East) is based on the potential net rental income that LLDC will receive.
Multi Storey Car park	6,190	4,500	1,690	The valuation of the Multi Storey Car Park is based on the rental income streams, which includes events and adhoc revenue.
Stadium	817	1,500	(683)	The Stadium is subject to a lease to let the Stadium to E20 Stadium LLP until 2115. The Legacy Corporation reversionary interest discounted back to the present day is valued at £1.5m.
ArcelorMittal Orbit	3,550	3,260	290	The ArcelorMittal Orbit and The Last Drop are valued on the basis of the earnings that could be generated from operating the attraction.
Queen Elizabeth Olympic Park (excl. East Bank)	45,340	78,759	(33,419)	The valuation of Queen Elizabeth Olympic Park is based on residual appraisal. The includes residential development plots where development has not yet commenced.
3 Mills Studios	29,600	26,300	3,300	The 3 Mills Studios site is held on a lease with 83 years outstanding. It has been valued on the investment method, assuming the buildings are let as offices and warehouses, and have adopted a market rent.
LTGDC transferred assets	3,385	7,950	(4,565)	These sites have been valued as industrial land to be developed, which has increased in value, using comparable evidence to establish market value, for all bar one property, where an estimated rental value was used.
Other assets	269	8,350	(8,081)	Other sites including Timberlodge and Kiosks, have been valued using a expected rental values applying an appropriate yield and comparable market value information from similar sites. The net increase in market value is mainly due to increased rental income.
Queen Elizabeth Olympic Park - East Bank	(3,240)	(22,500)	19,260	East Bank public realm and Carpenters Land Bridge
LLDC Total	**100,691**	**132,709**	**(32,018)**	

GLAP				
1-3 Salamons Way, Dagenham	1,217	1,217	-	The valuation of the land at 1-3 Salamons Way is based on comparable market prices offset by the cost of remediation works.
Workspace	1,600	1,600	-	The valuation is based on open market value taking into account the irregular shape and inefficiency of the site and that approximately 0.53 acres is safeguarded for a new bus lane. The cost of remediation work has also been reflected in the valuation.
Hoxton Workspaces, Hoxton	2,300	2,380	(80)	The property is a mid-terrace, four storey building dating from the late 1800s which has been converted into 16 office suites/workshop units. The valuation is based on the rental income streams discounted at
Armada Green Recreation Area	3,550	3,360	190	Armada Green Recreation Area is an irregular shaped piece of amenity land measuring 0.86 acres, which is used for recreation. The valuation is based on the NPV calculation of future land payments
Albert Island Plots	12,144	14,867	(2,723)	Albert Island is an irregularly shaped island site is currently being used mainly for open storage and marina purposes. The site is broadly flat and is covered by a mixture of tarmac, concrete and vegetation, although it also contains some temporary buildings. The valuation is based on the NPV calculation of
Landmark Site (Crystal Building)	17,625	18,375	(750)	The Landmark Site has been let to the Greater London Authority and is the City Hall building. The valuation is based on the capitalised rental income under the lease agreement with the Greater London
Brunel St Works	5,366	5,237	129	development. The valuation is based on the discounted estimated rental income less the fit out costs required to bring the commercial units to the rental market.
Other Assets	5,950	6,673	(723)	Various smaller sites and reversionary interests valued using various methodologies including expected rental values discounted at an appropriate yield and comparable market value information.
GLAP Total	**49,752**	**53,709**	**(3,957)**	
OPDC				
Old Oak Café	939	-	939	Land
Midland Gate	6,858	-	6,858	Open storage land
Midland Terrace	919	-	919	Terraced house comprising 2x residential flats
Atlas Wharf	26,490	-	26,490	Vacant car park with planning permission to build housing complex
Ursula Lapp	2,008	-	2,008	Industrial units
Lord's	27,541	-	27,541	Industrial units
Sarastro	12,317	-	12,317	Land and property
Minerva Road	492	-	492	Industrial unit with an access road
OPDC Total	**77,564**	**-**	**77,564**	
Total	**228,007**	**186,418**	**41,589**	

GLA Group Investment Property

In 2023-24 net losses in the fair value of investment property of £76.4m are recognised in the Surplus or Deficit on the Provision of Services.

Amounts recognised as rental income and operating expenses

	Group 2023/24 £000	Group 2022/23 £000
Rental Income	(15,566)	(16,659)
Operating Expenditure	13,974	19,975
Net deficit/(surplus)	**(1,592)**	**3,316**

Revaluations

The valuations were undertaken by JLL external, independent property valuers with valuations provided as at 31 March 2024. They are registered RICS Valuers and the valuations were carried out in accordance with the Practice Statements contained in the RICS Red Book.

See Note 5 for key assumptions in relation to asset valuations and sources of estimation uncertainty.

Fair value hierarchy

The Group's classification of investment properties in the fair value hierarchy as at 31 March 2024 is as follows:

2023/24

Recurring fair value measurements using:	Quoted prices in active markets for identical assets Level 1 £000	Other significant observable inputs Level 2 £000	Significant unobservable inputs Level 3 £000	Fair Value as at 31 March 2024 £000
London Legacy Development Corp.				
Queen Elizabeth Olympic Park (excl. East Bank)	-	45,340	-	**45,340**
East Bank public realm and Carpenters Land Bridge	-	-	(3,240)	**(3,240)**
Commercial units	-	17,230	33,609	**50,839**
Other assets	-	-	7,752	**7,752**
	-	**62,570**	**38,121**	**100,691**
GLA Land and Property Ltd.				
Commercial units	-	-	49,310	**49,310**
Residential properties	-	-	442	**442**
	-	**-**	**49,752**	**49,752**
Old Oak and Park Royal Development Corporation				
Land	-	-	20,114	**20,114**
Industrial units	-	-	30,041	**30,041**
Vacant car park	-	-	26,490	**26,490**
Other assets	-	-	919	**919**
	-	**-**	**77,564**	**77,564**
Balance at 31 March 2024	**-**	**62,570**	**165,437**	**228,007**

Recurring fair value measurements using:	Quoted prices in active markets for identical assets Level 1 £000	Other significant observable inputs Level 2 £000	Significant unobservable inputs Level 3 £000	Fair Value as at 31 March 2023 £000
London Legacy Development Corp.				
Queen Elizabeth Olympic Park (excl. East Bank)	-	78,759	-	**78,759**
East Bank public realm and Carpenters Land Bridge	-	-	(22,500)	**(22,500)**
Commercial units	-	29,090	34,650	**63,740**
Other assets	-	4,749	7,960	**12,709**
GLA Land and Property Ltd.				
Commercial units	-	-	53,262	**53,262**
Residential properties	-	-	448	**448**
Balance at 31 March 2023	**-**	**112,598**	**73,820**	**186,418**

This hierarchy categorises into three levels the inputs to valuation techniques used to measure fair value; these include:

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

Transfers between Levels of the Fair Value Hierarchy

The Group policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

GLAP – there were no transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

LLDC - London Aquatics Centre (LAC) and Copper Box Arena were transferred from Level 2 to Level 3 as the measurement technique uses significant unobservable inputs i.e. rental income and operating costs specific to the new agreements between the parties to determine the fair value measurements.

Valuation techniques used to determine fair values

The Group's investment properties are measured using a combination of an income and market comparison approach. Under the income approach, values are determined by means of either the discounted cash flow method, where the expected cash flows from the properties are discounted to establish the present value of the net income stream or the direct capitalisation method where a capitalisation rate is applied, as a multiplier, against the current and, if any, reversionary income streams. The approaches use the Group's own data requiring it to factor in assumptions such as the duration, timing of cash inflows/outflows, rent growth, property location, maintenance costs etc.

Significant Observable Inputs – Level 2 (LLDC)

The fair value for the residential properties is based on the market approach using current market conditions (e.g. construction prices), discount rate and recent sales prices and other relevant information for similar assets in the local area. Where there is readily available market information for specific assets this has been used to determine the value of the asset. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to other properties (Here East and the Multi Storey Car Park) also being categorised at Level 2 in the fair value hierarchy.

Significant Unobservable Inputs – Level 3 (LLDC)

The ArcelorMittal Orbit and Other Assets consisting of Timberlodge and Kiosks are measured using the income approach, by means of the discounted cash flow method, where the expected cash flows from the properties are discounted (using a market-derived discount rate) to establish the present value of the net income stream. The approach was developed using the LLDC's own data requiring it to factor in assumptions such as the duration and timing of cash inflows and outflows, rent growth, occupancy levels, bad debt levels, maintenance costs, etc.

The Stadium Island land value is a discounted estimate of the land value following the end of the current lease period in 2115. Therefore, a change in the inputs would impact the fair value of the asset.

The East Bank assets are valued based on the estimated costs to build those specific assets.

3 Mills Studios is measured using an investment method where a discounted cash flow is updated using the authority's own date for expected trading results to determine the valuation of 3 Mills Studios as a trading asset. Changes in the market conditions which could impact expected income growth, or occupancy levels would impact the fair value of the asset.

5 Hancock Road asset is valued using market-based inputs to determine the estimated rental valuation of the asset. Changes to the industrial market rental values would impact the fair value of the asset.

The Stadium, LAC, Copper Box Arena, ArcelorMittal Orbit, 3 Mills Studios, 5 Hancock Road, Other Assets and East Bank assets are therefore categorised as Level 3 in the fair value hierarchy as the measurement techniques use significant unobservable inputs to determine the fair value measurements (and there is no reasonably available information that indicates that market participants would use different assumptions).

Reconciliation of the movement in Level 3 Investment Properties

	Group 31 March 2024 £000	Group 31 March 2023 £000
Balance at 1 April	**80,594**	**41,988**
Additions	77,445	6,927
Disposals	-	(900)
Gains and losses included in profit or loss for the year:		
Increase/(decrease) in fair value of investment properties	23,944	32,579
Transfers:		
To/from Property, Plant and Equipment	119	-
Transfer from Level 2 to Level 3	(9,890)	-
Other Changes	(6,775)	-
Balance at 31 March	**165,437**	**80,594**

Highest and best use

In estimating the fair value of the Group's investment properties, the highest and best use is their current use.

Quantitative information about Fair Value measurement of Investment Properties (GLAP)

GLAP	2023/24			
	Input	**Range**	**Weighted Average**	**Sensitivity**
	Rental income less irrecoverable costs	£7,250 - £1,700,000	£1,301,937	Significant changes in rent growth; vacancy levels or capitalisation rate will result in a significantly lower or higher fair value
	Capitalisation rate	6.00% - 7.25%	6.35%	

GLAP	2022/23			
	Input	**Range**	**Weighted Average**	**Sensitivity**
	Rental income less irrecoverable costs	£7,250 - £1,700,000	£1,298,809	Significant changes in rent growth; vacancy levels or capitalisation rate will result in a significantly lower or higher fair value
	Capitalisation rate	5.00% - 8.00%	5.87%	

Valuation techniques

There has been no change in the valuation techniques used during the year for investment properties.

28. Intangible Assets

At 31 March 2024, the Group does not hold a material amount of intangible assets and so this disclosure is not material to the financial statements.

29. Heritage Assets

On 1 April 2012 two sculptures were transferred to the GLA from the Homes and Communities Agency (HCA). There is no historical cost data available on these assets and due to their bespoke and unique nature their value cannot be easily obtained using comparisons in the open market.

The Authority further considers that the cost of obtaining an open market valuation outweighs any benefit to the users of the accounts. The asset known as "A Slice of Reality" has been licensed back to the artist who is responsible for its maintenance and general repair with the GLA being responsible for the structure.

The "Quantum Cloud" was last surveyed in January 2017 and some routine maintenance work was undertaken. No major restoration costs were incurred during 2023-24.

30. Long term investments

	Note	Authority 31 March 2024 £000	Group 31 March 2024 £000	Authority 31 March 2023 £000	Group 31 March 2023 £000
Loans to joint venture - held at amortised cost		-	90,656	-	88,876
Loan to London Power Co. Ltd - held at amortised cost		112	112	80	80
Investment in subsidiary-soft loan fair value adjustment - held at amortised cost	50f	10,427	-	-	-
Infrastructure loans - held at amortised cost		-	82,721	-	120,244
Equity investments at cost		-	5,833	-	4,024
Core Commitment to LTLF LP - held at amortised cost		-	-	52,081	-
Fund investments - held at FVOCI		-	-	-	1,098,196
Loan to Limited Partnership - held at FVTPL		-	-	-	22,454
Investment in Limited Partnerships - held at FVTPL		-	22,454	-	2
Fund investments - held at FVTPL		-	174,235	-	378,519
Equity mortgages - held at FVTPL		-	29,900	-	32,431
Total		**10,539**	**405,911**	**52,161**	**1,744,826**

31. Investments in Subsidiaries and Associates

Subsidiaries

Greater London Authority Holdings Limited (GLAH)

GLAH is a wholly owned subsidiary of the Greater London Authority. The Authority holds a £1 share in GLAH. GLAH, in turn, is the parent of GLA Land and Property Limited ("GLAP"), GLAP is a wholly owned subsidiary of GLAH. The Authority has prepared group accounts which consolidate the group accounts of Greater London Authority Holdings Limited

Old Oak and Park Royal Development Corporation (OPDC)

OPDC is a mayoral development corporation established under the powers of the Localism Act 2011. The OPDC has planning powers and regeneration responsibility within its boundaries. The corporation is responsible for the regeneration of Old Oak Common in West London. The organisation was created on the 1 April 2015.

London Treasury Limited (LTL) - GLAH holds £1,125,000 LTL shares, a 100% shareholding. LTL is registered in England and Wales and is wholly owned by GLAH. On materiality grounds GLAH has not consolidated London Treasury Limited.

LTL has a fully owned subsidiary LTLF GP Limited (registration number SC679933). LTLF GP Limited is a general partner in the limited partnership London Treasury Liquidity Fund LP (LTLF LP). LTLF GP Limited is registered in Scotland.

London Power Co. Limited (LPC) - GLAH holds 1,056,387 £1 shares in LPC. LPC is registered in England and Wales and is wholly owned by GLAH. On materiality grounds GLAH has not consolidated LPC.

SME Wholesale Finance Limited (SMEWFL) - On 31 October 2017, the Authority became the sole member of SME Wholesale Finance Limited (SMEWFL) thereby gaining full control of this entity. SMEWFL's main objective is to bridge the London funding gap for early-stage businesses through the provision of loan and equity financing. It is accounted for as a subsidiary in the Authority's group accounts.

London Co-Investment Fund LLP (LCIF) - SMEWFL is a member of the London Co-Investment Fund LLP (LCIF), it has 100% economic interest in and controls LCIF. LCIF makes equity investments into early-stage companies in London's strategic sectors of science, digital and technology, thereby addressing the funding issues faced by such companies. The Authority controls LCIF via its control of SMEWFL and has accounted for LCIF as a subsidiary in the Authority's accounts.

Greater London Investment Fund (GLIF) was established in June 2018 and is a wholly owned subsidiary of SMEWFL. GLIF's aim is to establish a £100m fund to provide finance to small and medium sized enterprises with funding provided by the European Regional Development Fund, the European Investment Bank, London Waste and Recycling Board and SMEWFL. The Authority controls GLIF via its control of SMEWFL and has accounted for GLIF as a subsidiary in the Authority's accounts.

London Legacy Development Corporation (LLDC) is a Mayoral Development Corporation controlled by the Authority and is consolidated as a subsidiary in the Authority's accounts.

LLDC prepares group accounts for its subsidiaries E20 Stadium LLP and London Stadium 185 Limited and as the GLA consolidates

LLDC's group accounts, these subsidiaries are also included in the GLA's group accounts.

LLDC is also the sole shareholder in Stratford East Holdings Limited which holds a non-controlling share of E20 Stadium LLP. Stratford East Holdings Limited is not consolidated by LLDC on materiality grounds.

E20 Stadium LLP - LLDC and Stratford East Holdings Limited are members of E20 Stadium LLP. The E20 Stadium partnership is the legal entity that holds a 102-year leasehold interest in the Stadium Island site and is responsible for the transformation works and ongoing operations required to deliver a multi-use sporting venue, which is the permanent home of West Ham United Football Club and the national competition centre for UK Athletics.

E20 Stadium LLP is the sole shareholder of London Stadium 185 Limited and consolidates London Stadium 185 into its group accounts.

London Stadium 185 Limited - London Stadium 185 Limited's principal activities are the operation, management and commercial development of the Stadium at Queen Elizabeth Olympic Park. London Stadium 185 Limited is consolidated into E20 Stadium LLP's group accounts which in turn are consolidated into the group accounts of its parent, LLDC.

Stratford East London Developments Limited (SELD) – via Stratford East London Developments Ltd, LLDC is in a joint venture - Stratford East London Partners (SELP) LLP- with Ballymore Stratford East(2) Ltd to develop Stratford Waterfront and Bridgewater Triangle residential developments. SELD is accounted for as a subsidiary in LLDC's group accounts.

Stratford Waterfront Management Co Ltd (SWM) was incorporated on 25 November 2019 and is a company limited by guarantee. LLDC provides the guarantee at a value of £1. SWM will manage the public realm of Stratford Waterfront.

Stratford Waterfront Retail Management Company Limited was incorporated on 8 September 2023 and is wholly owned by LLDC. It has been established to enter into a lease with LLDC on the retail units on the Stratford Waterfront and then sub-let those units to third parties.

Pudding Mill Legacy Developments Limited was incorporated on 24 November 2023 and is wholly owned by LLDC. It has been established to enter into a joint venture agreement with a third-party developer, which is currently being procured.

Associates

London Treasury Liquidity Fund LP (LTLF LP) is an alternative investment fund established on 29 January 2021. LTLF GP Limited is the general partner and the GLA is one of six limited partners. On 29 June 2023 LTLF LP admitted 5 additional limited partners and the GLA's control of the LTLF LP was diluted from one of total control to significant influence. GLA accounts for its interest in LTLF LP on an equity basis. LTLF LP Limited is registered in Scotland.

32. Non-current Assets held for sale

At 31 March 2024, the Group did not hold any property, plant or equipment for sale.

33. Long-term debtors

Long term debtors are held at amortised cost or FVTPL; the classification and measurement approach selected, reflect the business model for holding the financial assets and their cashflow characteristics. See Note 2 Accounting Policies, xvi Fair Value for further details.

Long-term debtors comprise:

	Authority 31 March 2024 £000	Group 31 March 2024 £000	Authority 31 March 2023 £000	Group 31 March 2023 £000
Loans to third parties, including subsidiaries, for capital purposes	1,041,479	244,001	821,247	148,479
Other debtors	-	13,930	10	8,524
Expected credit loss provision	(38,003)	(7,174)	(38,003)	(7,174)
Fair value adjustment balance*	(3,977)	(3,977)	(3,977)	(3,977)
	999,499	**246,780**	**779,277**	**145,852**

*In 2022/23 the fair value increase in year of £10.4m was stated on the face of this note, the 2022/23 figures have been amended to include the £10.4m in year movement in the Fair value adjustment balance line

34. Finance leases – Group as lessor – Finance lease receivables

Group as Lessor - Finance lease receivables

Details of the GLAH's finance leases (as lessor) include:

- The London International Exhibition Centre has a 200-year lease ending in 2199 for the ExCel Exhibition Centre land
- A 95-year lease ending in 2075 with Workspace II Limited for a warehouse, office and secure yard at Quicksilver Place, Wood Green
- A 101-year lease ending in 2110 with London City Airport to allow the installation of airport landing lights at Albert Island, London E16; and
- Deferred receipts in relation to various development properties leased out on long leases.

	Group 31 March 2024 £000	Group 31 March 2023 £000
Finance lease debtor (net present value of minimum lease payments):		
Current	39,515	3,202
Non-current	8,525	47,327
Unearned finance income	3,054	5,045
Gross investment in the leases	**51,094**	**55,574**

Gross investment in the leases at balance sheet date is made up of the following amounts:

	Group 31 March 2024 £000	Group 31 March 2023 £000
Not later than one year	41,085	3,323
Later than one year and not later than five years	8,258	50,454
Later than five years	1,751	1,797
	51,094	**55,574**

The gross investment in the leases will be received over the following periods:

	Group 31 March 2024 £000	Group 31 March 2023 £000
Not later than one year	39,515	3,202
Later than one year and not later than five years	7,798	46,593
Later than five years	727	734
	48,040	**50,529**

35. Finance leases – Group as Lessee – Finance lease liabilities

Details of the finance leases as lessee include:

GLA

Held as Property, Plant and Equipment:

- The Crystal Palace 125-year lease with the London Borough of Bromley that expires in 2131. The leases cover the National Sports Centre, Capel Manor Farm, a lodge and residential properties.

GLAH

- Stephenson Street - a small 1.04-acre portion of the site is held on a long-term lease of 99 years with Network Rail, expiring in 2069, for the land and railway arches at Stephenson Street (ex-Parcelforce Site) in West Ham providing part of the access to the larger freehold adjoining property belonging to GLAP
- Thames Wharf - two long leases (57 and 60 years long) GLAP took out with the London Borough of Newham at Thames Wharf as part of the larger property. Both leases expire in 2026
- 20 Newburn Street, Kennington - this property is leased from London Housing Quadrant on a 125-year lease ending in 2129. It has subsequently been leased out on peppercorn rental to Riverside Community Development Trust; and
- CEME - this property is leased from Ford Motor Company on a 125-year lease ending in 2126.

Net book value of finance leases:

	Group 31 March 2024 £000	Group 31 March 2023 £000
Other Land and Buildings	0	0
Investment Property	6,150	6,456
Development Properties	24,485	36,545
	30,635	**43,001**

The minimum lease payments are made up of the following amounts:

	Group 31 March 2024 £000	Group 31 March 2023 £000
Finance lease liabilities (net present value of minimum lease payments):		
Current	12	12
Non-current	277	289
Finance costs payable in future years	202	215
Minimum lease payments	**491**	**516**

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

	Group 31 March 2024 £000	Group 31 March 2023 £000
Not later than one year	25	25
Later than one year and not later than five years	76	83
Later than five years	391	408
	492	**516**

The finance lease liabilities will be payable over the following periods:

	Group 31 March 2024 £000	Group 31 March 2023 £000
Not later than one year	12	12
Later than one year and not later than five years	31	37
Later than five years	246	252
	289	**301**

36. Capital Expenditure and Financing – Authority

The total amount of capital expenditure incurred by the Authority in the year is shown in the table below, 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 Authority, 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.

	2024 £000	2023 £000
Opening Capital Financing Requirement at 1 April	**5,448,088**	**5,452,875**
Capital Investment in year		
Property, Plant, Equipment and Intangibles	6,010	6,504
Loans to external organisations for capital purposes	239,596	68,572
REFCUS*-grant payments to external organisations for capital purposes	1,235,372	2,366,358
REFCUS- Payment to TfL for Crossrail	-	271,000
REFCUS- Payment to TfL for the Northern Line extension	7,500	-
REFCUS- Payment to TfL for Elephant & Castle roundabout	4,083	17,600
Reversal of CPO provision release	31,308	-
Reversal of rolled-up interest previously included in the CFR	(1,298)	-
Sources of Finance		
Government grants and other contributions	(1,009,664)	(1,873,342)
London Borough Southwark contributions	(4,083)	(17,600)
Capital receipts used to finance capital expenditure	(180,011)	(401,144)
Capital receipts applied to reduce the CFR	(33,333)	-
Loan repayments originally financed by borrowing	(9,925)	(37,818)
Financing swap from loans to grant financing	145,745	-
Sums set aside from revenue		
Minimum revenue provision - Crossrail	(276,074)	(283,444)
Revenue financing of capital for GLA capital spend	(107,009)	(121,473)
Closing Capital Financing Requirement at 31 March	**5,496,305**	**5,448,088**
Explanation of movements in year		
Opening Capital Finance Requirement	**5,448,088**	**5,452,875**
Minimum Revenue Provision-Crossrail	(276,074)	(283,444)
Reversal of CPO provision release	31,308	-
Increase / (decrease) in underlying need to borrow _Crossrail	-	271,000
Increase / (decrease) in underlying need to borrow _Loans to Third Parties	292,983	7,657
Closing Capital Financing Requirement at 31 March	**5,496,305**	**5,448,088**

*REFCUS-Revenue Expenditure Funded from Capital under Statute; CPO-Compulsory Purchase Order

* REFCUS is grants paid to third parties for capital purposes. These are transactions that would not be capitalised under standard accounting practice, but that are defined as capital expenditure

under the Local Government Act 2003 and its associated regulations

A group CFR calculation is not required as all of LLDC's borrowing is with the GLA and is therefore eliminated on consolidation. The GLA's CFR calculation is therefore an accurate representation of the Group's CFR.

37. Inventories

Inventories comprise land and buildings held for sale by GLA Land and Property Limited and London Legacy Development Corporation. See Note 5 for key assumptions in relation to asset valuations, and sources of estimation uncertainty.

	Group 31 March 2024 £000	Group 31 March 2023 £000
1 April	**529,977**	**411,702**
Purchases (LLDC Residential & GLAP land and buildings)	783	28,722
Purchases (LLDC East Bank)	104,063	140,105
Purchases offset against grant provision (LLDC East Bank)	(18,305)	(22,618)
Transfer to Investment Properties	-	(3,461)
Transfer from Investment Properties	-	23,090
Recognised as an expense in the year: disposals	(233,386)	(19,179)
Increase/(decrease) in net realisable value	(22,439)	(28,437)
Reversals of write-offs in previous years	1,233	53
Balance at 31 March	**361,926**	**529,977**
Split:		
Inventory valued at at lower of cost and net realisable value	238,280	362,190
Inventory valued at the lower of cost and replacement cost	123,646	167,787
Balance at 31 March	**361,926**	**529,977**
Split:		
LLDC	160,838	290,662
GLAP	201,088	239,315
Balance at 31 March	**361,926**	**529,977**

GLAP and LLDC are required to determine the carrying value of inventories with reference to IAS 2 Inventories (IAS 2), and as a public body LLDC also makes reference to IPSAS 12 Inventories. This includes determining whether the estimated net realisable value (where applicable) is less than the asset's carrying value; if so, the carrying value is written down and charged to the Statement of Comprehensive Income, and for LLDC only, then reversed via the MIRS to the Capital Adjustment Account.

For its residential inventories, LLDC will use its forecast share of the developer's estimated sale receipts to determine the net realisable value and ensure that the recorded inventories are stated at the lower of cost and net realisable value. In determining the net realisable value, LLDC is required to make estimates about expected future receipts from its developments, which will be based on a variety of assumptions, including projections of future housing market growth. Changes in such factors could impact upon future forecast receipts and therefore the carrying value of LLDC's inventories, with movements being recorded in the Comprehensive Income and Expenditure Statement, which could have a significant effect on the reported financial performance of LLDC.

For East Bank, inventories that are carried at net realisable value, LLDC will use its forecast contributions from the East Bank partners and the estimated costs to complete (based on the Anticipated Final Cost as determined in conjunction with its Project Management Partner, Mace) to determine the net realisable value. These are based on a variety of assumptions, including construction prices, which may vary and impact upon the carrying value of the East Bank inventories.

If the use of an investment property changes such that it requires a transfer to inventories, then the property's deemed cost in accordance with IAS 2 shall be its fair value at the date of change in use (see Investment Property and Inventories accounting policies).

In applying the Inventories accounting policy, LLDC has made the following judgements:

- Residential development assets: Development with a view to sale has commenced at Chobham Manor and East Wick and Sweetwater (Phases 1 and 2) and these are therefore recognised as inventories at the lower of cost and net realisable value. At the date of transfer from Investment Properties, the assets' deemed cost was their fair value at the date of change in use. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. As these developments are undertaken by third parties on LLDC's behalf (for example, via a development agreement), LLDC has used its forecast share of the developer's estimated sale receipts to determine the net realisable value (as LLDC does not incur any costs of completion or marketing, selling and distribution).

- East Bank assets: LLDC has determined that the following East Bank assets meet the definition of inventories as they have commenced development with a view to sale or donation/distribution:
    - University of the Arts London (UAL): Measured at the lower of cost and net realisable value as UAL are paying a lease prepayment under the finance lease arrangement and making contributions towards the cost of their building under the terms of the agreement with them.

    - BBC: Measured at the lower of cost and net realisable value as BBC entered into a finance lease agreement with nominal charge and are making contributions towards the cost of their building under the terms of the agreement with them.

    - Sadler's Wells and V&A: Measured at the lower of cost and current replacement cost in accordance with IPSAS 12 as these buildings are being distributed to the partners at no charge or for a nominal charge.

For each of the above East Bank assets, LLDC has determined that a provision is required for LLDC's contributions towards the cost of the buildings. The value of the provision is based upon LLDC's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. For UAL and BBC, purchases are offset against the provision first, such that when the buildings are completed and handed over, the inventory balance will be equal to their contributions1 towards the cost of their buildings. For Sadler's Wells and V&A, purchases are not applied against the provision until the buildings are completed and handed over, which is in accordance with the requirements of the Code. Purchases that are offset against the provision during the year are disclosed in this note

[1] Which are being treated as deferred income until building completion (see Revenue Recognition accounting policy)

38. Debtors

	Authority 31 March 2024 £000	Group 31 March 2024 £000	Authority 31 March 2023 £000	Group 31 March 2023 £000
Central government bodies	113,365	126,429	237,664	251,368
Local Authorities & Functional Bodies	716,364	717,214	766,364	766,754
NHS bodies	420	420	-	-
Public corporations and trading funds	22	22	65	65
Subsidiary/Parent	213,035	9,652	284,511	471
Other entities and individuals	328,641	410,744	352,017	405,230
Total	**1,371,847**	**1,264,481**	**1,640,621**	**1,423,888**

39. Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

	Authority 31 March 2024 £000	Group 31 March 2024 £000	Authority 31 March 2023 £000	Group 31 March 2023 £000
Bank current accounts	5,276	55,955	(112,529)	(67,855)
Other deposits	2,629,248	2,733,776	2,769,190	770,987
Total	**2,634,524**	**2,789,731**	**2,656,661**	**703,132**

40. Creditors and receipts in advance

	Authority 31 March 2024 £000	Group 31 March 2024 £000	Authority 31 March 2023 £000	Group 31 March 2023 £000
Central government bodies	(104,644)	(104,205)	(95,522)	(109,491)
Local Authorities & Functional Bodies	(190,323)	(208,057)	(285,088)	(298,490)
NHS bodies	(171)	(171)	(264)	(1,464)
Public corporations and trading funds	(141)	(141)	(269)	(269)
Other entities and individuals	(536,473)	(659,942)	(605,708)	(763,160)
Subsdiary/Parent	(167)	(2,186)	(4,314)	(23)
Total Creditors	**(831,919)**	**(974,702)**	**(991,165)**	**(1,172,897)**
Receipts in advance - Revenue	(350)	(1,105)	(20,542)	(21,320)
Receipts in advance - Capital	(2,301)	(2,301)	(77,788)	(79,317)
Total Receipts in Advance	**(2,651)**	**(3,406)**	**(98,330)**	**(100,637)**

41. Provisions

During the year, the following movements occurred on the Authority and Group’s current and non-current provisions:

Group Non-Current and Current

Provisions - Non Current & Current	**E20 LLP Onerous Contracts £000**	**Other Provisions £000**	**NDR* Appeals £000**	**East Bank grant £000**	**Total £000**
Balance at 1 April 2023	**(185,828)**	**(3,147)**	**(386,397)**	**(244,303)**	**(819,675)**
Additional provisions made	(9,922)	(4,205)	(108,035)	(34,865)	**(157,027)**
Amounts used	11,218	1,245	207,732	18,305	**238,500**
Unused amounts reversed in year	-	1,267	-	116,020	**117,287**
Effect of change in discount rate	16,640	-	-	-	**16,640**
Unwinding of discount	(9,711)	-	-	-	**(9,711)**
Other adjustments	-	116	-	-	**116**
Balance at 31 March 2024	**(177,603)**	**(4,724)**	**(286,700)**	**(144,843)**	**(613,870)**

Group Non-Current

	E20 LLP Onerous Contracts	Other Provisions	Non-Domestic Rates (NDR) Appeals	East Bank grant	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2023	**(174,977)**	**(300)**	**(386,397)**	**0**	**(561,674)**
Additional provisions made in year	-	-	(108,035)	-	**(108,035)**
Amounts used in year	-	24	207,732	-	**207,756**
Effect of change in discount rate	16,640	-	-	-	**16,640**
Unwinding of discount	(9,343)	-	-	-	**(9,343)**
Balance at 31 March 2024	**(167,680)**	**(276)**	**(286,700)**	**0**	**(454,656)**

Group Current

	E20 LLP Onerous Contracts	Other Provisions	Non-Domestic Rates (NDR) Appeals	East Bank grant	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2023	**(10,851)**	**(2,847)**	**-**	**(244,303)**	**(258,001)**
Additional provisions made in year	(9,922)	(4,205)	-	(34,865)	**(48,992)**
Amounts used in year	11,218	1,221	-	18,305	**30,744**
Unused amounts reversed in year	-	1,267	-	116,020	**117,287**
Effect of change in discount rate	-	-	-	-	**-**
Unwinding of discount	(368)	-	-	-	**(368)**
Other adjustments	-	116	-	-	**116**
Balance at 31 March 2024	**(9,923)**	**(4,448)**	**-**	**(144,843)**	**(159,214)**

Authority

Provisions - Non Current and Current

	NDR Appeals	Other	Total
	£000	**£000**	**£000**
Balance at 1 April 2023	**(386,397)**	**(2,025)**	**(388,422)**
Additional provisions made	(108,035)	-	**(108,035)**
Amounts used	207,732	812	**208,544**
Unused amounts reversed	-	1,013	**1,013**
Other adjustments	-	-	**-**
Balance at 31 March 2024	**(286,700)**	**(200)**	**(286,900)**

Authority

Provisions - Non Current

	NDR Appeals	Other	Total
	£000	**£000**	**£000**
Balance at 1 April 2023	**(386,397)**	**-**	**(386,397)**
Additional provisions made	(108,035)	-	**(108,035)**
Amounts used	207,732	-	**207,732**
Unused amounts reversed	-	-	**-**
Other adjustments	-	-	**-**
Balance at 31 March 2024	**(286,700)**	**-**	**(286,700)**

Authority

Provisions - Current

	NDR Appeals	Other	Total
	£000	**£000**	**£000**
Balance at 1 April 2023	**-**	**(2,025)**	**(2,025)**
Additional provisions made	-	-	**-**
Amounts used	-	812	**812**
Unused amounts reversed	-	1,013	**1,013**
Balance at 1 April 2024	**-**	**(200)**	**(200)**

Other Provisions Current (GLA) – the Authority’s provision of £0.2m relates to expected legal costs, payable within the next 12 months, in legal cases in relation to two planning applications.

E20 Stadium LLP Onerous Contracts (LLDC)
Forecasts of E20 Stadium LLP's financial outlook, particularly in relation to the cost of hosting West Ham United matches and the cost of moving the relocatable seats between football and athletics modes, required an assessment in 2016-17 of whether any of its contracts were deemed to be onerous (loss-making) in line with accounting standards. This assessment concluded that two of its contracts were deemed to be onerous: the Concession Agreement with West Ham United and the Access Agreement with UK Athletics. Consequently, E20 Stadium LLP established a provision for these losses.

The calculation of the provision

- uses only those revenues, costs and overheads that are directly attributable to the West Ham United Football Club and UK Athletics agreements. Revenues, costs and overheads not directly attributable to those agreements are not included in the calculation
- is based on cashflows for the remaining 92-year term of the concession agreement (note the calculation includes cashflows relating to the UK Athletics agreement up to its expiry in 40 years); and
- adopts a discount rate which reflects a risk-free rate (based on Government gilt rates at the reporting date).

At 31 March 2024, the provision totalled £177.6m (£185.8m at 31 March 2023).

Other Provisions Current – Organisational restructure (LLDC) - LLDC is now also recognising a provision of £4.2m for the potential staff-related costs resulting from the organisational restructure that is currently underway. These costs are likely to be incurred in 2024/25 and 2025/26 when the changes take effect. The provision is based on reasonable estimates by LLDC management at the reporting date as the statutory consultations with staff are still ongoing and the final organisational structure therefore unknown.

Other Provisions Non-Current - Millfield Transfer Station (GLAP) – GLAP, along with the London Borough of Hackney, has an obligation to undertake repairs and other works at the Millfield Transfer Station. The obligation arises from a landfill site relocation for the 2012 Olympics. A payment was made in 2016 and an agreement signed in 2021-22 contracts GLAP to pay up to £0.3m in final settlement of this obligation. However, the final amount and timing of the payment has not yet been determined.

Other Provisions Current - Barking Fire Response (GLAP) - following a fire at the Barking Riverside development in 2019, an independent fire review was undertaken of the 33 properties originally built by London Thames Gateway Development Corporation which transferred to GLAP on 31 March 2012 under the 2011 Localism Act. The review recommended that the exterior timber cladding be replaced to enhance the fire safety of the dwellings. Though now privately owned, the Mayor, via MD2514, confirmed his stance that as the body now responsible for the development and delivery of the homes, GLAP, along with 2 other delivery partners, would bear the costs of the works. The costs, totalling £0.5m, have either been paid in year or have been reclassified as creditors as they will be paid in 2024-25.

Non-domestic rates appeals provision Non-Current (GLA)

The NDR appeals provision is the GLA's 37 per cent share of billing authorities estimates of the provision required for potential refunds relating to retrospective alterations to the rating list.

The in–year movement in this provision has been analysed between amounts charged to the provision during the year to reflect changes to rate-payers liabilities following alterations to the non-domestic rating list which have previously been provided for and additional provisions made during the year which take into account an assessment of future risks of losses in rating income. The closing balance on the appeals provision at 31 March 2024 is £286.7m. The current expectation is that these appeals will not be settled within 12 months, and it is not possible to state with any certainty when they will be settled.

East Bank Provision (LLDC)

The East Bank project, is held as Inventory in the Group balance sheet, and LLDC has determined that it has constructive obligations under the agreements with the respective East Bank partners to contribute towards (or pay for entirely) the costs of their buildings. LLDC has concluded that its contributions towards the cost of the cultural and education buildings (University of the Arts London, V&A, Sadler's Wells and BBC) and the retail units at Stratford Waterfront require a provision to be established from the date that the agreements for lease were signed (all pre-31 March 2020). The provision is in line with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) and is based on LLDC's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Changes to the provision are recognised in the Comprehensive Income and Expenditure Statement.

At 31 March 2024, the provision totalled £144.8m (£224.3m at 31 March 2023).

42. Usable Reserves

Movements in the Authority's and Group's usable reserves are detailed in the Movement in Reserves Statement and Note 9.

43. Unusable Reserves

	Authority 31 March 2024 £000	Group 31 March 2024 £000	Authority 31 March 2023 £000	Group 31 March 2023 £000
Revaluation Reserve	(1,184)	(1,184)	(1,154)	(1,154)
Financial Instruments Revaluation Reserve	-	-	-	658
Capital Adjustment Account	4,536,949	4,996,093	4,676,210	5,179,753
Deferred Capital Receipts Reserve	(268,412)	(1,745)	(301,745)	(1,745)
Pensions Reserve	(57,196)	(56,818)	(26,705)	(21,910)
Collection Fund Adjustment Account-Council tax	(494)	(494)	(16,550)	(16,550)
Collection Fund Adjustment Account-Non Domestic rates	(67,524)	(67,524)	(5,910)	(5,910)
Accumulated Absences Account	3,572	3,969	2,359	2,734
Financial Instruments Adjustment Account	6,617	6,617	7,829	7,829
Capital Contributions	-	(95)	-	(117)
Members Equity	-	(28,120)	-	(35,688)
Merger Reserves	37,877	(359,385)	69,185	(361,410)
Total Unusable Reserves	**4,190,205**	**4,491,313**	**4,403,519**	**4,746,490**

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Group 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.

	Authority 2023/24 £000	Group 2023/24 £000	Authority 2022/23 £000	Group 2022/23 £000
Balance at 1 April	**(1,154)**	**(1,154)**	**(959)**	**(25,565)**
Upward revaluation of assets	(30)	(30)	(195)	(195)
(Surplus) or deficit on revaluation of non-current assets not posted to the (Surplus) or Deficit on the Provision of Services	**(30)**	**(30)**	**(195)**	**(195)**
Accumulated gains on assets sold or scrapped	-	-	-	24,606
Amount written off to the Capital Adjustment Account	**-**	**-**	**-**	**24,606**
Balance at 31 March	**(1,184)**	**(1,184)**	**(1,154)**	**(1,154)**

Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the losses arising from the decrease in value of financial instruments held as fair value through other comprehensive income. The movement in the table below arises solely the residential mortgage backed securities, all of which have been transferred in year to LTLF LP.

	Authority 2023/24 £000	Group 2023/24 £000	Authority 2022/23 £000	Group 2022/23 £000
Balance at 1 April	**-**	**658**	**(4,297)**	**(1,548)**
(Upward)/Downward revaluation of investments	-	(658)	-	2,206
(Surplus)/deficit on revaluation of non-current assets not posted to the (surplus)/deficit on the provision of services	**-**	**(658)**	**-**	**2,206**
Accumulated gains on assets sold written out to the comprehensive income and expenditure statement as part of other investment income*	-	-	4,297	-
Balance at 31 March	**-**	**-**	**-**	**658**

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 these assets under statutory provisions. The Account is debited with depreciation, amortisation and revenue spend financed by capital. The Account is credited with the amounts set aside by the Authority and Group as finance for the costs of acquisition, construction and enhancement. Where spend is incurred in advance of financing being received (as is the case with Crossrail and Northern Line Extension contributions and expenditure) this results in a deficit balance on the reserve.

	Authority 2023/24 £000	Group 2023/24 £000	Authority 2022/23 £000	Group 2022/23 £000
Balance at 1 April	**4,676,210**	**5,179,753**	**4,626,612**	**5,176,071**
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:				
Charges for depreciation, impairment and write off of obsolete fixed assets	2,978	4,534	3,893	15,308
Revaluation/(Impairment) charged to the Comprehensive Income and Expenditure Account	-	72,478	35,357	35,357
Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	-	-	-	50,982
Revenue expenditure funded from capital under statute	1,246,955	1,248,133	2,654,958	2,656,192
Fair value through profit and loss adjustments	-	-	10,080	22,046
Deferred tax liability on revaluation charged to the Comprehensive Income and Expenditure Account	-	-	-	(3,911)
Corporation Tax liability for the year	-	5,194	-	12,380
Other adjustments	-	-	-	(6,091)
Amounts of inventories written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	215,693	-	12,554
Amounts of investment property written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	154	-	-
	1,249,933	**1,546,186**	**2,704,288**	**2,794,817**
Capital financing applied in the year:				
Use of the Capital Receipts Reserve to finance new capital expenditure	(180,011)	(300,246)	(401,143)	(414,204)
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(48,862)	(184,104)	(46,247)	(165,688)
Application of grants to financing from the Capital Grants Unapplied Account	(964,887)	(964,887)	(1,844,691)	(1,844,691)
Statutory provision for the financing of capital investment charged against the General Fund	(276,074)	(276,074)	(283,444)	(283,444)
Financing swap from Affordable Housing grant to borrowing	145,745	145,745	-	-
Capital expenditure charged against the General Fund	(107,009)	(107,009)	(121,473)	(121,473)
Increase/decrease in provisions for capital purposes	-	(85,175)	-	(3,943)
Capital receipts applied to reduce the capital financing requirement	(33,333)	(33,333)	-	-
Compulsory purchase order provision release transferred to the merger reserve	31,308	31,308	-	-
Repayment of long term capital debtors	43,929	43,929	42,308	42,308
	(1,389,194)	**(1,729,846)**	**(2,654,690)**	**(2,791,135)**
Balance at 31 March	**4,536,949**	**4,996,093**	**4,676,210**	**5,179,753**

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets for which cash settlement has yet to take place and the receipts from the repayment of the inherited London Development Agency borrowing. Under statutory arrangements, the Group does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts.

	Authority 2023/24 £000	Group 2023/24 £000	Authority 2022/23 £000	Group 2022/23 £000
Balance at 1 April	**(301,745)**	**(1,745)**	**(300,146)**	**(146)**
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-	**(1,599)**	**(1,599)**
Transfer to the Capital Receipts Reserve upon receipt of cash	33,333	-	-	**-**
Balance at 31 March	**(268,412)**	**(1,745)**	**(301,745)**	**(1,745)**

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, for defined benefit pension schemes. The Authority and Group account for post-employment benefits in the CIES as 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 and Group make employer's contributions to pension funds or eventually pay any pensions for which they are directly responsible. A debit/credit balance on the Pensions Reserve shows the shortfall/surplus in the benefits earned by past and current employees and the resources the Authority and Group have 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.

	Authority 2023/24 £000	Group 2023/24 £000	Authority 2022/23 £000	Group 2022/23 £000
Balance at 1 April	**(26,705)**	**(21,910)**	**207,959**	**260,051**
Actuarial (gains) / losses on pension assets and liabilities	(29,513)	(34,374)	(244,614)	(284,707)
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	6,004	8,336	18,087	23,071
Deferred tax asset	-	-	-	(10,464)
Employer's pensions contributions and direct payments to pensioners payable in the year	(6,982)	(8,870)	(8,137)	(9,861)
Balance at 31 March	**(57,196)**	**(56,818)**	**(26,705)**	**(21,910)**

Collection Fund Adjustment Account – Council Tax

The Collection Fund Adjustment Account (Council Tax) manages the differences arising from the recognition of council tax income in the CIES as it falls due from council taxpayers compared with the statutory arrangements for paying across amounts to the General Fund from the London Boroughs and City of London Corporation's Collection Funds.

	Authority 2023/24 £000	Authority 2022/23 £000
Balance at 1 April	**(16,550)**	**(3,294)**
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	16,056	(13,256)
Balance at 31 March	**(494)**	**(16,550)**

Collection Fund Adjustment Account – Non-Domestic Rates

The Collection Fund Adjustment Account (Non-Domestic Rates) manages the differences arising from the recognition of non-domestic rates income in the CIES as it falls due from non-domestic rate payers compared with the statutory arrangements for paying across amounts to the General Fund from the London Boroughs and City of London Corporation's Collection Fund.

	Authority 2023/24 £000	Authority 2022/23 £000
Balance at 1 April	**(5,910)**	**914,639**
Amount by which non-domestic rate income credited to the Comprehensive Income and Expenditure Statement is different from non-domestic rates income calculated for the year in accordance with statutory requirements	(61,614)	(920,549)
Balance at 31 March	**(67,524)**	**(5,910)**

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	Authority 2023/24 £000	Group 2023/24 £000	Authority 2022/23 £000	Group 2022/23 £000
Balance at 1 April	**2,359**	**2,734**	**2,652**	**2,975**
Settlement or cancellation of accrual made at the end of the preceding year	(2,359)	(2,547)	(2,652)	(2,850)
Amounts accrued at the end of the current year	3,572	3,782	2,359	2,609
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	**1,213**	**1,235**	**(293)**	(241)
Balance at 31 March	**3,572**	**3,969**	**2,359**	**2,734**

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. The Authority uses the Account to manage the write down of soft loans to fair value. The initial write down is debited to the CIES on recognition of the loan but reversed out of the General Fund Balance to the Account in the Movement in Reserves Statement. Over time, the write down is reversed by crediting the effective interest rate on the loan to the General Fund Balance over the life of the loan.

	Authority 2023/24 £000	Group 2022/23	Authority 2022/23 £000	Group 2022/23
Balance at 1 April	**7,829**	**7,829**	**9,836**	**9,836**
Write down of soft loans to fair value charged to the Comprehensive Income and Expenditure Statement	-	-	336	336
Effective interest rate on soft loans credited to the Comprehensive Income and Expenditure Statement	(1,212)	**(1,212)**	(2,343)	**(2,343)**
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	**(1,212)**	**(1,212)**	**(2,007)**	**(2,007)**
Balance at 31 March	**6,617**	**6,617**	**7,829**	**7,829**

Merger Reserve

The merger reserve arose as a result of the transfer of the net assets of London Development Agency, Homes and Communities Agency London and London Thames Gateway Development Corporation to the Authority on 1 April 2012.

	Authority 2023/24 £000	Group 2023/24 £000	Authority 2022/23 £000	Group 2022/23 £000
Balance at 1 April	**69,185**	**(361,410)**	**69,185**	**(361,410)**
Movement in year	(31,308)	2,025	-	-
Balance at 31 March	**37,877**	**(359,385)**	**69,185**	**(361,410)**

44. Cash Flow Statement – Adjustments to net surplus or deficit on the provision of services for non-cash movements

	Authority 2023/24 £000	Group 2023/24 £000	Authority 2022/23 £000	Group 2022/23 £000
Depreciation of property, plant and equipment , amortisation of intangibles	2,981	3,990	3,892	5,741
Impairment of FVTPL assets	-	-	-	(20)
Impairment of financial instruments at amortised cost	-	-	35,357	10,465
Inflation uplift on Bonds	16,470	16,470	22,895	22,895
Inventory disposals (East Bank)	-	210,685	-	-
Inventory disposals (Residential)	-	471	-	12,554
Change in fair value on FVTPL assets	-	1,900	-	(5,818)
Change in fair value of investment property	-	76,434	-	69,958
Reversal in fair value though proft and loss movements	-	-	-	865
Movement in pensions liability	(978)	278	9,950	14,741
Unwind of discount on loan investments	(1,212)	(1,190)	(2,005)	(2,005)
Increase/ (decrease) in creditors and deferred income	(263,760)	(374,307)	(144,064)	(119,756)
(Increase)/decrease in debtors	192,127	134,024	11,655	(4,156)
Increase/(decrease) in impairment provision for bad debts	-	-	-	(154)
(Increase)/ decrease in stock	-	38,227	-	10,516
Increase/ (decrease) in provisions	(101,522)	(205,805)	(24,578)	(50,806)
Tax expense	-	-	-	1,337
(Increase)/decrease in interest receivable	889	(2,346)	(11,528)	(18,995)
Increase/(decrease) in finance lease receivables	-	2,490	-	50,943
Increase/(decrease) in interest payable	11,489	10,499	6,341	5,952
Other non cash movements	-	616	-	1,121
Inventory net change to net realisable value	-	4,537	-	-
Increase/ (decrease) in deferred tax liability	-	(7,838)	-	3,827
Inventory purchases not set against provision (East Bank)	-	(85,758)	-	(117,488)
Inventory purchases (Residential)	-	(112)	-	(4,228)
Loss on drecognition of subsidiary - LTLF LP	-	84,521	-	-
Reversal of share of loss or profit on associates and joint ventures	-	(16,998)	-	7,837
	(143,516)	**(109,212)**	**(92,085)**	**(104,674)**

45. Cash Flow Statement – Adjustments to net surplus or deficit on the provision of services for investing and financing activities

	Authority 2023/24 £000	Group 2023/24 £000	Authority 2022/23 £000	Group 2022/23 £000
(Gain)/loss on financial instruments held at FVTPL	-	113	-	815
(Gain)/loss on sale of investment property	-	-	-	(50)
Reversal of capital grants recognised in the income and expenditure statement	(1,236,370)	(1,335,244)	(975,053)	(1,093,596)
Other investing or financing cash flows	-	9,450	-	10,360
	(1,236,370)	**(1,325,681)**	**(975,053)**	**(1,082,471)**

The cash flows for operating activities include the following items

	Authority 2023/24 £000	Group 2023/24 £000	Authority 2022/23 £000	Group 2022/23 £000
Interest paid	162,728	162,728	174,019	174,019
Interest received	(206,768)	(188,755)	(113,959)	(100,020)
Taxation paid	-	-	-	311
Taxation received	-	(16)	-	-

46. Cash Flow Statement – Investing Activities

	Authority 2023/24 £000	Group 2023/24 £000	Authority 2022/23 £000	Group 2022/23 £000
Purchase of property, plant and equipment, investment property and intangible assets	(7,395)	(133,134)	(7,890)	(50,788)
Purchase of short-term and long-term investments	(239,597)	(233,755)	(68,571)	(196,592)
Other movements on investing activities	-	-	-	51,722
Proceeds from the sale of property, plant and equipment, investment property, intangible assets and assets held for sale	-	6,232	-	950
Capital grants received	1,244,383	1,343,257	1,012,823	1,131,366
Proceeds from short-term and long-term investments	63,647	132,295	107,135	943,747
Proceeds from the sale of financial instruments held at FVTPL	-	519	-	2,343
Investments in joint venture	-	(1,809)	-	(1,843)
Net cash flows from investing activities	**1,061,038**	**1,113,605**	**1,043,497**	**1,880,905**

47. Cash Flow Statement – Financing Activities

	Authority 2023/24 £000	Group 2023/24 £000	Authority 2022/23 £000	Group 2022/23 £000
Cash receipts of short and long-term borrowing	475,271	577,278	1,146,531	1,344,112
Other receipts from financing activities	-	13,505	-	21,083
Repayments of short and long-term borrowing	(704,746)	(764,427)	(1,226,181)	(1,274,998)
Other payments for financing activities	2,306	1,049	(5,482)	(32,575)
Net cash flows from financing activities	**(227,169)**	**(172,595)**	**(85,132)**	**57,621**

47a. Reconciliation of Liabilities arising from Financing Activities

Group

Reconciliation of Liabilities arising from Financing Activities	Group 2023/24 1 April £000	Group Financing Cashflows £000	Group Non-financing cash Movements £000	Group 2023/24 31 March £000
Long Term and Short Term Borrowings	**(5,792,243)**	187,149	274,114	**(5,330,980)**
Finance Lease Liabilities	**(301)**	12	-	**(289)**
Total Liabilities from Financing Activities	**(5,792,544)**	**187,161**	**274,114**	**(5,331,269)**

Reconciliation of Liabilities arising from Financing Activities	Group 2022/23 1 April £000	Group Financing Cashflows £000	Group Non-financing cash Movements £000	Group 2022/23 31 March £000
Long Term and Short Term Borrowings	**(5,694,760)**	(69,114)	(28,371)	**(5,792,243)**
Finance Lease Liabilities	**(322)**	21	-	**(301)**
Total Liabilities from Financing Activities	**(5,695,082)**	**(69,093)**	**(28,371)**	**(5,792,544)**

Authority

Reconciliation of Liabilities arising from Financing Activities	Authority 2023/24 1 April £000	Authority Financing Cashflows £000	Authority Non-financing cash Movements £000	Authority 2023/24 31 March £000
Long Term and Short Term Borrowings	**(5,550,373)**	229,475	(27,959)	(5,348,857)
Finance Lease Liabilities	-	-	-	**-**
Total Liabilities from Financing Activities	**(5,550,373)**	**229,475**	**(27,959)**	**(5,348,857)**

Reconciliation of Liabilities arising from Financing Activities	Authority 2022/23 1 April £000	Authority Financing Cashflows £000	Authority Non-financing cash Movements £000	Authority 2022/23 31 March £000
Long Term and Short Term Borrowings	**(5,600,787)**	79,650	(29,236)	(5,550,373)
Finance Lease Liabilities	-	-	-	**-**
Total Liabilities from Financing Activities	**(5,600,787)**	**79,650**	**(29,236)**	**(5,550,373)**

48. Related Parties

IAS 24 (Related Party transactions) requires the Authority to disclose any material transactions with related parties, that is, bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to limit another party's ability to bargain freely with the Authority.

Transactions which have been disclosed elsewhere in these financial statements will not be included in this note.

Central Government

Central Government has significant influence over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates. It provides significant funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties (e.g. Council Tax, Business Rates). Grants received from Government Departments are set out in the Grants note.

Transactions with public bodies

During the year amounts payable to related parties totaled:

	2023-24	2022-23
	£000	**£000**
Local Government	426,692	1,073,634
Public Corporations	167	135
Hospitals	1973	293

For amounts owed by the Authority to related parties, see Creditors, Note 40.

Significant grants receivable from related parties are disclosed in Note 16 Grant Income and within Note 13 Taxation and Non-Specific Grant Income and Expenditure.

For amounts owed to the Authority by related parties, see Debtors Note 38.

Transactions with subsidiaries

The following paragraphs set out the transactions between the Authority and its subsidiaries.

Greater London Authority Holdings Limited (GLAH)

GLAH is a wholly owned subsidiary of the Greater London Authority. The Authority holds a £1 share in GLAH. GLAH, in turn, is the parent of GLA Land and Property Limited ("GLAP"), GLAP is a wholly owned subsidiary of GLAH. The Authority has prepared group accounts which consolidate the group accounts of Greater London Authority Holdings Limited.

- In 2023-24, the GLA charged GLAP £5.5m for staff, accommodation and other overhead costs (£6.3m-2022-23)
- At 31 March 2024 there was £437.5m, including accrued interest outstanding on the loans the GLA made to GLAP and GLAH (£489m-31 March 2023). In 2023-24 interest payable to the GLA totalled £21.2m (£18.5m-2022-23)
- At 31 March 2024, GLAP had £26m invested with the GLA (£69.3m-31 March 2023) with £1.7m interest receivable from the GLA.
- In 2023-24 GLA paid GLAP a capital grant of £8.07m to part fund a land acquisition.

London Treasury Ltd (LTL)

LTL was acquired by the GLAH in August 2018 and operates under the Financial Services and Markets Act 2000 authorisation and provides treasury management services to the GLA, its functional bodies (except TfL).

In 2023-24 the GLA paid £1,113k to LTL in fund manager fees (£1,402k – 2022-23).

At 31 March 2024, LTL's net assets totalled £1.5m (£1.5m at 31 March 2023).

London TravelWatch (LTW)

London TravelWatch is a body corporate (under its statutory title of the London Transport Users Committee). It acts as an independent passenger watchdog, reviewing London's transport services, conducting research into London's Transport and acting as an appeals body for passenger complaints. LTW reports to and is funded by the London Assembly. The Board of LTW comprises a Chair and 12 members, all of whom are appointed by the London Assembly. They are supported by around 9.1 full time equivalent staff. Its legal status is set out in the Greater London Authority Act 1999 as amended by the Railways Act 2005.

The London Assembly has the power to issue guidance and direction to London TravelWatch subject to explaining why any such action is proposed. The London Assembly also approves LTW's budget and requires that its accounts and business plan be submitted to the GLA.

In 2023-24 the Authority provided funding of £1.1m to LTW (£1.1m – 2022-23).

London Legacy Development Corporation

LLDC is a mayoral development corporation, created using powers given to the Mayor of London in the Localism Act 2011, and its purpose is to manage the ongoing regeneration and development of the Olympic Park and surrounding areas of east London. The LLDC was created on 9 March 2012 and, on 1 April 2012, the property, assets, liabilities, and staff of the Olympic Park Legacy Corporation transferred to the LLDC.

The LLDC has been accounted for as a subsidiary of the Authority in the consolidated financial statements.

In 2023-24 the Authority paid LLDC revenue grant totalling £49.5m (£44.3m – 2022-23) and capital grant totalling £89.0m (£108.7m – 2022-23). The loan balance at 31 March 2024 was £512.7m (£442.3m – 31 March 2023).

Interest receivable on the loan totalled £15.2m (£12.2m – 2022-23).

The Hackney Wick loan was fully repaid in year on LLDC's payment of £0.5m.

E20 Stadiums LLP (E20)

E20 Stadiums LLP is a wholly owned subsidiary of LLDC. The Mayor obtained full control in December 2017 after the agreed retirement of NLI from the E20 Stadium partnership. There have been no related party transactions between the Authority and E20 during the year.

Old Oak and Park Royal Development Corporation (OPDC)

OPDC is a mayoral development corporation established under the powers of the Localism Act 2011. The OPDC has planning powers and regeneration responsibility within its boundaries. The corporation is responsible for the regeneration of Old Oak Common in West London. The organisation was created on the 1 April 2015.

During 2023-24, the GLA provided revenue grant funding of £10.1m (£7.3m in 2022-23) and advanced £50m to OPDC to fund land acquisitions for the Old Oak Park Royal development.

London 2017 Limited

London 2017 Limited was set up jointly by the GLA and UK Athletics (UKA) with the purpose of organising and staging the IAAF World Championship in London in 2017. The Mayor appointed a Co-chair and one other Director to the company's board.

The company is in liquidation as all the activities in relation to the championship have now ended.

London Power Co. Ltd (LPC)

London Power Co. Limited is a private company limited by shares. It was incorporated on 19 July 2019, In March 2021, the LPC terminated and repaid a £1,056k loan from the GLA, and replaced this financing with a share capital issue of £1,056k to Greater London Authority Holdings Limited (GLAH) the sole shareholder. LPC has contracted the services of energy supplier Octopus Energy Limited to provide gas and electricity to Londoners.

LPC has not been consolidated into GLA's group accounts on materiality grounds.

LPC borrowing (including accrued interest) from the GLA stood at £111k at 31 March 2024 (£81k at 31 March 2023). In 2023-24, the Greater London Authority (GLA) charged the LPC £66k for accommodation and other overhead costs (£70k – 2022-23).

London Treasury Liquidity Fund LP (LTLF LP)

LTLF LP is an alternative investment fund established on 29 January 2021, LTLF GP Limited is the general partner and the GLA is one of six limited partners. LTLF LP is accounted for as an associate in the GLA Group accounts.

At 31 March 2024, the Authority held loan notes in LTLF LP totalling £2.5bn and a £75.5m core commitment. See note 50f for further information.

A realised gain on the transfer of the core commitment to the new limited partners and a profit share linked to the core commitment of £27m was paid to the Authority in 2023-24.

Other Parties

Future of London 2011 Ltd.
An Assistant Director was a board member of Future of London 2011.
During 2023-24, the GLA paid £88k to Future of London, for Sponsorship of Council led housing training (80k in 2022-23).

Trust for London
At 31 March 2024, an Executive Director was a Trustee of Trust for London
During 2023-24, the GLA paid of £31k to Trust for London Trustee for London Housing panel (£25k in 2022-23)

Parks for London
At 31 March 2024, an Assistant Director was a Trustee of Parks for London
During 2023-24, the GLA paid a £31k grant to Parks for London to fund park projects.

London Youth Games

At 31 March 2024, an Assembly Member was a Trustee of Parks for the London Youth Games
During 2023-24, the GLA paid a £95k grant to London Youth Games for a disability inclusion project

London Funders
At 31 March 2024, an Executive Director was a Trustee of London Funders
During 2023-24, the GLA paid of £259k to London Funders for annual membership and to fund infrastructure projects.

University of East London (UEL)
The Mayor’s wife is a Director at UEL.
During 2023-24 the GLA provided grant funding of £1.6m to UEL for the build of the Royal Docks Centre for Sustainability.

University College London (UCL)
An Assistant Director’s husband is a Director at UCL.
During 2023-24, GLA provided £95k to UCL (£83k in 2022-23) for research and study fees and grants.

49. Interests in Other Organisations

Museum of London
From 1 April 2008, the Authority assumed the role of co-sponsor (along with the Corporation of London) of the Museum of London and has the right to appoint half of the Museum’s Board.

The Authority has also committed to contribute to funding of the relocation of the Museum of London from its current London Wall site to a new site at Smithfield General Market.

- In 2023-24, the GLA provided £7.9m grant funding (£8.1m– 2022-23) to the Museum of London.

London & Partners
London & Partners was incorporated on 14 January 2011 as a company limited by guarantee. It commenced operations on 1 April 2011. London & Partners is a commercially driven organisation, championing London as the best big city on earth. It will generate economic benefits for the capital and maintain London's leading position by attracting and generating spend from visitors and overseas students; attracting, accelerating and expanding foreign direct investment in London; and leveraging private sector investment and expertise.

The Mayor is the founding member of London & Partners. Under the articles of association, the Mayor retains the power to appoint the chair and one other non-executive director to the board.

During the financial year 2023-24, the GLA made grant payments of £20.9m (£20.3m– 2022-23) to London & Partners.

ReLondon
The London Waste and Recycling Board (LWARB) has changed its name to ReLondon. LWARB was established by the Greater

London Authority Act 2007 to promote and encourage the production of less waste, an increase in the proportion of waste that is re-used or recycled and the use of methods of collection, treatment and disposal of waste which are more beneficial to the environment in London. Shirley Rodrigues, Deputy Mayor for Environment and Energy, is the Mayor's appointed representative.

In 2023-24 and in 2022-23 there were no transactions between the GLA and ReLondon.

Royal Docks Management Authority Limited

The Royal Docks Management Authority Limited (RoDMA), established in 1990, holds a 225-year lease of the water areas and associated marine infrastructure of the Royal Docks and is responsible for their control and management.

At 31 March 2024, GLAP holds 94.5% of the RoDMA shares and 34.34% of the voting rights. The Department for Environment, Food and Rural Affairs (DEFRA) holds a special share (it was historically delegated to the London Borough of Newham) which gives it control over key decisions – DEFRA are in the process of reviewing their ownership of the Special Share as part of a wider RoDMA governance review; GLAP therefore has significant influence but does not control RoDMA. RoDMA is held as an associate in GLAP's financial statements but, as it was acquired at nil cost, there is no carrying value in the Group accounts.

During 2023-24, £0.5m was payable to RoDMA for service charges and insurance premia; £0.6m was payable in 2022-23.

Greenwich Peninsula Estate Management Limited

Greenwich Peninsula Estate Management Limited was established to manage, maintain and administer the Greenwich Peninsula estate. GLA Land and Property Ltd. appoints one out of seven directors.

In 2023-24 and in 2022-23 there were no transactions between the GLA and Greenwich Peninsula Estate Management Limited.

Real Lettings Property Fund 2 LP (RLPF2)

RLPF2 was registered as a limited partnership in December 2016 and the fund was launched in January 2017. The limited partners are GLAP, LB Croydon, LB Lambeth, LB Westminster, Guys and St Thomas and Trust for London. The target size for the RLPF2 is over £100m up to a maximum of £200m. A fund of £100m should allow the purchase, refurbishment, letting and management of affordable homes.

At 31 March 2024, GLAP has made a capital contribution of £1.9k and an interest free loan of £19.2m, the same as at 31 March

2023. As a limited partner GLAP does not have control.

Resonance Everyone In LP (REILP)

GLAP became a limited partner of REILP on 3 March 2021. The limited partnership's objective is the provision of accommodation for rough sleepers.

At 31 March 2024, GLAP's capital contribution and interest free loan to REILP totalled £5m same as at 31 March 2023. As a limited partner GLAP does not have control.

Barking Riverside Limited (BRL)

Barking Riverside Limited is a joint venture between London & Quadrant New Homes Limited and GLA Land and Property Limited.

The joint venture company is leading on the delivery of the new Barking Riverside neighbourhood, Barking, East London. The site is being remediated and site wide infrastructure developed to allow the release of plots for residential and commercial development.

GLA Land and Property Limited holds 49% of the share capital and 50% of the voting rights. The Deputy Mayor for Housing and Residential Development, the GLA's Executive Director Housing and Land and the Head of Housing Delivery and Compliance are three of the six directors of Barking Riverside Limited.

Loan investments to joint venture – Non-Current

	31 March 2024 £000	31 March 2023 £000
Loans to joint venture	135,332	123,780
Expected credit loss provision (IFRS 9)-Joint Venture	(27,067)	(27,067)
	108,265	**96,713**
Share of loss in joint venture (IAS 28)	(17,609)	(7,837)
At 31 March	**90,656**	**88,876**

	2024 £000	2023 £000
At 1 April	**88,876**	**63,378**
Loans advanced in year	5,580	27,585
Interest receivable	5,972	4,053
Expected credit loss provision	-	(875)
Share of loss in joint venture (IAS 28)	(9,772)	(5,265)
At 31 March	**90,656**	**88,876**

At 31 March 2024, loans advanced to date to BRL totalled £135.3m (£123.8m at 31 March 2023), with £5.6m being advanced in year. Interest receivable for the year 2023-24 totalled £5.9m.

The following table summarises the financial information of BRL as included in its own financial statements. The table also reconciles the summarised financial information to GLAP's share of BRL's net liabilities/cumulative loss.

	31 March 2024 £000	31 March 2023 £000
Percentage ownership interest	**49%**	**49%**
Voting share	**50%**	**50%**

	£000	£000
Non-current assets	719	734
Current assets (including cash and cash equivalents – 31 Mar 2024 £7,292k / 31 Mar 2023 £12,242k	338,946	340,480
Non-current liabilities	(367,079)	(350,252)
Current liabilities	(8,523)	(6,956)
Net assets (100%)	**(35,937)**	**(15,994)**
***GLAP's share of net assets (49%)**	**(17,609)**	**(7,837)**
Non-current financial liabilities (excluding trade and other payables and provisions) 100%	***(264,711)***	***(253,434)***
Current financial liabilities (excluding trade and other payables and provisions) 100%	***-***	***-***
GLAP's share of non-current & current financial liabilities(excluding trade and other payables and provisions) (49%)	***(129,708)***	***(124,183)***
Turnover	(11,773)	(13,712)
Depreciation and amortisation	72	80
Interest income	(91)	(3,813)
Interest expense	15,429	11,424
Income tax expense/(income)	-	-
(Profit)/Loss and total comprehensive income (100%)	**19,943**	**10,745**
Profit and total comprehensive income (49%)	**9,772**	**5,265**

*GLAP - GLA Land and Property Limited

50. Financial Instruments

Financial instruments are contracts that give rise to a financial asset in one entity and a financial liability or equity in another. The figures on the balance sheet are adjusted to exclude balances that are not financial instruments, this includes, inter alia, statutory debtors and creditors, prepayments and receipts in advance.

50a. Group Categories of Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet:

Long-Term	Note	Authority 31 March 2024 £000	Group 31 March 2024 £000	Authority 31 March 2023 £000	Group 31 March 2023 £000
Investments-Long term					
Financial assets at amortised costs	50f	10,539	168,301	52,161	202,203
Financial assets at FVOCI	50f	-	-	-	1,098,196
Financial assets at FVTPL	50f	-	237,610	-	444,427
Total investments		**10,539**	**405,911**	**52,161**	**1,744,826**
Debtors-Long Term					
Financial assets at amortised costs		437,315	234,103	287,815	133,460
Financial assets at FVTPL		562,185	12,678	491,462	12,392
Finance lease receivables		-	8,525	-	47,327
Total Debtors		**999,500**	**255,306**	**779,277**	**193,179**
Borrowings-Long term					
Financial liabilities at amortised costs		(4,885,861)	(4,910,872)	(5,122,391)	(5,445,999)
Total borrowings		**(4,885,861)**	**(4,910,872)**	**(5,122,391)**	**(5,445,999)**
Creditors and Other Long Term Liabilities -Long term					
Financial liabilities at amortised costs		(4,394)	(15,880)	(2,909)	(68,490)
Finance lease liabilities		-	(277)	-	(289)
Total creditors		**(4,394)**	**(16,157)**	**(2,909)**	**(68,779)**

Current		Authority 31 March 2024 £000	Group 31 March 2024 £000	Authority 31 March 2023 £000	Group 31 March 2023 £000
Investments					
Financial assets at amortised costs	50f	176	47,104	-	1,205,694
Total investments		**176**	**47,104**	**-**	**1,205,694**
Debtors					
Financial assets at amortised costs		401,845	271,368	622,089	388,851
Finance lease receivables		-	39,515	-	3,202
Total Debtors		**401,845**	**310,883**	**622,089**	**392,053**
Cash and cash equivalents		**2,634,524**	**2,789,731**	**2,656,661**	**703,132**
Borrowings					
Financial liabilities at amortised costs		(462,996)	(420,108)	(427,982)	(346,243)
Total borrowings		**(462,996)**	**(420,108)**	**(427,982)**	**(346,243)**
Creditors					
Financial liabilities at amortised costs		(236,496)	(319,351)	(392,703)	(412,817)
Finance lease liabilities		-	(12)	-	(12)
Total creditors		**(236,496)**	**(319,363)**	**(392,703)**	**(412,829)**

50b. Material soft loans made by the Authority

A soft loan is a loan at less than market rates. The Authority has made the following significant soft loans to support the provision of housing development and related infrastructure.

	2023/24 £m	2022/23 £m
Network Homes	21.0	21.0
Big Issue	10.0	10.0
LLDC (Hackney Wick)	-	0.5
LB Kingston	26.6	26.6
LB Lambeth	50.0	-
Tonic Housing Association	1.0	3.2
Nominal value at 31 March	**108.6**	**61.3**

The movement on significant soft loans:

	Authority 31 March 2024 £000	Authority 31 March 2023 £000
Opening balance at 1 April	**52,668**	**66,172**
Nominal value of new loans granted in year	50,000	1,773
Fair value adjustment on initial recognition	(10,427)	(338)
Loans repaid	(2,701)	(17,282)
Increase in discounted amount	2,054	2,343
Other changes	-	-
Closing balance at 31 March	**91,594**	**52,668**
Nominal value at 31 March	**108,640**	**61,340**

Valuation Assumptions

The interest rate used to discount the soft loans is the Authority's cost of borrowing when the loan was advanced plus a margin to reflect the credit risk.

50c. Group Income, Expense, Gains and Losses

	2023/24 £000				
	Financial Liabilities measured at amortised costs	Financial Assets at amortised cost	Financial Assets at FVOCI	Financial Assets at FVTPL	Total
Interest expense	172,781	-	-	-	**172,781**
Finance lease interest	216	-	-	-	**216**
Expected and actual credit losses/(reversals)	-	114	-	-	**114**
Unwind of discount on non-current creditors	475	-		-	**475**
Fee expense	156	-	-	-	**156**
Total expense in (Surplus) or Deficit on the Provision of Services	**173,628**	**114**	**-**	**-**	**173,742**
Interest income	-	(169,151)	-	(15,503)	**(184,654)**
Finance lease interest	-	(1,991)	-	-	**(1,991)**
(Increase)/Decrease in fair value	-	-	-	1,900	**1,900**
Unwind of discount on non-interest bearing loan investments and debtors	-	(1,458)	-	-	**(1,458)**
(Gains)/losses on derecognition	-	-	-	112	**112**
Income distribution from LP	-	-	-	(705)	**(705)**
Total income in (Surplus) or Deficit on the Provision of Services	**-**	**(172,600)**	**-**	**(14,196)**	**(186,796)**
Net (gain)/loss for the year	**173,628**	**(172,486)**	**-**	**(14,196)**	**(13,054)**

	2022/23 £000				
	Financial Liabilities measured at amortised costs	Financial Assets at amortised cost	Financial Assets at FVOCI	Financial Assets at FVTPL	Total
Interest expense	168,478	-	-	-	**168,478**
Finance lease interest	259	-	-	-	**259**
Expected and actual credit losses/(reversals)	-	10,940	-	-	**10,940**
Unwind of discount on non-current creditors	756	-		-	**756**
Fee expense	215	-	(4)	328	**539**
Total expense in (Surplus) or Deficit on the Provision of Services	**169,708**	**10,940**	**(4)**	**328**	**180,972**
Interest income	(1)	(80,562)	-	(3,180)	**(83,743)**
Dividend Income		(12,927)	-	-	**(12,927)**
Finance lease interest	-	(3,636)	-	-	**(3,636)**
(Increase)/Decrease in fair value	-	-	-	(3,556)	**(3,556)**
Unwind of discount on non-interest bearing loan investments and debtors	-	(2,703)	-	-	**(2,703)**
(Gains)/losses on derecognition	-	-	-	815	**815**
Income distribution from LP	-	-	-	(574)	**(574)**
Total income in (Surplus) or Deficit on the Provision of Services	**(1)**	**(99,828)**	**-**	**(6,495)**	**(106,324)**
Net (gain)/loss for the year	**169,707**	**(88,888)**	**(4)**	**(6,167)**	**74,648**

50d. Authority Income, Expense, Gains and Losses

2023/24	**Financial Liabilities measured at amortised cost £000**	**Financial Assets at amortised cost £000**	**Financial Assets at FVTPL £000**	**Total £000**
Interest expense	174,218	-	-	**174,218**
Impairment losses	-	40	-	**40**
Fee expense	156	-	-	**156**
Total expense in (Surplus) or Deficit on the Provision of Services	**174,374**	**40**	**-**	**174,414**
Interest income	-	(191,503)	(15,441)	**(206,944)**
Unwind of discount on loan	-	(1,212)	-	**(1,212)**
Total income in (Surplus) or Deficit on the Provision of Services	-	**(192,715)**	**(15,441)**	**(208,156)**
Net (gain)/loss for the year	**174,374**	**(192,675)**	**(15,440)**	**(33,742)**

2022/23	Financial Liabilities measured at amortised cost	Financial Assets at amortised cost	Financial Assets at FVOCI	Financial Assets at FVTPL	Total
	£000	£000	£000	£000	£000
Interest expense	180,360	-	-	-	**180,360**
Impairment losses	-	35,508	-	-	**35,508**
Fee expense	215	-	(4)	328	**538**
Total expense in (Surplus) or Deficit on the Provision of Services	**180,574**	**35,508**	**(4)**	**328**	**216,406**
Interest income	-	(111,280)	-	(556)	**(111,836)**
Dividend income	-	(12,927)	-	-	**(12,927)**
(Increase)/decrease in fair value	-	-	-	8,169	**8,169**
Unwind of discount on loan	-	(2,343)	-	-	**(2,343)**
Total income in (Surplus) or Deficit on the Provision of Services	-	**(126,549)**	**-**	**7,613**	**(118,937)**
Net (gain)/loss for the year	**180,574**	**(91,041)**	**(4)**	**7,941**	**97,469**

50e. Fair Value Hierarchy for financial assets and liabilities measured at fair value

Fair Value through Profit and Loss (FVTPL)

Equity Mortgages are carried at fair value and gains and loss are recognised in the income and expenditure account as they arise. They are valued with reference to published house price indices – the Land Registry house price index for the London region - these are Level 2 fair value measurements (see accounting policy xvii for an explanation of the fair value levels). They are long term investments which are classified as Fair Value through Profit and Loss (see Note 50a) and at 31 March 2024 totalled £29.9m (£32.4m at 31 March 2023).

Fund and partnership investments totalling £22.4m, as detailed in Note 30, are classified as Fair Value through Profit/Loss (FVTPL) and gains and loss are recognised in the income and expenditure account as they arise.

Some of the investments are held by Fund Managers which provide estimated net asset values of the funds on which the 31

March 2024 valuation is based. For other equity investments, valuations are based on the most recent fundraising round with adjustments made to that valuation where required. Other valuations are based on the International Private Equity and Venture Capital Valuation (IPEV) Guidelines, an approach that draws upon the business prospects as reported by the investee companies on a 6 monthly basis and their other periodic shareholder reports – these are Level 3 fair value measurements.

Transfers between levels in the Fair Value hierarchy for assets measured at fair value

There were no transfers out of level 2 during the year.

50f. Fair Value Hierarchy for financial assets and liabilities not measured at fair value

The fair value disclosures for financial assets and liabilities not measured at fair value are calculated using Level 2 inputs.

Financial assets and liabilities measured at amortised costs

Group

Except for the financial assets carried at fair value (described in note 50e) all other financial liabilities and financial assets are classified as amortised cost and are carried in the Balance Sheet at amortised cost.

Authority only

The loan investment held in LTLF LP, totalling £2.5bn, at 31 March 2024, is classified as cash and cash equivalents because the funds are held for meeting short-term cash commitments rather than for investments or other purposes and meet the IAS 7 criteria, as set out below:

1. **Short term** – the loan notes are redeemable on demand, thereby making it an instant access instrument except for very limited circumstances when the fund does not have enough liquidity to honour the redemption. The rules around redemptions run in continuity with GIS scheme, which this fund supersedes; and in 12 years of GIS existence the failure to honour a redemption has never occurred. The fund itself operates an investment strategy that enables it to plan for the redemptions accordingly and, going forward, it is to receive the cashflow forecasts from each limited partner.

2. **Highly liquid** – as indicated above, the loan notes are redeemable on demand and are thus highly liquid, with daily issues and redemptions of significant volume.

3. **Readily convertible to known amounts of cash** – this is reflected in the loan agreement, with the value of loan account being the net of issues and redemptions, hence the convertible amount is always known at any point in time. The interest it attracts is also known and equals the Bank of England base rate.

4. **Subject to insignificant risk of changes in value** – a Redington report found value at risk for the underlying portfolio of the fund is lower than 2%, and the fair value movements, should they occur, are absorbed by the core commitment rather than the loan notes. The balance of core commitment is set and reviewed in accordance with value at risk parameters, hence the risk of losses exceeding the core commitment is negligible.

Also, the LTLF LP investment strategy requires the weighted average maturity of the assets to not exceed 90 days at any given point in time.

The value of the Authority's core commitment (LTLF LP Partnership Contribution) is accounted for at cost, as per IAS 27 and at 31 March 2024 the carrying value totalled £75.5m.

The expected credit loss allowance for the LTLF LP fund has been assessed as immaterial and as the GLA core commitment is part of the LTLF LP fund, the ECL attributable to the GLA core commitment would also be immaterial and has therefore not been recognised in these financial statements.

LTLF LP is a partnership that was set up with the intention of replacing the current GIS arrangement, with all new investment deals to be carried out via the limited partnership. The purpose of that is to optimise the existing collective investment arrangement and make it easier for new partners to enter into the agreement.

In 2022-23 the GLA was the sole limited partner and accounted for LTLF LP as a subsidiary in the GLA Group accounts. On 29 June 2023 LTLF LP admitted five new limited partners (LP) –Mayor's Office for Policing and Crime (MOPAC), London Fire Commissioner (LFC), London Legacy Development Corporation (LLDC), London Pension Fund Authority (LPFA) and Transport for London (TfL). The ability of the GLA to control LTLF LP's key financial and operating activities was undertaken and the assessment concluded that the admission of the new LPs diluted GLA's control of LTLF LP from full control to one of significant influence. GLA derecognised the subsidiary in the Group Accounts and accounted for a realised gain of £16.8m in the CIES and a reduction in the Authority's share of the core commitment and loan investments held.

50g. Fair Value for financial assets and liabilities

The Code requires disclosure of information comparing the fair values and carrying values for financial instruments.

The following table gives the fair value information for both financial instruments held at amortised cost and at fair value through profit and loss:

	Authority 31 March 2024 Carrying value £000	Group 31 March 2024 Carrying value £000	Authority 31 March 2024 Fair Value £000	Group 31 March 2024 Fair Value £000
Borrowing - non-current and current	(5,348,857)	(5,330,980)	(4,924,202)	(4,906,325)
Investments - non-current and current at amortised cost	10,715	215,405	10,715	215,405
Investments - non-current and current at fair value through profit and loss	-	237,610	-	237,610

	Authority 31 March 2023 Carrying value £000	Group 31 March 2023 Carrying value £000	Authority 31 March 2023 Fair Value £000	Group 31 March 2023 Fair Value £000
Borrowing - non-current and current	(5,550,373)	(5,792,242)	(5,096,707)	(5,338,576)
Investments - non-current and current	52,161	1,407,897	52,161	1,407,897
Financial assets at fair value through profit and loss	-	444,427	-	444,427

The fair value of amortised cost investments can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- For long-term Public Works Loans Board ("PWLB") borrowings – the fair value for PWLB Borrowings is based on the PWLB new borrowing rate; for long term bonds, market data relating to the relevant bonds are used to determine the fair value of this loan; interest rates at 31 March 2024 used for discounting, ranged from 4.61% to 5.36% (1.96% to 4.62 at 31 March 2023);

- Where borrowing or investments will mature within 12 months, carrying amount is assumed to approximate to fair value;
- Where borrowing or investments attract interest at a variable rate related to an underlying market measure (such as base rate) and the next rate reset will occur within 12 months, the carrying amount is again assumed to approximate to fair value;

The fair value of borrowing, at 31 March 2024, is less than the carrying value because the Authority and Group's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the prevailing rates at the Balance Sheet date. This shows a notional future gain (based on economic conditions at 31 March 2024) arising from a commitment to pay interest to lenders below current market rates.

Investments at amortised costs consists of the core commitment held in LTLF LP, call and notice bank accounts and money market instruments. LTLF LP is held at cost as it is in investment in an associate, as defined in IAS 28 and the expected credit loss has not been recognised as it has been deemed immaterial, the other short term investments are held at cost and fair value has not been calculated because the carrying amount is a reasonable approximation of the fair value.

Financial assets at fair value through profit and loss consists of long-term equity mortgages and fund investments.

50h. Nature and Extent of Risks arising from Financial Instruments

The Authority and Group's activities expose them to a variety of financial risks including:

- credit risk - the possibility that other parties might fail to pay amounts due to the Authority/Group;
- liquidity risk - the possibility that the Authority/Group may not have the funds available to meet its commitments to make payments;
- market risk - the possibility that financial loss might arise as a result of changes in interest rates

Maintaining affordability of borrowings, preserving invested principal and maintaining prudent levels of liquidity are the principal treasury management objectives for the Group, with secondary objectives of maximising investment yield and minimising borrowing costs. Treasury management is integral to the Authority/Group bodies' wider risk management strategies under policies approved by each body's governing body in their treasury management strategy. These strategies set out the principles for overall risk management, as well as covering specific areas such as the authorised limit for external debt and the investment of surplus cash.

The treasury management function, for the Authority, Greater London Holdings Limited, GLA Land and Property Limited and the London Legacy Development Corporation, is delivered by the GLA Group Treasury Team.

Each entity within the GLA Group, save Greater London Holdings Limited, separately manages the risks arising from the financial instruments that they hold. The following notes detail the nature and extent of risk facing each significant Group entity.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's customers. Credit ratings form the backbone of the investment policy for selecting institutions with which the Authority will invest surplus funds, based on knowledge and understanding of the risks involved. Although no combination of ratings can be viewed as fail-safe, the credit criteria for 2023-24 were based on Fitch, Moody's and Standard and Poor's suite of ratings, supported by broader market information. Relevant changes in counterparties' credit standing are reviewed daily, with updates provided by the Authority's treasury advisors. Where counterparties' credit standings are downgraded, the relevant investment limits are reduced with immediate effect or, where minimum criteria fail to be met, further investment is suspended. Maximum limits, for principal invested with each counterparty, are reviewed regularly with reference to relative risk and the Authority's cash flow requirements. All the Authority's investments are sterling denominated.

At 31 March 2024, the majority of the Authority's cash was placed with LTLF LP, which, in turn, operates a portfolio where all of its money market investments and cash are placed with institutions with at least an A- credit rating. The long-term loans to GLA Land and Property Limited and the London Legacy Development Corporation are not deemed to pose separate credit risk given the level of parental control and the Authority does not consider the variable rate funding agreement to be at risk of default.

Liquidity Risk - Group

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group bodies manage liquidity risk by maintaining access to a number of sources of funding which are sufficient to meet anticipated funding requirements. As long as the affordable borrowing limit set by the Mayor is not exceeded, the GLA and LLDC are able to borrow from the Public Works Loan Board, raise debt on the capital markets through both the GLA's established Bond and Commercial Paper programmes, borrow from Commercial Banks, other public bodies or utilise overdraft facilities and, subject to meeting the relevant criteria, borrow at competitive interest rates from the European Investment Bank. The GLA may also lend to its subsidiaries. There is therefore no significant risk that any Group body will be unable to raise finance to meet its planned capital commitments.

The maturity analysis of financial liabilities is as follows:

Borrowing and Interest Payable	**Authority 31 March 2024 £000**	**Group 31 March 2024 £000**	**Authority 31 March 2023 £000**	**Group 31 March 2023 £000**
Less than one year	(465,340)	(424,508)	(482,341)	(422,378)
Between one and two years	(341,221)	(345,665)	(264,283)	(274,949)
Between two and five years	(1,082,805)	(1,093,795)	(1,012,968)	(1,014,467)
Between five and ten years	(2,326,839)	(2,378,915)	(2,191,735)	(2,466,423)
More than ten years	(2,245,147)	(2,249,030)	(2,975,459)	(2,910,836)
Total	**(6,461,352)**	**(6,491,913)**	**(6,926,786)**	**(7,089,053)**

Creditors and Interest Payable	**Authority 31 March 2024 £000**	**Group 31 March 2024 £000**	**Authority 31 March 2023 £000**	**Group 31 March 2023 £000**
Less than one year	(236,496)	(319,351)	(184,900)	(179,545)
Between one and two years	(1,191)	(51,915)	(2,856)	44,309
Between two and five years	-	(14,430)	-	(49,357)
Between five and ten years	-	51,292	-	(65,531)
Total	**(237,687)**	**(334,404)**	**(187,756)**	**(250,124)**

Market Risk

The Authority sets Prudential Indicators specifying maximum exposures to variable rate investments, reflecting the fact that the use of fixed rate instruments is the Authority's primary means of managing exposure to interest rate movements. Where interest rates appear to be low, the Authority's Treasury function places great emphasis on matching the maturity profile of borrowings to prudent forecasts of future income to reduce the likelihood of needing to refinance borrowings at potentially unfavourable future rates. The Authority may also arrange borrowings or investments in advance at prior agreed rates as a means of managing short-term interest rate exposures.

51. Contingent liabilities and assets

Contingent Liabilities

Construction Works/Damages (GLA) - The Authority may be liable to pay costs to a third party either for construction works or third-party damages dependent on the outcome of current discussions and future events. Due to commercial sensitivity and the inherent uncertainty in estimating the potential liability, it is not possible to disclose or quantify the liability at this stage.

Sharing of disposal proceeds – LLDC Olympic land

On 29 March 2012 the GLA entered into an agreement with the Department for Culture, Media and Sport (DCMS) to repay net proceeds from the sale of individual plots of land owned by LLDC, that are clearly identified by schedule as within the scope of the agreement. The GLA is entitled to keep the first £223m of net proceeds arising from the disposal of plots of land within the scope of the agreement. Net proceeds between £223m and £1,123m are to be shared 75 per cent to DCMS and 25 per cent to GLA. If net proceeds were to exceed £1,123m they would be shared 50 per cent to GLA and 50 per cent to the Treasury.

The receipts from development plots are being generated over the long term. As at October 2023, LLDC estimates the £223m threshold will not be reached until 2028-29 at the earliest before proceeds will then begin to be shared with DCMS. The most recent estimate also indicates final payments to DCMS from these proceeds will not complete until at least 2042-43.

The amount payable by the GLA will ultimately be determined by the level of total receipts that can be generated through disposals of LLDC land. This means there is no guarantee over the amount that might become payable; and there is no certainty on the date from when these payments will need to be made. Therefore, no provision has been made in these financial statements for this contingent liability.

Sharing of disposal proceeds - Greenwich Peninsula

In 2012, GLAP entered into a legal agreement with the now Department for Levelling Up, Housing and Communities (DLUHC) with regards to sharing the receipts of Greenwich Peninsula land disposals between GLAP, National Lottery and the Department for Levelling Up, Housing and Communities. The first 13% of receipts are top-sliced and payable to the National Lottery, specified costs are deducted from the remaining receipts and the resultant net capital receipts are shared 50:50 between GLAP and DLUHC.

Payment is due when receipts are received and given the current economic climate and the period over which receipts will be received it is difficult to estimate with any certainty, the timing and amount of receipts.

ArcelorMittal Orbit Loan (LLDC)

LLDC continues to disclose a contingent liability in relation to a loan of £14.2m (principal £9.2m plus unpaid interest), which was used to part fund the construction of the ArcelorMittal Orbit and is repayable to ArcelorMittal Orbit Limited from future profits from the operation of the ArcelorMittal Orbit (after cumulative losses and other allowable costs such as lifecycle and other capital works) as and when they are generated (firstly against interest on the loan then 50% against the principal thereafter). A discounted projected cash flow is used for calculation of the carrying amount. The projected cash flows result in the carrying value of the loan being set at nil. This position remains despite the surplus reported in prior years.

Contingent Assets

Contingent rent (GLAP)

Lease receivables from a lease with ExCel Exhibition Centre site have been treated as a contingent asset. The Excel lease expires in 2199 and the annual lease receivable is based on the corresponding annual turnover of the centre, the value of the lease is therefore uncertain. The net present value of the estimated cash flows is considered to be between £4m and £25m and £1.2m was receivable in 2023-24 (£0.8m in 2022-23).

52. Group Taxation

[Note to follow]

53. Northern Line Extension Income and Expenditure Account

The Northern Line Extension (NLE) Income and Expenditure Account is a memorandum account which summarises the income received, and expenditure incurred in relation to the GLA's contribution towards delivering this project which extended the Northern Line to Battersea Power Station and Nine Elms. This extension opened on 20 September 2021.

The account details the contributions received from the London Boroughs of Lambeth and Wandsworth using sums paid by developers and business ratepayers in the Battersea and Nine Elms statutory designated area, the payments made to Transport for London towards construction costs and the financing costs incurred by the GLA in relation to the amounts borrowed by it, to finance its contribution to the project.

	2023/24 £000	2022/23 £000
Balance at 1 April	**862,287**	**862,288**
INCOME		
Amounts transferred by the London Borough of Lambeth	-	(99)
Amounts transferred by the London Borough of Wandsworth	(50,012)	(35,513)
Interest receivable on contributions received and other gains	(6,799)	(3,185)
Total income	**(56,811)**	**(38,797)**
EXPENDITURE		
Amounts repayable to the London Borough of Lambeth	36	-
Transport payments for NLE project	7,500	-
Interest payable on project related borrowing	19,545	17,631
Other expenses including brokerage and bond fees	17,242	25,812
Total Expenditure	**44,323**	**43,443**
Transfer to/(from) NLE reserve to meet future financing costs and debt repayment	(12,489)	(4,645)
Net deficit for the year	**-**	**-**
Deficit carried forward at 31 March	**862,287**	**862,287**

The GLA has now met its full agreed £1 billion contribution towards the core project which has been funded primarily using long-term borrowing from the European Investment Bank and other sources. A small additional capital contribution of £7.5 million was made towards the project in 2023-24 outside the core funding scheme.

The GLA incurred interest payable on its NLE related borrowing in 2023-24 of £19.5m. A further £17.2m of expenditure was incurred by the GLA respect of bond indexation, brokerage costs, fees and associated costs including the loan guarantee provided by HM Treasury and associated administrative costs.

The GLA received £50.0m in contributions from the London Borough of Wandsworth on an accrued basis but made a net repayment to the London Borough of Lambeth of £0.036 million due to refunds relation to valuation changes on a single major rating assessment. These sums were paid as required under the NLE funding agreement signed between both boroughs, the Greater London Authority and Transport for London in January 2014 reflecting a combination of business rates growth and developer contributions in the Battersea and Nine Elms statutory designated area. In addition, £6.8m of interest was receivable on the balances held in respect of the project.

There was an in-year revenue surplus of £20.0 million – which reduced to a net figure of £12.5 million on the overall revenue account after taking into account the funding for the £7.5 million capital contribution identified above. This net sum was transferred to the NLE reserve. This reserve was established in 2021-22 to manage short term surpluses and deficits on the NLE revenue account. It will remain in place until the level of business rates income received in the local statutory designated area arising from the associated retail, office and commercial premises is considered sufficient to meet the interest payable on its NLE debt and associated financing costs on an ongoing basis. Any excess held in the NLE reserve at that point will be released to repay the GLA's residual borrowing.

54. Post balance sheet event

Dividends Receivable from LTLF LP

On 17 May 2024, the Authority was notified that further to a meeting of the Board of Directors of LTLF GP Limited on 14 May 2024, the GP has determined that London Treasury Liquidity Fund LP will be paying a total Dividend amount for the year ended 31 March 2024 of £ 15.8m to the Authority.

The Dividend will be distributed on 30 May 2024 (the Dividend Date) in proportion to the Limited Partner's total Core Contribution return for the year, being the difference between the Limited Partner's Core Contribution Account balance at 31 March 2024 and its Core Contribution as determined upon joining LTLF.

Fund Account

The Fund Account is a memorandum account to show transactions under sections 102 and 103 of the Greater London Authority Act 1999 which requires all government grants for the Greater London Authority and its Functional Bodies to be paid to the Greater London Authority, which then passes them on to the Functional Bodies. This includes funding business rates retention pilot - retained business rates and council tax as well as specific grants paid for the purposes of the GLA which are directly controlled and allocated by the Mayor and form part of the CIES.

	2023/24 £000	2022/23 £000
Income		
Fire Grants [1]		
Fire specific revenue grants	(8,003)	(8,196)
Fire capital grant	-	-
Subtotal Fire Grants	**(8,003)**	**(8,196)**
Policing Grants		
Home Office police general grants [2]	(2,164,662)	(2,157,844)
Local Council Tax Support grant for policing [2]	(119,676)	(119,676)
Home Office other specific grants [3]	(696,187)	(669,204)
Subtotal Policing Grants	**(2,980,525)**	**(2,946,724)**
Transport (TfL) grants [4]		
GLA Transport grant (extraordinary support)	(936,931)	(909,000)
Other specific grants [6]	(91,482)	(173,973)
Subtotal Transport Grants	**(1,028,413)**	**(1,082,973)**
OPDC grants		
Specific grants [7]	(53,000)	-
Subtotal OPDC Grants	**(53,000)**	**-**
Total Income	**(4,069,942)**	**(4,037,893)**
Expenditure		
London Fire Commissioner	8,003	8,196
Mayor's Office for Policing and Crime	2,980,525	2,946,724
Transport for London	1,028,413	1,082,973
Old Oak and Park Royal Development Corporation	53,000	-
Total Expenditure	**4,069,942**	**4,037,893**

(1) The fire revenue specific grant figure of £8.0m total includes various Home Office grants for such as PFI grant, Protection uplift and funding for the Merton fire control centre.

Fire formula grant has been paid via the business rates retention system and revenue support grant since 2013-14 and is therefore shown in the GLA's CIES. LFC's council tax precept payments are also recorded in the GLA's CIES.

(2) The core Home Office police grant in 2023-24 comprises £185.3 million in respect of the National and International Capital Cities (NICC) grant, £1,072.3 million in general police core grant (net of the NICC) and £907.0m in former DCLG formula funding approved by Parliament in the 2023-24 Police grant report

Local council tax support funding for the Mayor's Office for Policing and Crime was also approved via the Police Grant Report. MOPAC also receives additional funding approved by the Mayor which is paid to it by the GLA through retained business rates and payments from the Mayor's council tax precept which are both recorded in the GLA's CIES.

(3) The policing revenue specific grant figure includes counter-terrorism and protective security grant funding as well as other specific grants for policing paid via GLA by the Home Office such as police pension grant, police surge grant and support for additional costs arising from the Covid pandemic.

Some specific grants are paid directly to MOPAC (e.g. community safety project and Ministry of Justice funding) and are therefore only recorded in its accounts.

(4) Some transport revenue specific grants are paid direct to TfL and therefore only appear in its accounts. Funding paid to TfL via retained business rates and council tax by the Mayor is reported in the GLA's CIES.

(5) Due to the adverse impact of the Covid pandemic on TfL fare revenues the Department for Transport agreed an extraordinary funding and financing agreements with TfL during 2022-23 and 2023-24 involving the provision of additional grant support to TfL.

Further details are available at https://tfl.gov.uk/info-for/investors/announcements and https://tfl.gov.uk/info-for/investors/funding-letters. TfL's own statutory accounts will set out how this funding has been apportioned between capital and revenue.

The revenue support provided comprised a fixed and a variable element (a so called 'revenue true up') linked to actual fare revenues received and is payable as transport grant under s101 of the GLA Act. Additional capital funding was also approved under the funding agreements announced by the Department for Transport on 30 August 2022 and 18 December 2023. The funding provided in 2023-24 of £936.9 million comprised £810 million in capital support and £126.9 million of revenue support.

The sums reported in the GLA's fund account differ from those reported in TfL's statutory accounts as the latter adjusted to take into accounts sums that have been repaid to the DfT as part of the 'True up' process as well as accruals for amounts not yet received/paid.

(6) The DfT other specific grant figure for 2023-24 and 2022-23 includes Housing infrastructure funding from DLUHC and Smart Ticketing grant from the Department for Transport and in 2023-24 levelling up funding from DLUHC of £2.6m for the Colindale and Leyton station upgrade projects.

(7) OPDC received £53 million in 2023-24 from the national Brownfield Infrastructure and Land Fund to support land acquisitions within the OPDC area. DLUHC required that this be applied for this purpose by OPDC.

The Crossrail Revenue Account reflects the application of the GLA's retained revenues for Crossrail and its contributions towards the Crossrail project. It also incorporates the statutory BRS Revenue Account which is required under Schedule 1 of the Business Rate Supplements (Accounting) (England) Regulations 2010.

The account details the income raised from the levy imposed on non-domestic ratepayers (the Crossrail Business Rate Supplement or BRS) and on developers through a Mayoral Community Infrastructure Levy (MCIL) to raise money to fund the construction of the Crossrail project (now called the Elizabeth line) and expenditure incurred in relation to this project by the GLA.

Crossrail Revenue Account (incorporating the Statutory Business Rate Supplement Revenue Account)

	2023/24 £000	2022/23 £000
Balance at 1 April	-	-
INCOME		
Amounts transferable by billing authorities as calculated under the BRS regulations gross of billing authority administrative expenses	(242,205)	(245,068)
Amounts transferable by collecting authorities in MCIL gross of collection allowances	(174,734)	(185,364)
Interest Receivable (in respect of the Crossrail related balances)	(5,258)	(3,084)
Total income	**(422,197)**	**(433,517)**
EXPENDITURE		
Administrative expenses incurred by billing authorities in respect of the collection and enforcement of a BRS		
Further administrative expenses (billing authority cost of collection allowance)	435	433
Other billing authority collection costs and prior year adjustments	686	511
Sub total BRS billing authority expenses	**1,121**	**944**
Allowable expenses incurred in respect of the collection and enforcement of MCIL retained by GLA		
Collecting authority allowances	6,563	7,422
Charging authority allowances	600	660
MCIL other adjustments including repayments and provisions	4,251	3,407
Sub total MCIL collection expenses	**11,414**	**11,489**
Expenditure incurred by GLA in respect of the Crossrail Project		
Transport payments to Transport for London in respect of the Crossrail project	-	271,000
Interest Payable on Crossrail related borrowing	132,136	136,242
Other expenses including brokerage fees	1,452	1,398
Sub total GLA expenditure on Crossrail project	**133,588**	**408,639**
Total Expenditure	**146,123**	**421,073**
Transfers to/(from) General fund - Surplus/(Deficit) on Crossrail (BRS/MCIL) revenue account and Minimum revenue provision	**276,074**	**12,444**
Balance at 31 March	-	-

The GLA contributed an additional £2.25 billion towards the Crossrail project between 2018-19 and 2022-23 under the supplementary funding deals agreed between the GLA, TfL and Department for Transport (DfT) in December 2018 (£1.4 billion) and November 2020 (£825 million). This has been funded by £2.15 billion of borrowing from the DfT and the application of £0.1 billion of revenues received in prior years. This is in addition to the £4.3 billion contribution made between 2010-11 and 2015-16 under the original Crossrail funding agreement.

The Mayor has also agreed to contribute up to a further £48.8 million towards the project - if required – and it is now anticipated that this will need to be drawn down in full during 2024-25. While the final outturn cost of the project is still to be determined it is not anticipated based on current forecasts that any additional contributions – should they be required – will be material and will be managed within existing revenue streams allocated to the project.

The GLA's outstanding Crossrail borrowing will be financed and repaid using MCIL and Crossrail business rate supplement revenue with a current expected full repayment in the early 2040s.

Prior to 2019-20, MCIL revenues were retained by TfL as a direct contribution to the Crossrail project – albeit this was reported as nominal capital grant from, GLA to TfL in its statutory accounts. From 2019-20 the GLA was permitted under regulations approved by Parliament (The Community Infrastructure Levy (Amendment) (England) Regulations 2019 – 2019 966) to apply MCIL for capital financing purposes for Crossrail. A further amendment was made to the regulations in March 2021 (The Community Infrastructure Levy (Amendment) (England) Regulations 2021) to allow the GLA to use MCIL revenues to finance and repay its Crossrail related debt up to 31 March 2043.

£163.3 million net MCIL income receivable in 2023-24 was available to be applied towards Crossrail after netting off collection costs and allowable expenses totalling £11.4m. Further information on the BRS is set out in the next note.

The GLA incurred interest payable on its borrowing of £132.1m and £5.3m of interest was receivable on the balances held in respect of the BRS and MCIL. Further sums were charged to the Crossrail revenue account in respect of other costs incurred by the GLA in respect of the management and administration of the BRS and MCIL and the GLA's associated borrowing including brokerage fees.

55. Crossrail Business Rates Supplement

The BRS was applied at a rate of 2p (or 2 per cent of the rateable value) on non-domestic rating assessments on the local rating list in London with a rateable value above £70,000 in 2022-23. This threshold was increased to £75,000 following the national business rates revaluation from 1 April 2023 but the 2p rate was unchanged. The BRS is collected on behalf of the GLA by the 33 London billing authorities (the 32 London boroughs and the Common Council of the City of London) on the same bills as general business rates (NNDR). Reliefs for the BRS (e.g., for charitable organisations) operate on the same basis and the same percentage rate as for National Non-Domestic Rates.

Based on the final returns received in respect of 2023-24 billing authorities determined that they had collected gross revenue through BRS of £242.2 million of which the GLA was due to receive £241.1 million after allowing for borough collection allowances and other collection related costs.

Glossary

This glossary helps to define some of the terms and phrases found in these accounts.

Accounting Period
The length of time covered by the accounts - the accounting year runs from 1 April to 31 March.

Accrual

A sum included in the accounts to cover income or expenditure attributable to the accounting period for goods or services, but for which payment has not been received/made, by the end of that accounting period.

Actuarial Gains and Losses
Changes in the estimated value of the pension fund because events have not coincided with the actuarial assumptions made or the assumptions themselves have changed.

Balances
These represent the accumulated surplus of revenue income over expenditure.

Capital Expenditure
Expenditure on the acquisition of fixed assets that will be of use or benefit to the Authority in providing its services for more than one year.

Chartered Institute of Public Finance and Accountancy (CIPFA)
CIPFA is the main professional body for accountants working in the public service.

Collection Fund
A fund administered by each London Borough Council and the City of London Corporation as billing authorities. Council Tax and Non-Domestic Rates are paid into this fund and the net requirements of the Authority and its Functional Bodies as well as the Borough/Corporation are met from the fund. Any surplus or deficit is shared between the various authorities for council tax and additionally central government in respect of retained business rates. The Crossrail Business Rate Supplement is also paid into the collection fund and transferred to the GLA as the responsible levying body from it.

Council tax Requirement
The consolidated amount the Authority estimates will be received through the council tax precept. This is the budget requirement net of all government specific and general grants. The GLA, Assembly and each functional body has a component council tax requirement which is approved in the Mayor's annual budget.

Creditors
The amounts owed by the Authority at the Balance Sheet date in respect of goods and services received before the end of the accounting period but not paid for.

Debtors
Amounts owed to the Authority but unpaid at the Balance Sheet date.

Depreciation
The measure of the cost or revalued amount of the benefit of the fixed asset that has been consumed during the period.

Fees and Charges
The income raised by charging for goods, services or the use of facilities.

Financial Instrument
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 trade receivables and trade payables, investments and borrowings.

Fixed Asset
A tangible item that yields benefit to the Authority for a period of more than one year.

Functional Body
A term used to describe those bodies, other than the Greater London Authority, for which the Mayor of London sets the budget and appoints members to run those bodies. The five functional bodies are:

- **London Legacy Development Corporation ("LLDC")** responsible for development of the Queen Elizabeth Olympic Park;
- **London Fire Commissioner ("LFC")** responsible for providing an efficient and effective fire brigade and emergency planning

service for London;

- **Mayor's Office for Policing and Crime ("MOPAC")** is headed by the Mayor or, by his nomination, the appointed statutory Deputy Mayor for Policing and Crime. This means that the Mayor is directly accountable for policing performance in London, except the City of London which has its own police force provided by the Corporation of London;

- **Old Oak and Park Royal Development Corporation ("OPDC")** responsible for the regeneration of Old Oak Common in West London; and

- **Transport for London ("TfL")** responsible for London's buses, London Underground, Docklands Light Railway, Croydon Tramlink, Dial-a-Ride services, London River Services, Woolwich Free Ferry, taxis, private hire cars and maintenance and traffic management of most of the major roads in Greater London.

IAS 19 Employee Benefits
The objective of IAS 19 is to prescribe the accounting and disclosure for employee benefits (that is, all forms of consideration given by an entity in exchange for service rendered by employees). The principle underlying all of the detailed requirements of the Standard is that the cost of providing employee benefits should be recognised in the period in which the benefit is earned by the employee, rather than when it is paid or payable.

Materiality
Information is material if omitting it or misstating it could influence decisions that users make on the basis of financial information about a specific reporting authority.

National Non-Domestic Rates [also known as Business Rates or Uniform Business Rate (UBR)]
A property tax based on notional rental (rateable) values levied on non-domestic hereditaments. The tax is set by central government and collected by Local Authorities.

Precept
The amount the Mayor requires the London Boroughs and Corporation of London to pay from their Collection Funds in respect of council tax in order to meet the costs of services of the GLA and its functional bodies

Prepayment

Where expenditure has been invoiced and charged against the current year's budget but relates to goods and services to be received in the following financial year. This expenditure has to be treated as a prepayment.

Provisions
Amounts set aside to meet costs which are likely or certain to be incurred but are uncertain in value or timing.

Reserves
The accumulated surplus income in excess of expenditure, which can be used to finance future spending and is available to meet unforeseen financial problems. Earmarked Reserves are amounts set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years.

Revenue Expenditure
The day to day spending on employment costs, other operating costs (accommodation, supplies and services etc.) net of income for fees and charges etc.

Revenue Support Grant
Central Government financial support towards the general expenditure of local authorities paid on an un-ringfenced basis and without conditions.

Specific Government Grants
Central Government financial support towards particular services which is "ring fenced" or paid for the purposes of a particular functional body (i.e. can only be spent on a specific service area or items).

Interim Chief Finance Officer
Greater London Authority
City Hall
Kamal Chunchie Way
London E16 1ZE

Enquiries: **glatechnicalaccountancy@london.gov.uk**