



Centre for Governance and Scrutiny

Trustees' Annual Report
2023-2024

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CfGS's charitable objects

The Charity's Objects were amended with the consent of the Charity Commission and approved by a Special Resolution in May 2020.

The Charity's Objects are:

1. To advance education for the public benefit in the principles and practice of public scrutiny, governance and accountability, whether within or outside of the public sector, including scrutiny by any stakeholder, in particular but not exclusively by maintaining a national centre of expertise and promoting national debate and networks.
2. To promote the effective and efficient public administration of government and public services for the public benefit by promoting the development of and improving the practice of public scrutiny, governance and accountability within government and the delivery of public services and by promoting national standards of professional conduct amongst those engaged in the provision of advice and services in the field of public scrutiny, governance and accountability.
3. To promote for the public benefit ethical standards of conduct, accepted principles of good governance and compliance with the law by governmental, industrial, commercial, voluntary sector and professional organisations.

Chair's Foreword

The annual report is a chance to step back and reflect and, as I hope you will see in this report, there has been a huge amount of activity to reflect on.

It feels appropriate for an organisation dedicated to governance and scrutiny takes stock of its own internal processes and that has been a key focus over the last year. I am delighted to say that the work that the team have done has not only made sure we have robust internal governance and decision making, but also that it is inclusive, participatory and transparent - very much in keeping with our work within the sector.

Our new operating model brings to life the different domains in which we work to make a difference - and focuses on how we do our work, not just what we do. It feels like a fitting finale to our internal reflections to launch our new brand and website - communicating more effectively to the world about our work.

Our work this year has been diverse and exciting, ranging from constitutional reviews, work on the culture of decision making and in many cases working with organisations who are in a deeply challenging place where governance is just one part of a complex picture. We are grateful to all of the many organisations that we have worked with for their willingness to engage with the question of how we make better decisions.

Looking forward, we are at a point of enormous change and challenge for local government but really for all parts of the system which are looking to deliver public services. There are opportunities to do things differently and evolve the way we work in order to reflect the very best practice of the past with tools and techniques of today and tomorrow.

Governance, accountability and scrutiny are at the very heart of a thriving democracy. They help us make better decisions and help us understand decisions that are made. As we all navigate a complex world these are important principles to champion in all elements of public services and I am very proud of the work we do to do exactly that.

Thank you for your interest in our work.

Dr Catherine Howe, Chair

Report of the Trustees

The Trustees have adopted the provisions of the Statement of Recommended Practice “Accounting and Reporting by Charities” (“FRS 102 SORP”) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity’s governing document, the Charities Act 2011 and relevant Accounting Standards. The Trustees consider that the current level of the organisation’s unrestricted funds and with the continuing likelihood of securing funding for periods beyond April 2025, CfGS has sufficient resources to continue as a going concern.

CfGS is a charitable company that promotes the value of scrutiny, accountability and good governance, both in the public sector and amongst other people and organisations who deliver publicly funded services. In shaping the objectives of the charity and planning the activities undertaken, the Trustees have considered the Charity Commission’s guidance on public benefit.

CfGS’s purpose is to improve lives and places through effective governance and public scrutiny. We seek to achieve this by carrying out work that engages with our charitable Objects. Our assessment of our capability in meeting those Objects is set out in the next section.

The remainder of this part of the Annual Report sets out corporate activity undertaken to support the organisation’s actions relating to its Objects. The 2023/24 period was a period of continued stabilisation and consolidation for CfGS corporately. Actions against the Interim Plan agreed by the Board in 2022 were completed and steps are now well under way to shift the organisation to a new operating model framed around a more relational and collaborative way of working.

The remainder of this part of the Report provides a summary of corporate activity relating to three principal areas of focus:

1. Financial management, where significant activity has been undertaken to stabilise and systematise core systems over the course of 2023/24;
2. The transition of the organisation to a new operating model, work which has begun in 2023/24 and will continue through 2024/25.
3. Ensuring our delivery management and project processes and quality assurance supports both stabilisation of our finances and evaluating impact.

Finally, this report will summarise other corporate activity undertaken in 2023/24 which designed to increase the capacity and capability of the organisation to meet its charitable objects.

Corporate activities

1. Financial Management

The 2022/23 Annual Report made reference to structural financial weaknesses which had emerged in the latter part of that year. The impact of these weaknesses continued to make themselves felt over the duration of 2023/24 evidenced by:

- Inconsistent approaches to project design and initiation (as noted in the previous Annual Report)
- Limited cost control, especially on projects where external assistance was procured from CfGS Associates
- Weaknesses in financial management caused in part by poor communication between CfGS and the LGA (who at the operative time were contracted by CfGS for the provision of our support services, including financial management and accountancy services).

While these challenges did not affect CfGS's substantive delivery of client projects, it did affect the profitability of some of those projects, and the way that resources were managed to assure their delivery.

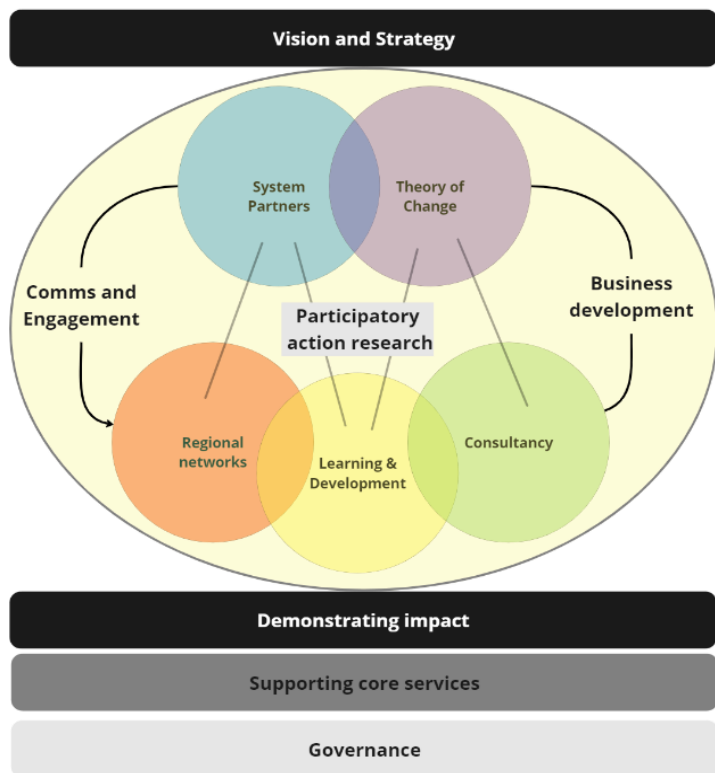
This position led to the emergence mid-year of a variance between CfGS's projected, and actual, budget position. It was exacerbated by the continuation of the problem, highlighted in the previous Annual Report, of a lack of accurate, real-time management information about the organisation's financial position, making it difficult to take actions to mitigate.

Actions to mitigate this included:

- The introduction of new financial control arrangements, requiring cross-team approval for any new expenditure and for the initiation of new client projects.
- Bringing more delivery work in house, thereby reducing an over-reliance on associates and their costs to the organisation.
- A significant exercise to manually reconcile invoices, purchase orders, and client agreements, involving work to recover a substantial amount of aged debt.
- A review of all our core services contracts which resulted in terminating our support services contract with the LGA and entering into new agreements with Price Bailey (for accountability and financial management), Citrus HR (now Safe HR) for human resources services and changing our IT support supplier.

These, and connected actions supported the stabilisation of the CfGS budget position, and importantly provided more accurate, transparent real time information about CfGS's budget in a way that is visible and accessible to all CfGS staff and Trustees in a way not previously possible.

2. New Operating Model



As anticipated in the 2022/23 Interim Plan, the 2023/24 period has involved work to prepare the organisation for a new model of working, including different expectations for how staff will work together, and how the organisation will collaborate with its partners. This plan has been developed iteratively and will continue to mature into 2024/25.

Working to a new operating model has involved necessary changes to our accommodation and the staffing of CfGS. With the staff team making limited use of CfGS's office facilities, and with CIPFA choosing to re-let part of its building to external tenants, CfGS took the opportunity to become entirely remote although 77 Mansell Street remains the Charity's registered address. This change has resulted in a modest financial saving. The organisation was able to take advantage of the departure of the then-Operations Manager in autumn 2023 to create a new, more senior, post of Head of Operations, holding a range of more strategic duties relating to the management of the organisation in support of the Chief Executive's duties.

Towards the end of the 2023/24 CfGS's financial position was such that we were able to confirm plans to recruit staff to occupy two new posts. The new operating model has a stronger focus on learning and development and research and impact, so in December 2023, our two Research and Project Officer posts were made redundant (with both members of staff were able to move to new permanent full-time positions within the local government sector) and two new posts of Research and Impact Manager and Learning and Development Manager were advertised for recruiting to. At the end of March 2024, the staff complement was four FTE and one 0.8 FTE. Confirmed recruitment plans involve the staff complement rising to six FTE and one 0.8 FTE during 2024/25.

The Board plans to hold a series of strategy sessions in the first two quarters of 2024/25, which will further develop CfGS's operating model, vision and strategy.

3. Delivery Management

Action on the way we deliver our work

Client management and project initiation

Significantly more rigour has been brought to the initiation of projects through the introduction of new systems for initial client communication and liaison. This follows through to action on pricing, which is described in more detail below.

Project reporting and oversight arrangements

Further enhancements to the way that delivery commitments are logged, and that high value and complex projects are subject to collaborative discussion amongst the team, have built on activity undertaken during 2022/23 to bring more consistency and rigour to project management. Although quality assurance arrangements are not yet systematic (in part because steps have not yet been undertaken to build quality assurance into a refreshed methodology for the delivery of major projects), there have been cross-team improvements in project ownership and oversight.

Resource allocation and management

Despite the last Annual Report having noted that steps had been successfully taken to better use Associates, and staff resources, within budget, it became apparent in the early part of 2023 that there was still too little rigour in the management of expenditure on external resource to support projects. This led to a substantial overspend on Associates in the first half of 2023 – strong consultancy performance through the year managed to defray this issue, as did the introduction in the early autumn of 2023 of more rigorous financial controls.

Pricing

The organisation has brought more consistency to the way that client projects are priced at the proposal creation. Taking a more standardised project pricing process has prevented inconsistencies and resource "drift" that previously led to unplanned time and costs. By implementing a new consultancy day rate and a more accurate assessment of project timelines, financial outcomes have improved. These arrangements will continue to be kept under review.

Communications

CfGS has continued a more strategic approach to communication, as begun in 2022/23. Work is ongoing to fully integrate this activity with wider business development, and to ensure that external communications involve the visibility of a wider range of staff members. Internally, staff communication has improved through the introduction and use of Slack, a collaboration and messaging platform.

Moving to a new model of assessing and reporting impact

An important element of the shift to a new operating model will be the development of new methodologies for sensemaking on the impact of CfGS's work, anchored in the organisation's charitable objects. This will involve the development of new frameworks and approaches that enable deeper understanding, insights and information about our impact in future Annual Reports. This Report provides some of this impact information, with the caveat that the systems for gathering and assurance of impact are still developing.

Our Work

Delivery Snapshot

We have worked with 96 clients over the year

This year, we had the privilege of working with 96 incredible clients across the country. Their commitment to improving governance, decision-making, and democracy inspires us every day. Together, we've tackled challenges, explored opportunities, and created real change for their organisations and communities.

To each of you, thank you for trusting us as your partner. Your collaboration fuels our mission, and we look forward to continuing to make a difference together in the years to come.

- Accelerated Access Collaborative
- Ashford Borough Council
- Babergh & Mid Suffolk Councils
- Barnet Council
- Birmingham City Council
- Blaby District Council
- Bournemouth, Christchurch & Poole Council
- Brent Council
- Bromsgrove District Council
- Cambridge City Council
- Cherwell District Council
- Cheshire East Council
- Cheshire West and Chester Council
- Coop
- Cornwall Council
- Cotswold District Council
- Croydon Council
- Dacorum Borough Council
- Darlington Borough Council
- Derby City Council
- East Devon District Council
- East Hertfordshire District Council
- East Staffordshire Borough Council
- Folkestone & Hythe District Council
- Forest of Dean District Council
- Hackney Council
- Harborough District Council
- High Peak & Staffordshire Moorlands Councils
- Horsham District Council
- Humberside Fire & Rescue Service
- Islington Council
- Lancashire County Council
- Landscape Institute
- Lewisham Council
- Liverpool City Region Combined Authority
- Manchester City Council
- Melton Borough Council
- Mid Devon District Council
- Middlesbrough Council
- Milton Keynes City Council
- National Housing Federation
- New Forest District Council
- Newcastle City Council
- Newham Council
- Norfolk County Council
- North Hertfordshire District Council
- North Northamptonshire Council
- Northwest Leicestershire District Council
- Northumberland County Council
- Norwich City Council
- Nottingham City Council
- Nottinghamshire County Council
- Oxfordshire County Council
- Peterborough City Council
- Portsmouth City Council
- Reigate and Banstead Borough Council
- Rochford District Council
- Rossendale Borough Council
- Royal Borough of Kensington & Chelsea
- Rugby Borough Council
- Rutland County Council
- Salford City Council
- Sandwell Council
- Slough Borough Council
- Solace
- Solihull Metropolitan Borough Council
- South Gloucestershire Council
- South Kesteven District Council
- South Norfolk and Broadland Councils
- South Oxfordshire and Vale of White Horse Councils
- South Yorkshire Pensions Authority
- Southwark Council
- Spelthorne Borough Council
- Staffordshire County Council
- Storengy UK
- Suffolk County Council
- Surrey County Council
- Surrey Heath Borough Council
- Tamworth Borough Council
- Teignbridge District Council
- Telford & Wrekin Council
- Thurrock Council
- Tonbridge & Malling Borough Council
- Uttlesford District Council
- Warwick District Council
- Watford Borough Council
- West Berkshire Council
- West Northamptonshire Council
- West Suffolk Council
- West Sussex County Council
- Westminster City Council
- Wirral Council
- Woking Borough Council
- Wokingham Borough Council
- Wolverhampton City Council
- York City Council

Delivery Snapshot

We delivered 135 projects across the breadth of England

49 Strategic Consultancy Projects

- ✓ **13** projects were related to constitutions - Activities ranged from reviewing and appraising constitutions, refining and drafting new ones, and supporting cultural change and implementation of any changes.
- ✓ **16** projects were focused on governance – Projects included reviewing Board effectiveness (specifically in the private sector), assurance and stabilisation for local authorities facing specific challenges, exploring governance change challenges and opportunities and wider system reviews regarding democracy.
- ✓ **20** projects were specifically about scrutiny – This work primarily focused on reviewing and assessing scrutiny impact and developing improvement action plans. Other activities included supporting tenant scrutiny in the Housing Sector, the establishment of new scrutiny functions and supporting the implementation of changes needed for strengthened scrutiny.

86 Learning and Development Projects

- ✓ **4** were focused on action learning workshops
- ✓ **7** provided longer term coaching for Chairs
- ✓ **75** were general training projects with a wide range of topics, including; finance, scrutiny essentials, questioning skills and work programming.



Delivery Snapshot

Delivery funded by our LGA Grant

The Local Government Association (LGA) has been a longstanding and valued partner of CfGS. Through its grant funding, the LGA supports our work to:

1. Enhance understanding, skills, and practices across the sector, enabling effective governance and scrutiny. This is a general support offer to the sector and predominantly takes the form of short form publications designed to provide practical support to governance and scrutiny practitioners.
2. Nurture a culture of high performance within local government's overview and scrutiny functions, through the provision of assistance and advice (including training) to local authority scrutiny practitioners through regional networks.
3. Provide tailored support to individual councils, helping them improve governance systems, processes, and the attitudes and behaviours that underpin them. The focus of this support lies in strategic support – usually relating to constitutional and governance review, and improvement in council's experiencing failure, or the imminent risk of failure. However, support has also been provided to some authorities which are undertaking unique or unusual work on governance, or whose organisational and political context is particularly distinctive, requiring the provision of external expert support.

This year, in addition to the 85 days paid by the LGA, an additional grant from the LGA's regional budget was made to provide an additional number of days for direct support to councils.

Breakdown of funding for direct support to councils covered by LGA funds.

Council	Description	Number of funded days per organisation		
		LGA national	LGA regional	Client days
Bournemouth, Christchurch & Poole	Work programming	3	2	3.5
Birmingham	Improvement support	10	9	0
Bromsgrove	Reviewing governance model	3	0	4
Cornwall	Scrutiny improvement	3	0	11
Dudley	Constitution review	5.5	3	0
East Devon	Scrutiny improvement	5	0	7
Pendle	Scrutiny action learning	7	0	7
Peterborough	Constitution review	10	0	4
Teignbridge	Governance change	5	0	5
Thurrock	Intervention support	14.5	0	14.5
West Lancashire	Governance change	9	3	0
Woking	Scrutiny improvement	10	8	0
Lancashire County	Scrutiny action learning	0	2.5	0
TOTAL DAYS		85	27.5	56

Making an impact

Making an Impact

This part of the Annual Report provides an evaluation of the effectiveness of the work undertaken by CfGS undertaken during 2023/24.

Impact overall

2023/24 has been a year of ongoing transition for the organisation, and while plans are well-developed to put in place more holistic arrangements for assessing the impact of CfGS's work, this was not the case for the bulk of the period covered by this Annual Report.

CfGS's work continues to have a broad and deep impact within the local government sector at large, and for the clients with whom we work directly. Our work beyond the local government sector remains limited although we can point to successful recent projects with clients in central Government, in the housing sector and in the private, co-operative and voluntary sectors.

How we currently monitor and evaluate impact

At present, our methodology is limited both the way we evaluate (data collection and analysis) and what we evaluate (LGA Grant and client consultancy).

- Recording data relating to the delivery of our contract with the Local Government Association. This contract relates to the LGA's own improvement services grant provided by HM Government, and performance expectations are as such set jointly with Government.
- Inviting verbal and written feedback at the end of our client consultancy projects using Microsoft Forms and conducting detailed case studies which speak to our work, the methods and approaches we adopt, and the impact that it has had. Whilst this has been a positive step change, it is not consistently done, which will be a needed improvement going forward.

Annual Survey of Overview and Scrutiny

Asking questions in the "Annual survey of overview and scrutiny in local government" which in part relates to our audience's satisfaction with our own services. The other part of the survey is more directly about the state of scrutiny more generally across England.

General headline results

- **Public engagement** - 50% respondents said scrutiny engages the public effectively, but information access remains a challenge.
- **Financial focus** - 75% cited scrutiny's growing role in overseeing councils' financial resilience.
- **Collaboration** - Mixed executive-scrutiny relationships; most highlighted strong officer support and cross-party cooperation.

Satisfaction with CfGS research & publications	%
To a great extent	40%
To a moderate extent	49%
To a small extent	8%
Not at all	3%
Total (excl. don't know and haven't seen any)	97%



Active Learning

Object 1: Education for the public benefit

CfGS Annual Conference – 101 delegates from 51 organisations

With an overall aim to galvanise a sense of optimism about what the future may hold, our conference this year had 2 primary objectives.

1. To provide opportunities for delegates to share experiences with their peers, hear from speakers, and to take away practical learning that they can apply back in their day job.
2. To enable delegates to have a moment to catch breath, take a step back, and think about the future of scrutiny, and local governance generally – providing recognition that the work of scrutiny is increasingly vital and valued, and their specific place in that future.

Our National Webinars

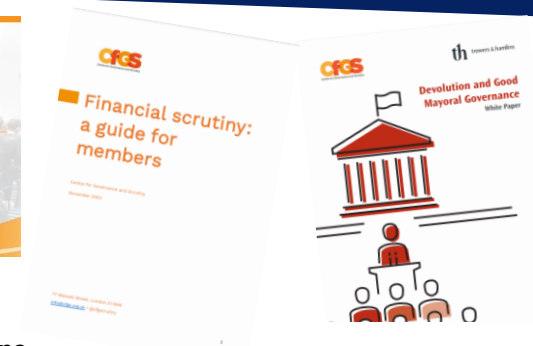
We ran **6** national webinars over the year, in which a total of **345** took part.

- Financial Scrutiny (ran twice)
- Scrutiny Protocol – unlocking devolution
- Unlocking information access
- Unlocking insights (the use of complaints to support good scrutiny)
- Civility and tolerance in council meetings



I find the events CfGS hosts and the documents/guides it produces very useful. CfGS provides a reliable platform of contents and tools to develop officers' and Councillors' knowledge and understanding of the OS function within the Council's governance arrangements. This ultimately enables OS to be more effective and reflective of the public voice.

Anonymous, Annual Scrutiny Survey



Our Publications

Over the course of the year, we published **10** guiding documents, ranging from technical briefings on finance and treasury, to our thoughts on new and emerging changes regarding devolution.

- The use of call-in: guidance for English authorities
- The review and redrafting of constitutions: guidance for English authorities
- Reviewing schemes of delegation: guidance for English authorities
- Inspecting local Authority Children's Services: Ofsted and the role of children's services scrutiny
- Devolution and Good Mayoral Governance White Paper
- Access to Information for Elected Members
- Finance Scrutiny – a Guide for Members
- Health Scrutiny and the new reconfiguration arrangements
- Treasure Your Assets
- Audit, Scrutiny and Risk

Strengthening Governance

Object 2: Improving practice in public scrutiny, governance and accountability in government

Case study: Birmingham City Council

Birmingham City Council is the largest local authority in Europe, representing over a million residents. Each councillor serves a significant constituency, often in single-member wards, which presents unique challenges in such a diverse and vibrant city. Birmingham is marked by high levels of deprivation, with one in two children living in poverty. It is also one of the youngest cities in the UK. These and other factors mean that effective governance – through strong leadership and accountability arrangements – are key to supporting local people.

In 2023, Birmingham City Council faced growing governance challenges and commissioned CfGS to conduct an independent review of its governance structures and processes.

During this review, the council's financial and governance situation escalated. The chief finance officer issued a s114 notice, and the council received statutory recommendations from external auditors, prompting the Secretary of State to initiate a Commissioner-led best value intervention. Responding to these urgent challenges, the Council's Cabinet approved the CfGS report and its recommendations in December 2023, alongside a Governance Stabilisation Plan. With support from Government and the LGA, CfGS has continued to support Birmingham City Council in implementing this plan, with oversight from Government Commissioners.



The impact it has made

Early changes in the council's culture and practices are already visible. Relationships are improving, and there is a clearer understanding among council members and officers of their roles and responsibilities. New norms for respectful communication are taking root, with offensive language being actively challenged, both internally and in interactions with third parties.

Key governance improvements are underway, including an updated officer scheme of delegation and technical revisions to ensure the constitution's legal compliance. Plans are also in place for a broader constitutional overhaul to strengthen governance.

CfGS recognises that Birmingham City Council is just beginning this journey. While these are small steps, they represent a focused, collaborative commitment to improving how the council serves its community, laying the groundwork for more substantial transformation.

Cultural Shift

Object 2: Improving practice in public scrutiny, governance and accountability in government

Case study: Bournemouth, Christchurch and Poole Council

Bournemouth, Christchurch, and Poole (BCP) Council faced challenges in public scrutiny and governance, with scrutiny processes that lacked strategic focus and productive engagement between council members and officers.

The council's approach, often centred around pre-decision scrutiny, resulted in limited accountability and an inability to address complex policy issues effectively.

With support from the Centre for Governance and Scrutiny (CfGS), BCP implemented targeted reforms to align scrutiny efforts with strategic priorities, improve transparency, and encourage a collaborative environment. This included action learning with members to refine the work programming process, as well as tailored support for the Overview and Scrutiny Board and the Environment & Place Overview and Scrutiny Committee. Members were able to prioritise areas where scrutiny could add the most value and to broaden their focus beyond pre-Cabinet scrutiny to include proactive roles like policy development. CfGS also supported members in their approach to planning by identifying the essential information needed and crafting key lines of enquiry centred on policy outcomes.

By restructuring work programmes and focusing on impactful issues, BCP has strengthened the role of scrutiny in public accountability.

The impact it has made

The governance reforms significantly enhanced the council's ability to maintain accountability, leading to more transparent and well-informed decision-making processes. Through better-focused scrutiny aligned with strategic priorities, council members could engage in thorough oversight and proactive policy development.

Improved collaboration among council officers and members created a more productive culture, resulting in more comprehensive and accountable governance. The changes reduced workload pressures and allowed scrutiny committees to focus on areas of high public interest, ultimately reinforcing BCP's commitment to transparent, accountable governance practices.

This case study demonstrates the crucial role of adaptable scrutiny frameworks in strengthening government accountability and public trust.



Transforming Scrutiny

Object 2: Improving practice in public scrutiny, governance and accountability in government

Case study: Cornwall Council

Cornwall Council worked with CfGS to address challenges within its scrutiny function, including inconsistent performance across committees and limited engagement with public priorities.

The council's goal was to ensure that its scrutiny process contributed meaningfully to decision-making and service improvement. CfGS led a Scrutiny Impact Review, which involved developing a cohesive framework, a prioritisation tool, and a work programming suggestion system to streamline and focus committee work. These tools helped Cornwall Council set clear priorities, ensure efficient meeting agendas, and encourage public input in scrutiny topics.

The impact it has made

The partnership with CfGS helped transform Cornwall Council's scrutiny culture, establishing a more transparent and accountable approach to governance. The changes have resulted in higher-quality decision-making, as scrutiny committees now focus on key issues that matter most to residents. Increased public engagement and a systematic approach to scrutiny have also strengthened trust in the council's work.

Cornwall Council is a strong model for other local councils, demonstrating how effective scrutiny can drive positive change, improve public services, and build a stronger connection between council members and the community.



The main benefit of commissioning the CfGS to conduct a Scrutiny Improvement Review was that they are the leading experts in their field and have a breadth of skills, knowledge and experience which is useful when undertaking a review. Being able to share best practice, appropriate behaviours and culture is vital when making recommendations as scrutiny is, after all, based on evidence-based recommendations! The CfGS team is very approachable, flexible and adaptive and were willing to work across the various audiences when sharing their final recommendations, tailoring it to the needs of the audience which was much appreciated.

Anita Searby, Statutory Scrutiny Officer

Given the raft of challenges that all Councils are facing, a strong and effective overview and scrutiny function has a crucial role to play in ensuring that the Council is effective and trusted, providing a key mechanism for the wider membership of the Council to shape policy and hold the executive to account.

The CfGS review has enabled the authority to look afresh at how overview and scrutiny works and the impact it has made with a practical focus on how work programmes are shaped and prioritised and the importance of being clear on what it wants to achieve in its own right and how sometimes 'less can definitely be more.'

Arising from the review, there is a much clearer understanding of what effective scrutiny looks like and a commitment across members and officers to embed the recommendations and build a stronger scrutiny culture within the Council.

Kate Kennally, Chief Executive

Diversity in Governance

Object 3: Promotion of good governance principles

Case study: Mears Group PLC

Mears is one of the UK's leading housing and care providers to both the public and private sector, with over 12,000 employees. They wanted to review their current approach to engaging customers in their business and develop new more effective ways to listen and respond.

The company has taken significant steps to engage its customers, stakeholders, and employees through initiatives that promote more open communication, responsiveness, and a culture of continuous improvement. Central to this approach is the creation of a Customer Scrutiny Board, an independent body that holds the organisation accountable for its service delivery.

This governance model emphasises the importance of integrating customer feedback into decision-making processes, ensuring that Mears Group not only meets regulatory requirements but also exceeds customer expectations.

The impact it has made

We worked with Mears to design and deliver a new approach to customer engagement - an independently chaired and supported Customer Scrutiny Board reporting into their PLC board.

The introduction of the Customer Scrutiny Board and associated engagement initiatives has had a measurable impact on Mears Group's operations. By directly involving customers in governance and decision-making, the company has been able to address issues promptly, particularly in areas such as communication and service quality. The Board's independence has led to more objective assessments and has strengthened the organisation's accountability.

Including a greater diversity of customer perspectives has provided Mears with valuable insights, which have been used to refine strategies and improve service delivery. The result is a more responsive and responsible organisation, better equipped to serve its community while adhering to good governance principles.

<https://www.mearsgroup.co.uk/news/mears-groups-drive-for-customer-service-excellence-continues>



We are so grateful to all the residents and members who work with us to ensure that the board is effective and makes a real impact on how we provide our services. We will continue to look at where improvements can be made and ensure that the people we support are represented – this is an absolute focus for us as we work across many vulnerable groups and we want to make sure that they always have a voice.

Terrie Alafat, Independent Chair of the Customer Scrutiny Board.

cfGS

Governance

Structure, Governance & Management



Governing document

The Centre for Governance and Scrutiny (CfGS) is a company limited by guarantee. Originally formed in 2003, it changed its name from the Centre for Public Scrutiny Limited in September 2020 to better reflect the nature of the advice and services that it provides.

The Memorandum and Articles of Association (M&AA) were amended in 2010 and the organisation was registered by the Charity Commission as a charity in June 2010. In 2012 members of the charity amended the M&AA again to remove the requirement to have an annual meeting and in June 2020 they were revised again (through a change to the wording of the Charity's Objects) to more accurately encompass the public benefits provided to its clients.

Appointment of Trustees

As stipulated in the M&AA, which require a majority of independent Trustees, CfGS had six independent Trustees and three Trustees nominated by its founder and corporate members (the LGA, CIPFA, and LGIU) during 2023/24. Independent Trustees were appointed by the Board following an open recruitment process, which included advertisement, interviews conducted by a sub-committee comprising the Chair and a member Trustee, and input from the Chief Executive.

The Board of Trustees also has power to seek additional independent Trustees to fill any identified skills gaps that may result from open recruitment exercises, ensuring the Board retains the right mix of skills, experience and expertise.

Trustees' induction and training

CfGS provides an induction for new Trustees, which comprises key Charity Commission and other guidance on the role of Trustees, CfGS governing documents and key policies (equalities and diversity, whistle-blowing, interests and hospitality, data protection and information policies) as well as background information on the work of CfGS, the business plan, risk assessment, most recent examined accounts and annual budget and a selection of recent research and other publications as an introduction to what CfGS does.

Plans are in train for Trustees to be involved in a series of strategy workshops in the first half of 2024/25. The object of this is to ensure that Trustees are fully engaged in the development of CfGS's move to a new operating model. Arising from this work it is expected that a more detailed review of the Board's modes of operation will be taken, which is likely to include an evaluation of training and development activity. Plans for this will be developed during 2024/25.

Arrangements for pay and remuneration

The key management personnel are Mel Stevens and Ed Hammond, their remuneration has been set by the Trustee Board either at point of recruitment or when a substantive change is made to their role profile.

Who we are



Organisational structure

The Board of Trustees meets at least four times a year to agree the business plan and annual budget, monitor performance and financial information, agree staff pay and the executive directors' targets and appraisal, as well as to review key policies, oversee the management of risk and to carry out other business as required. There is no formally constituted audit committee. Audit matters are reported and taken at ordinary meetings of the Board.

Board meeting attendance in 2023/24:	
Dr Catherine Howe	4/4
Dr Jonathan Carr-West	4/4
Radikha Vaidya-Sahdev	4/4
Juliet Baker	2/4
Andrew Burns	4/4
Helen Bailey	3/4
Caraline Johnson (resigned during 2023-2024)	4/4
Graeme Coombes (resigned during 2023-2024)	1/2
Sam Corcoran	1/2

The Board is fortunate to be supported at each meeting by our dedicated Company Secretary, Matt Marsh. We would like to extend our heartfelt thanks to Matt for generously volunteering his time and expertise. Anthony Collins Solicitors kindly waives any fee for this work, reflecting a remarkable commitment to CfGS and its mission.

A Chief Executive is appointed by the Board with delegated authority to manage the day to day running of the charity and delivery of its objectives in accordance with the agreed business plan and budget and has delegated responsibilities for the operational management of the Charity, including finance, employment matters and continued staff development.

Related parties

Trustees verbally declare any potential conflict of interest at the beginning of each board meeting. In addition, a register of interests is completed by Trustees every year.

In 2023/24, CfGS declares the following financial connections with the Local Government Association, which is a major funder of CfGS:

- The Local Government Association (LGA) is a member of CfGS and has a nominated Trustee on CfGS's Board. Cllr Sam Corcoran held this responsibility independently during the year.
- During the year 2023/24 CfGS's arrangements for the provision of core services changed. Until November 2023 CfGS paid a service charge to the LGA of £3,633 net of VAT in 2023/24 for a range of services, including management accounting, finance system, payroll and other HR support. As noted elsewhere in the report, this arrangement has now ended, and CfGS procures this support services from other suppliers.

One staff member was seconded to CfGS during 2023/24. CfGS reimbursed their employers for all their salary costs. This secondment was of benefit to CfGS; depending on the maturing of the operating model it may be that the decision is taken to second other staff.

Management of risk

Risk management

The Trustees' risk management strategy includes:

- Quarterly review of risks to the organisation during business planning and financial risk, ensuring that the most likely risks have been identified and their potential impacts.
- Establishing what procedures and systems are in place, or need to be strengthened, to mitigate those identified.
- Monitoring how the procedures and systems are being implemented to minimise impact on CfGS.

Complex projects are identified by staff for Board discussion and oversight along with in-depth lessons learned analysis.

Risks attached to key activities	Mitigations
Gaps in capacity and capability at senior management/Board level	Transition to a new operating model including roles and skills required.
Structural financial issues (income and expenditure risks)	Implementation of finance control arrangements and manual reconciliation of invoices.
Shortcomings in internal systems/processes	Rationalisation of core services contracts (finance, HR, and IT). Enhancements in project recording and reporting in a delivery worklog
Inability to identify, develop, or convert business opportunities	Strategy review to strengthen evidence-based investment in business development
Working in new sectors without robust planning and QA	Introduction of Finance Control Centre, plus more systematic quality assurance and project management improvements

Investment powers and policy

Under the Memorandum and Articles of Association, the Trustees have the power to:

- ✓ Invest the Charity's money not immediately required for its objects in or upon any investments, securities, or property; and
- ✓ Delegate the management of investments to a financial expert provided that the financial expert is an individual who is an authorised person within the meaning of the Financial Services and Markets Act 2000 or a company or firm of repute which is an authorised or exempt person within the meaning of that Act except persons exempt solely by virtue of Article 44 and/or Article 45 of the Financial Services and Markets Act 2000 (Exemption) Order 2001.

The income and property of the Charity is required to be applied solely towards the promotion of its objects.

Reserves

The Board monitors the overall financial position of CfGS at each Board Meeting. This includes the unrestricted and restricted reserve funds (information provided initially by the Lead Accountant of LGA, and subsequently by our accountants at Price Bailey, who provide financial guidance to CfGS). It also requests interim reports in between when deemed necessary.

Finances

Provision of information to independent examination

In so far as the Trustees are aware:

- There is no relevant independent examination information of which the charitable company's independent examiner is unaware; and
- The Trustees have taken all reasonable steps to make themselves aware of any relevant independent examination information and to establish that the independent examiner is aware of that information. The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This confirmation is given and should be interpreted in accordance with the provisions of section 414 of the Companies Act 2006.

Approved by the Board of Trustees and signed on 22 Dec 2024 on their behalf by:



CATHERINE HOWE (Chair, 22ND DEC 2024 10:22:00 GMT)

Dr Catherine Howe, Chair



Financial Statements

CENTRE FOR GOVERNANCE AND SCRUTINY

(A Company Limited by Guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Charity Number: 1136243
Company Number: 5133443

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CENTRE FOR GOVERNANCE AND SCRUTINY

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2024

Registered name	Centre for Governance and Scrutiny
Charity number	1136243
Company number	5133443
Registered address	77 Mansell Street, London E1 8AN
Website	www.cfgs.org.uk
Contact details	info@cfgs.org.uk 020 7543 5627

Trustees and directors

Dr Catherine Howe	Chair and Independent Trustee
Jonathan Carr-West	Vice Chair and Local Government Information Unit (LGIU) - Nominated Trustee
Andrew Burns	Chartered Institute of Public Finance and Accountancy (CIPFA) - Nominated Trustee
Cllr Graeme Coombs	Local Government Association (LGA) - Nominated Trustee (Resigned 25 September 2023)
Helen Bailey	Independent Trustee
Caraline Johnson	Independent Trustee (Resigned 26 March 2024)
Juliet Baker	Independent Trustee
Radhika Vaidya-Sahdeo	Independent Trustee
Stephen Corcoran	Independent Trustee (Appointed 10 November 2023, resigned 19 September 2024)
James Dawson	Independent Trustee (Appointed 29 October 2024)

Senior Staff

Mel Stevens	Chief Executive (from May 2023)
Ed Hammond	Deputy Chief Executive (from May 2023)

Company Secretary

Matt Marsh	Company Secretary
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Bank	Barclays, UK Banking, 1 Churchill Place, London, E14 5HP
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Solicitors	Local Government Group's Legal Services Panel, which includes: Bevan Brittan, Pinsent Masons, Wragge & Co and Sharpe Pritchard
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Independent examiner	Price Bailey LLP Tennyson House, Cambridge Business Park Cambridge, CB4 0WZ
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**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2024 which are set out on pages 4 to 17.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Price Bailey LLP have provided book-keeping services to the Charity. I have applied the FRC's Revised Ethical Standard. PAASE has been applied for this engagement.

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants of England and Wales (ICAEW), which is one of the

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Suzanne Goldsmith FCA

Price Bailey LLP

Chartered Accountants

Price Bailey LLP, Tennyson House, Cambridge Business Park, Cambridge, CB4 0WZ

Date: 23 Dec 2024

CENTRE FOR GOVERNANCE AND SCRUTINY

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Income from:					
Donations and legacies					
Grants receivable	2	-	204,949	204,949	180,000
Income from charitable activities					
Projects and services	3	457,417	-	457,417	383,838
Conference and other income	3	22,862	-	22,862	9,000
Investment income	4	12,276	-	12,276	3,801
Total income		492,555	204,949	697,504	576,639
Expenditure on:					
Charitable activities	6	569,296	204,949	774,245	596,177
Total expenditure		569,296	204,949	774,245	596,177
Net expenditure for the year, being movement in funds		(76,741)	-	(76,741)	(19,538)
Reconciliation of funds:					
Total funds brought forward		334,637	-	334,637	354,175
Total funds carried forward	14	257,896	-	257,896	334,637

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 7 to 17 form part of these financial statements

CENTRE FOR GOVERNANCE AND SCRUTINY

COMPANY NUMBER: 5133443

BALANCE SHEET AS AT 31 MARCH 2024

	Note		2024 £	2023 £
Current assets				
Debtors	11	113,549	127,766	
Short term investments	10	-	252,032	
Cash at bank and in hand		218,384	10,000	
		<u>331,933</u>	<u>389,798</u>	
Liabilities				
Creditors: amounts falling due within one year	12	<u>(74,037)</u>	<u>(55,161)</u>	
Net current assets			257,896	334,637
Total net assets			<u>257,896</u>	<u>334,637</u>
The funds of the charity:				
Restricted funds	14	-	-	
Unrestricted funds	14	257,896	334,637	
Total funds			<u>257,896</u>	<u>334,637</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small company's regime.

The Trustees consider that the charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charity to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

Approved by the trustees on 22 Dec 2024 and signed and authorised for issue on their behalf by:

Dr Catherine Howe
Chair



The notes on pages 7 to 17 form part of these financial statements

Catherine Howe (Sun, 22nd Dec 2024 10:22:05 GMT)

CENTRE FOR GOVERNANCE AND SCRUTINY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Cash flows from operating activities:		
Net (expenditure)/income for the year (as per the SOFA)	(76,741)	(19,538)
<u>Adjustments for:</u>		
Decrease\increase in debtors	14,217	(37,854)
Increase\decrease in creditors	18,876	(4,322)
Interest received	(12,276)	(3,081)
Net cash provided by operating activities	<u>(55,924)</u>	<u>(64,795)</u>
Cash flows from investing activities:		
Interest received	12,276	3,081
Net cash provided by investing activities	<u>12,276</u>	<u>3,081</u>
Change in cash and cash equivalents in the reporting period	<u>(43,648)</u>	<u>(61,714)</u>
Cash and cash equivalents at the beginning of the period	262,032	323,746
Cash and cash equivalents at the end of the reporting period	<u>218,384</u>	<u>262,032</u>
Cash and cash equivalents consists of:		
Cash in hand	218,384	10,000
Short term deposits	-	252,032
Total cash and cash equivalents at end of the period	<u>218,384</u>	<u>262,032</u>

The notes on pages 7 to 17 form part of these financial statements

CENTRE FOR GOVERNANCE AND SCRUTINY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

General information

The Charity is a company limited by guarantee and was incorporated in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The registered office is 77 Mansell Street, London, E1 8AN. The registered company number is 05133443 and the registered charity number is 1136243.

1.1 Basis of preparation

The Centre for Governance and Scrutiny is a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and United Kingdom Generally Accepted Practice as it applies from 1 January 2019.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The financial statements are presented in pounds sterling (£), rounded to the nearest pound.

1.2 Going concern

The Trustees (who are also the directors of the Centre for Governance and Scrutiny (CfGS) for the purposes of company law) have prepared the accounts on a going concern basis.

The Trustees consider that the current level of its unrestricted funds and, given the continuing likelihood of secured funding for period through to 31 March 2025 and beyond, CfGS has sufficient resources to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements.

1.3 Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of any restricted fund is set out in the notes to the financial statements.

1.4 Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

CENTRE FOR GOVERNANCE AND SCRUTINY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

1 Accounting policies (continued)

1.4 Income (continued)

Income from donations is recognised on receipt, unless there are conditions attached to the donation that require a level of performance before entitlement can be obtained. In this case income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of CfGS and it is probable that they will be fulfilled.

Government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income comprising only bank interest on short term deposits is recognised on a receivable basis.

1.5 Expenditure

Expenditure is recognised on an accruals basis. This occurs when a legal or constructive obligation commits the Centre to the expenditure.

Irrecoverable VAT is charged against the category of resources expended from which it is incurred.

Any costs of generating funds comprise the costs associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by CfGS in the delivery of its activities and services for its beneficiaries. It includes both the costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grants payable to third parties are included in expenditure on charitable activities. Where unconditional grants are made, these amounts are recognised when a constructive obligation is created, typically when the recipient is notified that a grant will be made to them. Where grants are conditional on performance, then the grant is only recognised once any unfulfilled conditions are outside of the control of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly: others are apportioned on an appropriate basis.

Allocation of support costs

Support costs are those that assist the work of CfGS but do not directly represent charitable activities and include office costs, governance costs, and project management costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings, they have been allocated to those activities on a consistent basis related to time spent in furtherance of CfGS's objects.

The analysis of these costs is included in note 7.

1.6 Investment income

Up until January 2024, all of the investment income arises from interest bearing deposits. CfGS participates in arrangements in which surplus cash balances are deposited with borrowers on the Local Government Association (LGA) Group's approved list. CfGS's investments are pooled with those of other entities that have adopted the LGA Group Investment Strategy. Group Investments are typically for periods of up to six months and as such the loan amount is a reasonable assessment of fair value. Lending of up to £3m of the total funds held for up to one year is permitted. The counterparty list is currently restricted to major UK financial institutions, the larger UK building societies, and AAA-rated money market funds.

CENTRE FOR GOVERNANCE AND SCRUTINY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

1 Accounting policies (continued)

1.6 Investment income (continued)

The LGA Group Investment Strategy strictly applies credit limits for all of the above financial institutions to ensure that deposits are spread across a number of its approved counterparties. No credit limits were exceeded during the year and CfGS does not expect any losses on short term investments.

1.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered.

Prepayments are valued at the amount prepaid net of any discounts due. Accruing income is included at the best estimate of the amounts receivable at the balance sheet date.

1.8 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9 Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

1.10 Pensions

The Charity provides a defined contribution pension scheme, whereby the charity and its staff each fund the scheme, managed by a third party provider, the assets of which are held by the provider separately from the assets of the charity. The pension charge in the financial statements represents the amounts payable by the charity to the fund in respect of the period.

1.13 Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.14 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Fixed assets are recorded at depreciated historical cost.

1.15 Critical accounting estimates

There are no judgements or critical accounting estimates which have been used in the preparation of these financial statements.

CENTRE FOR GOVERNANCE AND SCRUTINY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024 (continued)**

2 Income from donation, grants and legacies

	Restricted 2024 £	As restated Restricted 2023 £
Voluntary income and grants	204,949	180,000
Total	<u>204,949</u>	<u>180,000</u>

Voluntary income and grants mainly relate to funding from other related sector bodies. It is allocated to the main activities of the charity.

3 Income from charitable activities

	Unrestricted 2024 £	Unrestricted 2023 £
Services recharged	457,417	383,838
Conferences and other income	22,862	9,000
Total	<u>480,279</u>	<u>392,838</u>

Services recharged include publications, consultancy and project delivery.

4 Investment income

	Unrestricted 2024 £	Unrestricted 2023 £
Bank interest	12,276	3,081
	<u>12,276</u>	<u>3,081</u>

5 Net (expenditure)/income for the year is after charging:

	2024 £	2023 £
Independent auditors fee	-	3,500
Fees payable to the Charity's Independent Auditor in respect of other services	-	-
Independent examination fee	1,560	-
Fees payable to the Charity's Independent Examiner in respect of other services	15,987	-
	<u>17,547</u>	<u>3,500</u>

CENTRE FOR GOVERNANCE AND SCRUTINY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024 (continued)**

6 Expenditure on charitable activities

	2024 Direct costs £	2024 Support costs (note 7) £	2024 Total £
Events	25,528	-	25,528
Other Programmes	383,191	250,492	633,683
Consultancy	115,037	-	115,037
Total	<u>523,755</u>	<u>250,492</u>	<u>774,248</u>
2023 comparative			
	2023 Direct costs £	2023 Support costs (note 7) £	2023 Total £
Events	8,397	7,464	15,861
Commercial Programme	-	-	-
Other Programmes	243,181	222,762	465,943
Consultancy	60,552	53,821	114,373
Total	<u>312,130</u>	<u>284,047</u>	<u>596,177</u>

in 2024 £204,949 (2023: £180,000) of the above costs were attributable to restricted funds. £590,686 (2023: £416,177) of the above costs were attributable to unrestricted funds.

Where support costs cannot be directly attributed to particular headings, they have been allocated to those activities on a consistent basis related to time spent in furtherance of CfGS's objects.

CENTRE FOR GOVERNANCE AND SCRUTINY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024 (continued)**

7 Breakdown of support costs	2024	2023
	£	£
Staff costs	121,300	
Direction and management	-	134,711
Office costs	4,892	131,506
IT	8,779	14,330
Travel costs	24,441	-
Bank fees	322	-
Service charges	36,495	-
Subscriptions	1,184	-
Other staff costs	279	-
Printing and postage	344	-
Insurance	7,793	-
Other accountancy costs	11,347	
Governance costs (note 8)	6,000	3,500
	<u>223,176</u>	<u>284,047</u>

The support costs have been allocated on an activity basis in the current year.

The prior year support costs have been restated to include governance costs.

CENTRE FOR GOVERNANCE AND SCRUTINY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024 (continued)**

8 Governance costs	2024	2023
	£	£
Accountancy costs	6,000	-
Audit fees	-	3,500
	<u>6,000</u>	<u>3,500</u>
	<u><u>6,000</u></u>	<u><u>3,500</u></u>
 9 Analysis of staff costs and key management personnel		
	2024	2023
	£	£
Wages and salaries	401,927	271,290
Employers national insurance	24,602	19,975
Pension costs	43,190	35,067
Agency staff fees	61,879	30,584
	<u>531,598</u>	<u>356,916</u>
	<u><u>531,598</u></u>	<u><u>356,916</u></u>

The key management personnel consist of the Chief Executive (CE) and Deputy Chief Executive (2023 - Chief Executive (CE)). A new CE was appointed in May 2023 taking over from the Interim CE, the Interim CE took the position of Deputy CE. The total cumulative benefits paid during the year were £195,990 (2023 £108,690).

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024	2023
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	2	-

The average monthly number of employees was 7 (2023: 6).

Trustee remuneration

During 2024 no Trustee received any emoluments in respect of services to CfGS (2023 – £nil), neither were they reimbursed any expenses during the period (2023: £nil).

CENTRE FOR GOVERNANCE AND SCRUTINY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024 (continued)**

10 Short term investments

	2024 £	2023 £
Cash investments	<u>-</u>	<u>252,032</u>

11 Debtors

	2024 £	2023 £
Trade debtors	104,895	62,957
Prepayments and accrued income	8,117	64,805
Other debtors	537	4
	<u>113,549</u>	<u>127,766</u>

12 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	14,908	(1,118)
Other creditors	11,391	22,919
Accruals and deferred income	14,900	17,756
Other taxation and social security	32,838	15,604
	<u>74,037</u>	<u>55,161</u>

CENTRE FOR GOVERNANCE AND SCRUTINY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

13 Members' liability

The company is a registered charity and is limited by guarantee with no share capital. The liability of each member in the event of winding up is limited to £1.

14 Funds

	As at 1 April 2023	Income	Expenditure	As at 31 March 2024
	£	£	£	£
Unrestricted Funds	334,637	492,555	(569,296)	257,896
Restricted Funds: LGA grant	-	204,949	(204,949)	-
	<u>334,637</u>	<u>697,504</u>	<u>(774,245)</u>	<u>257,896</u>

Funds comparative - restated

	As at 1 April 2022	Income	Expenditure	As at 31 March 2023
	£	£	£	£
Unrestricted Funds	354,175	396,639	(416,177)	334,637
Restricted Funds: LGA grant	-	180,000	(180,000)	-
	<u>354,175</u>	<u>576,639</u>	<u>(596,177)</u>	<u>334,637</u>

The prior year restatement relates to restricted income and expenditure allocated as unrestricted in the prior year of £180,000.

CENTRE FOR GOVERNANCE AND SCRUTINY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024 (continued)**

Restricted fund Description, nature and purpose of the fund

LGA grant Funding for 2023/24 to support the improvement and effectiveness of the overview and scrutiny functions of local authorities in England, as well as providing support to the sector on broader issues.

14 Net assets by fund

	Unrestricted funds £	Restricted funds £	Total funds 2024 £
2024			
Current assets	331,933	-	331,933
Creditors: amounts falling due within one year	(74,037)	-	(74,037)
	<u>257,896</u>	<u>-</u>	<u>257,896</u>
	Unrestricted funds £	Restricted funds £	Total funds 2023 £
2023			
Current assets	389,798	-	389,798
Creditors: amounts falling due within one year	(55,161)	-	(55,161)
	<u>334,637</u>	<u>-</u>	<u>334,637</u>

CENTRE FOR GOVERNANCE AND SCRUTINY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024 (continued)**

16 Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in independently administered funds. The total pension cost charge represents contributions payable by the Charity to the funds and amounted to £43,190 (2023: £35,067). Amounts outstanding at the end of the period total £4,964 (2023: £718) and are included in creditors.

17 Related party transactions

In 2024, CfGS paid a service charge to the LGA, the member of CfGS, £43,972 (2023: £43,600) for a range of services, including management accounting, access to a finance system, payroll and other HR support.

In the year restricted grants were received from the LGA of £204,949 (2023: £180,000).

There were no amounts outstanding at the year end (2023: £nil).

No further related party transactions took place in the period (2023: £nil).