



Centre for Governance and Scrutiny

Trustees' Annual Report
2024-2025

- 1. Chair's Foreword**
- 2. Charitable Objects**
- 3. Report of the Trustees**
- 4. Corporate Activities**
- 5. Our Work**
- 6. Making an Impact**
- 7. CfGS Governance**
- 8. Finances**

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

In a year which has been a rollercoaster for the wider world and in particular for public services, this annual report is a welcome chance to step back and reflect. I am really proud of the contribution that CFGS makes to help the organisations which we work with navigate the challenges that are around us.

Our work in the sector has been underpinned by the team continuing to refine and develop our own operating model and core processes, making sure that we have a strong foundation for the work we are doing in so many places.

Our key lines of enquiry have helped shape our work and find the patterns and connections between the many and varied projects which we do. These range from looking at how a more relational design for constitutions can help make governance accessible and transparent to explorations around governance of place and the evolving role of members in a changing landscape.

These questions feel deeply relevant to how local democracy continues to renew itself as the structures that hold it evolve around us. 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.

Our conference this year rightly titled 'We are bold' drew out these challenges and opportunities in a vibrant and thoughtful event that we can't wait to build on in 2026.

Looking forward, the work of developing how our democracy and decision making responds to a changing world feels even more important. From the technical nature of designing new lines of accountability in mayoral (or not mayoral!) systems to making sure we don't lose the threads of accountability which connect local government to health and to policing as they both undergo their own huge changes.

Place has never been more important. As public services change the role of local democracy to anchor those changes in the real lives of our citizens is vital.

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 2024/25 period was a period of continued stabilisation and consolidation for CfGS corporately.

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 improve and systematise core systems over the course of 2024/25;
2. The transition of the organisation to a new operating model, work which gathered pace in 2024/25 and will continue through 2025/26.
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 2024/25 which designed to increase the capacity and capability of the organisation to meet its charitable objects.

Corporate activities

1. Financial Management

Financial Overview 2024–25

In last year's Annual Report, we set out how structural weaknesses in our financial systems had begun to affect CfGS's operations during 2022/23. These challenges continued to shape our work into 2023/24, particularly around project design, cost control, and financial management.

Over the past year, we have built on the work started in 2023/24 to strengthen our financial position and improve how we manage resources. This has been a deliberate process of stabilisation and reform, ensuring we have the systems and controls needed for sustainable delivery.

During 2024/25, we focused on:

- Introducing stronger financial controls, with cross-team approval now required for all new expenditure and client project initiation.
- Bringing more work in-house to reduce our reliance on external associates and the additional costs that brings.
- Reconciling invoices, purchase orders, and client agreements to recover a significant amount of aged debt.
- Closing our Mansell Street office (retained as a postal address only) and moving fully to home-based and remote working.

Together, these changes have stabilised CfGS's finances and created more accurate, transparent and real-time financial information. This has given both staff and Trustees a clearer view of the organisation's financial position and strengthened accountability across the board.

Financial review at the end of the 2025 reporting position

In 2024–25, the organisation maintained stable income of £704,385, significantly reduced expenditure to £602,689, strengthened financial controls and reporting, and increased unrestricted reserves to £359,592, resulting in a strong and sustainable financial position at year end.

Total income in the year was £704,385 (2024: £697,504).

Total expenditure was £602,689 (2024: £774,245).

Total funds carried forward was £359,592 (2024: £257,896) of which £nil (2024: £nil) was restricted.

There have been no significant events that have affected financial performance and financial position during the period.

Financial Management ahead

Reserves policy

Maintaining a strong cash position remains central to CfGS's financial health. We regularly update our three-month cash flow forecasts to track expected funds and compare them against our reserves policy.

CfGS' reserves policy was initiated by Trustees on 22nd April 2025 to ensure sufficient unrestricted funds are held to cover essential core costs for approximately 3–6 months to safeguard financial stability and continuity, while remaining flexible so that surplus reserves can be actively invested in delivering the charity's mission and long-term strategic objectives.

CfGS aims to hold unrestricted reserves of approximately £229,000, representing the average cost of 3–6 months of core operating expenditure, to ensure financial stability, meet essential commitments (including staff and critical services), protect against unexpected income disruption, and provide sufficient resilience while retaining flexibility to invest surplus funds in furthering its charitable objectives.

At year end the charity held total unrestricted reserves of £359,592 with no restricted funds, which exceeds the trustees' policy target of holding 3–6 months of core operating costs.

This approach helps us plan confidently and maintain sufficient liquidity to support ongoing delivery.

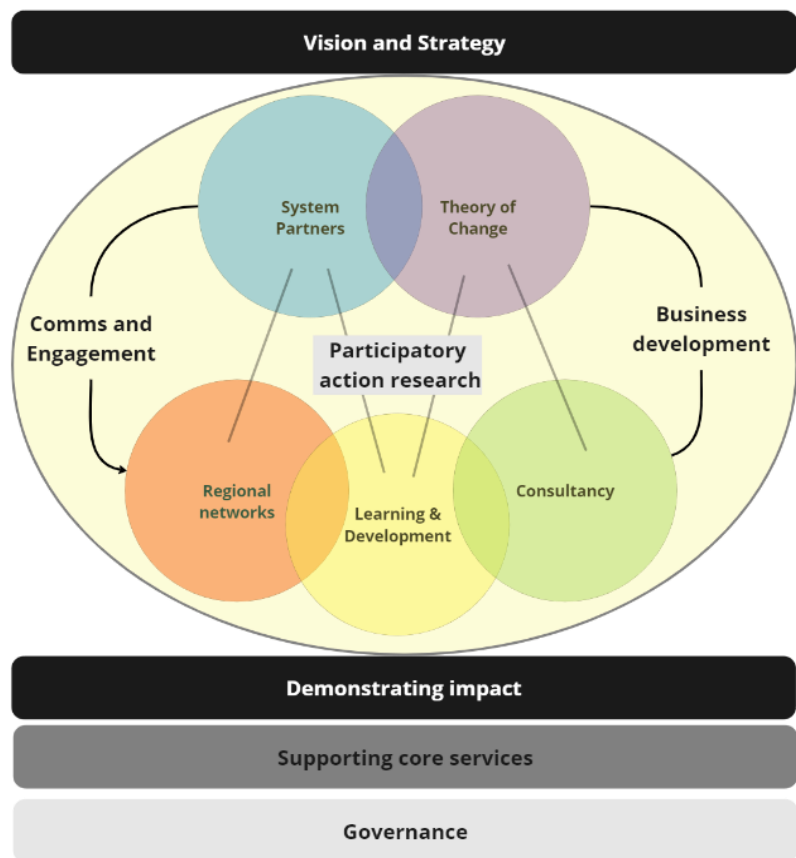
To make the best use of available funds, we plan to open a business savings account, generating modest interest while keeping reserves easily accessible. We will look to invest excess reserves into this account to generate additional income which can then be used to support the organisation in meeting its aims

This will ensure CfGS continues to hold funds securely and flexibly, in line with our reserves policy and our commitment to sound financial management in the year ahead.

Looking ahead

As we move into 2025/26, we are in a stronger position: financially disciplined, more efficient, and better placed to invest in growth and innovation in pursuit of our mission. We have continued to reinforce our controls and updated them, for example, the introduction of the ticket software for the conference. We have also updated the reporting as the year has gone on, including more comparative data and department reporting to provide better insights to the trustees.

2. Operating Model



Between April 2024 and March 2025 we made important progress in developing and embedding our operating model, strengthening the connection between how we work and the impact we want to have.

Over the year we focused on improving collaboration across our consultancy, research and training functions, enabling clearer links between our delivery work, the insights it generates, and our wider thought leadership. We also continued to shape the culture, values and behaviours needed for CfGS to operate as a learning organisation, including early steps to integrate equality, diversity and inclusion more consciously into our practice.

During this period we tested a dedicated Research and Impact Manager role, which, while not achieving all we initially envisaged, helped us refine our understanding of where insight generation should sit within the organisation. As a result, this function is now being embedded across all staff rather than held within a single post, strengthening shared ownership of learning and impact. We also recruited a new Director of Strategic Communications and Business Development, bringing additional leadership capacity to ensure that our external influence, partnerships and positioning are closely aligned with our operating model and strategic ambitions.

Together, these developments have laid strong foundations for the next phase of our organisational development, ensuring our internal ways of working more fully reflect the governance principles we champion externally.

3. Strategic Framework

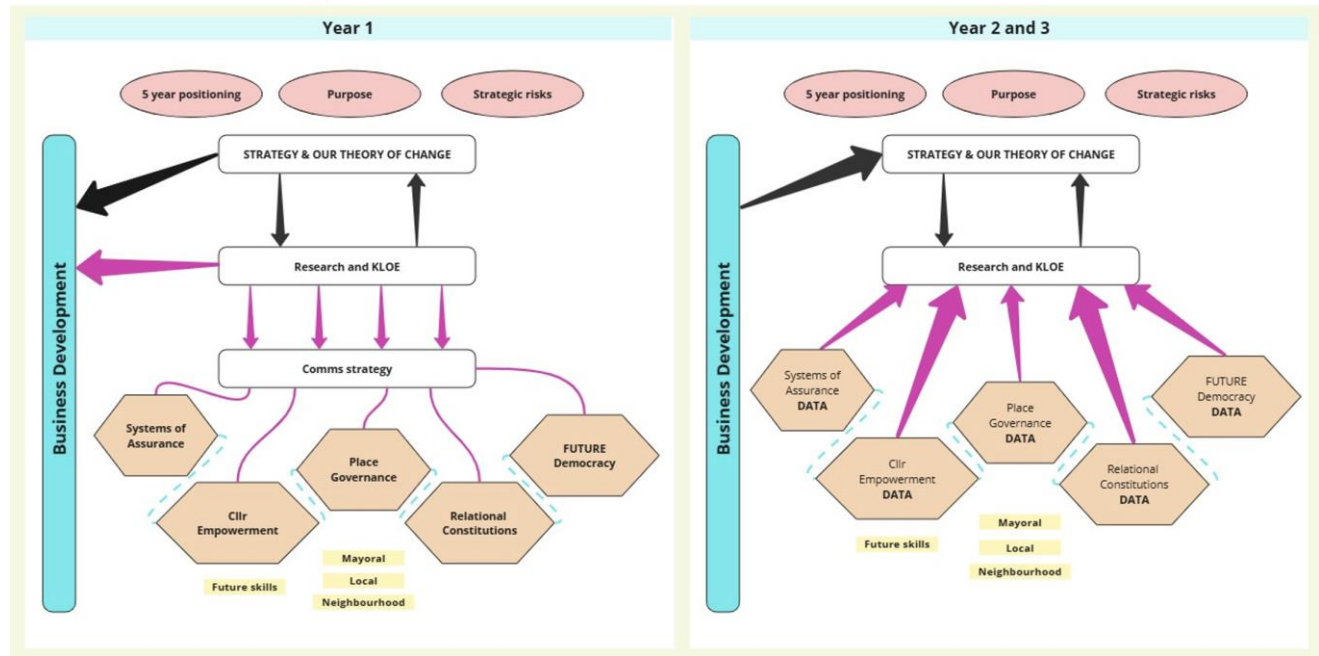
Early on in this year, we began developing Key Lines of Enquiry (KLoEs) to provide a structured framework for assessing, monitoring, and improving CfGS's operations, impact, and governance. They help us understand ourselves as an organisation, focus attention on what matters most, provide evidence for decision-making, and demonstrate our impact to stakeholders.

Our KLoEs:

- Relational Constitutions
- Systems of Assurance
- Councillor Empowerment
- Place Governance
- Future Democracy

This research informs our business and organisational development. Developed collaboratively with staff and trustees, the KLoEs will shape how we respond to a changing landscape of government reform over the next three years.

Our Strategic Framework



4. Delivery Management

Actions on the way we deliver our work

Client management and project initiation

Our rigorous approach to the initiation of projects continues, including the way we communicate and liaise with clients. All projects are logged and discussed in weekly finance control meetings, with opportunities for cross-team involvement and oversight.

Project reporting and oversight arrangements

Internal lessons learned is a more regular part of project closure. Board continue to play a valuable role in complex projects assurance. Finance and assurance arrangements are in place for quarterly review by Board. Work is underway writing the staff team for refreshing the methodology for the delivery of major projects.

Resource allocation and management

Salaries are determined based on affordability for the organisation, alongside projected inflation, measured by the Consumer Prices Index (CPI), alongside relevant benchmarking data to ensure pay remains competitive, up to date and economical.

Associate spend this year was kept to a minimum, reflecting lessons learned from previous years about managing these costs. Most of our work is now delivered in-house, in line with the staffing structure set out in our operating model.

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 and business development

During 2024–25 we developed and launched a new brand, logo and website, strengthening our external identity and visibility.

We also significantly strengthened our communications capability with the appointment of a Director of Strategic Communications in December 2024. This has enabled a more intentional, planned and strategic approach to communications, supported by weekly updates and structured discussions.

Key areas of progress include:

- Developing a clear and consistent tone of voice aligned to our strategic objectives
- Supporting business development by working closely with teams
- Providing a clear focal point for business development activity
- Establishing a more coherent and consistent content strategy for social media

Our work

Delivery Snapshot

We worked with 97 amazing clients this year

We tackled challenges, explored opportunities together, and driven real change for your organisations and communities.

Your commitment to better governance, decision-making, and democracy inspires us every day.

Thank you for trusting us as your partner.

We look forward to continuing to make a difference together.

Babergh and Mid Suffolk District Councils
Barking and Dagenham
Basildon Borough Council
Bedford Borough Council
Bolsover District Council
Bournemouth, Christchurch & Poole Council
British Parking Association
Brent, London Borough of
Bromsgrove District Council
Camden, London Borough of
Castle Point Borough Council
Cherwell District Council
Cheshire East Council
Colchester City Council
Conservators of Ashdown Forest
Construction Industry Training Board
Cornwall Council
Coventry City Council
Croydon, London Borough of
Dacorum Borough Council
Devon and Torbay Combined Authority
Dudley Metropolitan Borough Council
East Devon District Council
East Midlands Combined Authority
East Riding of Yorkshire Council
East Staffordshire Combined Authority
Eastleigh Borough Council
Ealing, London Borough of
Euro Cities Network
Folkestone and Hythe District Council
Fylde Borough Council
Gateshead Council
Gloucester City Council

Greenwich, Royal Borough of
Hackney, London Borough of
Hertfordshire County Council
HFL Education
Hounslow, London Borough of
Islington, London Borough of
Lancashire County Council
Lancaster City Council
Leeds City Council
Lewisham, London Borough of
Lichfield District Council
Liverpool City Council
Maidstone Borough Council
Maldon District Council
Mears Group
Merton, London Borough of
Mid and East Antrim Borough Council
Neath Port Talbot County Borough Council
Newcastle City Council
Newham, London Borough of
North Hertfordshire District Council
North Tyneside Council
North West Employers
Norwich City Council
Nottingham City Council
Oldham Council
Pendle Borough Council
Portsmouth City Council
Redbridge, London Borough of
Reigate and Banstead Borough Council
Rochdale Borough Council
Rochford District Council/Rochford (Brentwood)

Rother District Council
Rotherham Metropolitan Borough Council
Royal Borough of Kensington & Chelsea
Rugby Borough Council
Rushmoor Borough Council
Sandwell Metropolitan Borough Council
Shropshire Council
Somerset Council
South Holland, Boston & East Lindsey Councils
South Yorkshire Mayoral Combined Authority
Southampton City Council
Southern Water
Stevenage Borough Council
Surrey County Council
Swindon Borough Council
Tees Valley Combined Authority
Teignbridge District Council
Test Valley Borough Council
Thurrock Council
Tower Hamlets, London Borough of
Waltham Forest, London Borough of
Wandsworth, London Borough of
Watford Borough Council
West Berkshire Council
West Lancashire Borough Council
West Midlands Fire & Rescue Authority
Winchester City Council
Wirral Council
Wokingham Borough Council
Worcester City Council
Wyre Borough Council
York City Council

Delivery Snapshot

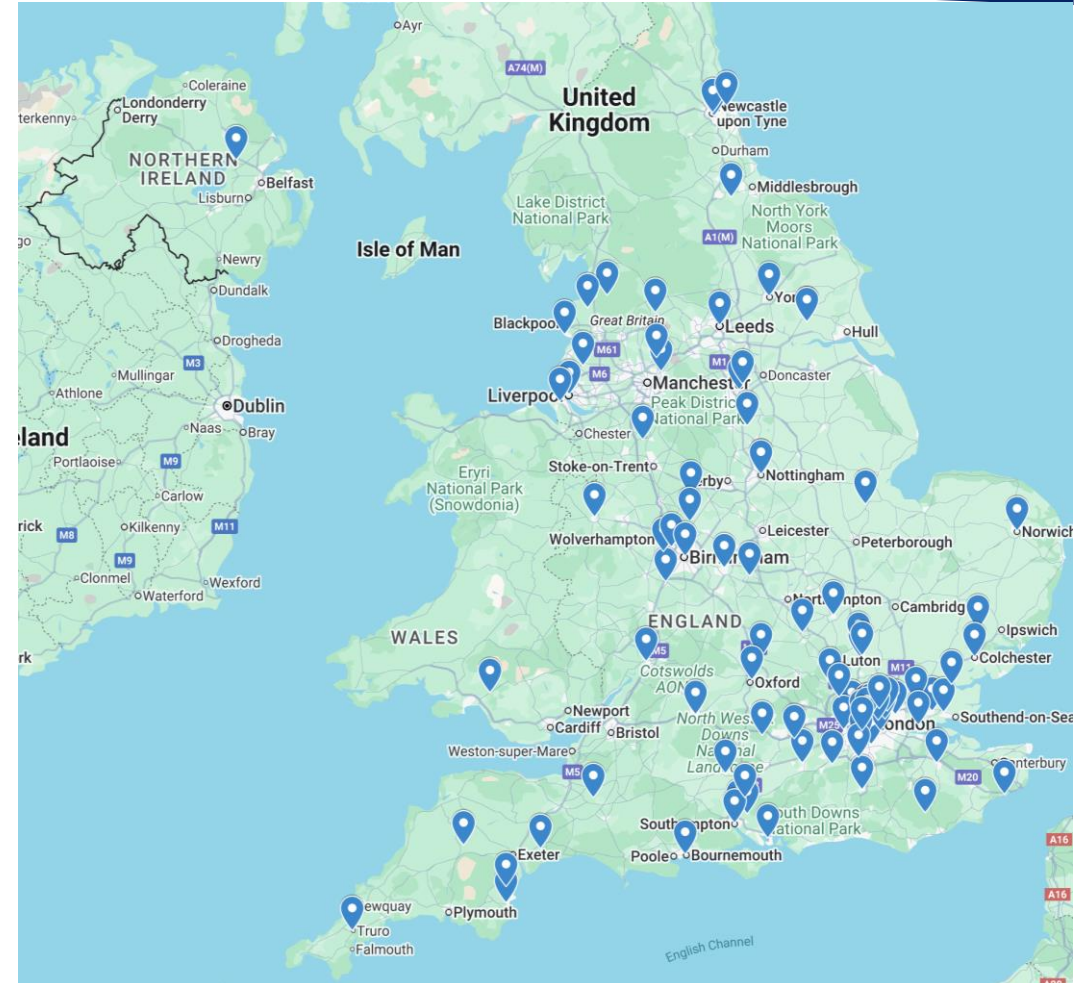
We delivered 109 projects across the breadth of England, Northern Ireland and for Eurocities between 31st March 2024-31st March 2025

45 Strategic Consultancy Projects

- ✓ **8** 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 governance change, committee structural change, decision-making improvement support and wider system reviews regarding democracy.
- ✓ **21** projects were specifically about scrutiny – This work was mainly focussed on scrutiny impact and developing improvement action plans. It also included development work for health scrutiny and scrutiny support for a private sector organisation.

64 Learning and Development Projects

- ✓ **1** was an action learning workshop
- ✓ **1** provided longer term coaching for Chairs
- ✓ **62** 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.

Summary of direct support funding to councils covered by the LGA

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 CC	Scrutiny action learning	0	2.5	0
TOTAL DAYS		85	27.5	56

Making an impact

Making an Impact

Impact overall

This part of the Annual Report provides an evaluation of the effectiveness of the work undertaken by CfGS undertaken during 2024/25.

CfGS's work continues to have a broad and deep impact within the local government sector as whole and for the clients with whom we work directly. Beyond the local government sector our work is more limited, although we have completed recent projects with clients in the public, private, co-operative and voluntary sectors.

How we currently monitor and evaluate impact

Our methodology addresses the way we evaluate (data collection and analysis) and what we evaluate (LGA Grant and client consultancy).

- We track data on the delivery of our contract with the Local Government Association (LGA), which relates to the LGA's improvement services grant from HM Government. Performance expectations are set collaboratively with Government and reported against monthly.
- At the close of each consultancy project, we actively gather verbal and written feedback through Microsoft Forms and produce detailed case studies. These capture not just what we did, but how we did it and the impact it delivered. While this represents a significant step forward, the approach isn't yet applied consistently. This will be a key focus as we continue to refine our practice.

Annual Survey of Overview and Scrutiny

The survey was open for just over three weeks, between 13th January 2025 and 9th February 2025 and explores the structure, effectiveness, and impact of scrutiny committees in English local authorities. Insights came from 148 people (officers, councillors, and cabinet members) across 91 different local authorities, providing a snapshot of current practices and perceptions of scrutiny's value. This year's report has a more visual approach, turning findings into infographics, including:

- Key themes scrutiny committees are focusing on, with insights into how they work.
- Information about diversity among Chairs and Vice-Chairs.
- Insight on place-based scrutiny; how councils are engaging with people and organisations beyond their own.
- Finally, how councils think scrutiny is working and share suggestions for strengthening its role.

Satisfaction with CfGS research & publications	%
To a great extent	41%
To a moderate extent	51%
To a small extent	8%
Not at all	3%
Total (excl. don't know and haven't seen any)	100%

Active Learning

Object 1: Education for the public benefit

CfGS Annual Conference March 2025

The “We Are Bold” Conference set out to reimagine what governance means in a changing local landscape. It was a call for courage; to question how power works, who holds it, and how it’s shared. In a moment of reform and uncertainty, the conference urged those in scrutiny and governance to act with confidence and purpose: to challenge, to listen, and to help rebuild trust between institutions and the people they serve.

Its message was simple but urgent – that meaningful change begins when scrutiny is brave enough to lead it.

In total, 159 people took part in the conference as delegates, delivery team and panel members or workshop cohosts. Of these, 115 delegates from 71 organisations took part from councils, unitary authorities, professional and representative bodies, law and legal firms, Policing and Crime prevention, and Public Health and Research.

Outcomes:

- Generated fresh thinking on effective scrutiny in future local government models.
- Strengthened sector-wide commitment to evolving governance and scrutiny.
- Sustained momentum through continued dialogue, regional events, and online resources.
- Equipped attendees with practical ideas, tools, and networks for action.



The wider team of scrutiny and governance practitioners across the UK are invaluable to me for advice, insight and guidance and the chance to meet up with them is what encourages me to attend conference. I was also challenged personally to think about creative ways that we can develop our scrutiny function rather than just sticking with the same, simple format for activities such as work programming and task and finish reviews.

Anonymous, Conference evaluation survey



Active Learning

Object 1: Education for the public benefit

The Good Scrutiny Digest

From September 2024, we introduced a new, curated collection of practice-guides for local government scrutiny and governance. It includes tools, templates, top-tips and statutory guidance designed to support councillors, officers and scrutiny professionals in improving oversight, effectiveness and impact. The collection covers topics such as evidence-gathering, review processes, priority-setting, and navigating structural change. The guides are intended to be practical, accessible and to stimulate continuous improvement in scrutiny practice.

Between April 2024 and March 2025, 5 practice guides were published

- Relationships for effective governance and scrutiny
- Planning and priority setting
- Structures, resources and formal powers
- Running effective reviews
- Demonstrating impact

"Happy to say you easily met the KPI with 98% of respondents answering to at least a small extent of greater scrutiny knowledge (48 per cent to a great extent, 37 per cent to a moderate extent and 13 per cent to a small extent)." LGA

"We are once again extremely happy with the results and to have surpassed both KPIs is great to see! CfGS continues to have a hugely positive impact and we look forward to another successful year!" LGA

Our National Webinars

We ran **9** LGA funded national webinars over the year, in which a total of **528** took part. A new format was introduced, moving away from chalk and talk; panel members and facilitated breakout rooms to support participant collaboration

- Scrutiny of Budget Development
- Devolution and the New Government: Embracing a Mission-Led Approach
- Public Sector Bytes: Digital Transformation and Scrutiny
- Deliberative Democracy - So What for Scrutiny ?
- In-Year Financial Scrutiny
- Governance Change
- Sense-making from evidence - Unlocking the power of data for good governance
- Budget Scrutiny: Looking Forward. Scrutiny's role in financial planning all year round
- Demonstrating Impact - Asking the 'so what' question

Evaluation showed at least 98% of learning event attendees report that they have greater knowledge to support effective scrutiny within their authority through the reporting period.

Strengthening Governance



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

Case study: West Midlands Fire and Rescue Authority

Following concerns relating to governance, the LGA and Home Office invited CfGS to conduct a review of recent governance arrangements. The intention was that the outcome of the work would inform ongoing improvement plans.

The work had to meet tight timescales, aligned with the need for the newly-appointed Corporate Governance Improvement Board (CGIB) to lay out an improvement plan. An additional complication was the presence of live legal issues which constrained aspects of CfGS's work and which made consistent and proactive internal communication with the Authority and WMFS about the work, its focus and outcomes especially important.

CfGS conducted interviews with staff and members and conducted a detailed review of documentary evidence. Our final report presented challenging findings, supported by a clear evidential framework.



WMFRA
West Midlands Fire and
Rescue Authority

The impact it has made

We highlighted a number of areas of governance practice which needed to be changed urgently. These centred on the roles exercised by members of the Authority generally - as decision-makers and as scrutineers, and as political leaders who require robust assurance on the business of the WMFRA and the fire service.

We also reviewed weaknesses around information sharing (particularly in respect of finance and risk matters at the Audit Committee) and set out a range of recommendations to address these, and connected, issues.

These were challenging messages for members of the Authority, and senior staff, to hear. With this in mind, we engaged closely with key leaders and with the Improvement Board around the production and publication of the final draft and worked with the Chair of the Improvement Board around the translation of recommendations into a framework for a Governance Improvement Plan, which was agreed by CGIB in Q1 of 2025.

Cultural Shift



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

Case study: Newham Council

Newham Council knew that to make real change, scrutiny had to be more than a process. It had to be something that built trust, brought people together, and gave residents' voices weight in the decisions that shaped their lives. When Newham partnered with CfGS, it wasn't to tick off another review. It was to co-create a shared way of learning and working that would make scrutiny more confident, connected and ultimately, capable of delivering genuine impact.

Through a series of co-designed workshops with councillors and officers, exactly what effective scrutiny should look like was explored, including how it can amplify residents' voices. The key was identifying the behaviours that build trust and improve decision-making. Each person who took part made a personal pledge, contributing to a live action plan that evolved with the group's insights.

The aim was to improve scrutiny as a system across the Council, and more broadly, to improve governance across the whole organisation. This approach turned scrutiny from a paper compliance exercise into a more collective practice of reflection and accountability.

“It's about building a full system of governance and scrutiny, not just fixing isolated problems.”
Kirk Dede - Director of Corporate Services and Business Support

The impact it has made

The difference is already visible. Scrutiny in Newham is now more confident, outward-looking and connected. Members are shaping national discussions and leading by example, showing what modern, purposeful scrutiny can look like.

Inside the Council, scrutiny has become more strategic. Meetings focus less on procedure and more on outcomes; questioning is sharper and better informed. Reports and public communications have improved, and the relationship between officers and members has become more open and confident. Officers and members are working together with renewed trust, seeing scrutiny as a space for learning rather than confrontation.

Transparency has also improved, with a new website and better reporting to make scrutiny more accessible to residents. Collectively, these changes have helped reposition scrutiny as an essential part of good governance within a system that strengthens democracy rather than simply checking it.

The work has also strengthened Newham's internal governance culture. Senior leadership helped sustain focus amid competing pressures, while flexibility and openness kept people engaged. As one participant reflected, *"The answers were already in the room – we just needed the space to find them together."*

By working together and taking time to reflect, Newham has started to make scrutiny a natural, active part of how the Council makes decisions. The change isn't just about new systems or committees – it's about people learning, listening, and improving how they govern together.

Transforming Scrutiny



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

Case study: York

At City of York Council, CfGS's Scrutiny Impact Review marked a turning point. A change in political leadership and the findings of an LGA Corporate Peer Challenge had exposed a simple truth: York's scrutiny system was working hard but not working well. Four committees, a "never-ending cycle" of meetings and reports gave the appearance of activity, yet real impact was elusive. Members felt that scrutiny often became lost in operational detail, while a breakdown of trust between councillors and officers made it difficult to challenge or collaborate effectively.

CfGS's review offered space for honest reflection and a review of scrutiny's function as a tool for strategic oversight and improvement. There was a strong tendency to continue with established habits and approaches, rather than adapting to more modern, outcome-focused models of scrutiny that other councils have successfully embraced.

Through open conversations, member workshops and officer interviews, the process gave everyone from backbenchers to senior managers permission to acknowledge what was not working and imagine something better. Drawing on examples from across local government, CfGS helped York rebuild confidence and see that scrutiny could be leaner, more strategic and more confident. The answer was not more meetings; it was clarity, culture and purpose.

The impact it has made

The changes were bold but practical. The Council reduced its scrutiny committees and meetings by two thirds, freeing capacity to focus on what matters most. An opportunity was seized to reshape how scrutiny was supported and delivered. By reducing the number of formal scrutiny meetings and committees, the Council could significantly ease the administrative burden on Democratic Services Officers (DSOs). Plans for a dedicated scrutiny officer role are under way, giving members the right support to dig into complex issues and produce evidence-based recommendations.

The impact has already been tangible. Senior officers, previously stretched thin across multiple committees, now have time to engage more meaningfully. Members across political lines have come together around a shared vision for improvement, rebuilding trust and common purpose.

Scrutiny at York now feels purposeful, outward-looking and connected to real outcomes, a genuine shift from routine oversight to active inquiry.

What made the difference was the honesty. Once everyone could admit that scrutiny wasn't working, we could start to make it work better.

Bryn Roberts - Director of Governance and Monitoring Officer

Diversity in Governance

Object 3: Promotion of good governance principles

Case study: British Parking Association

The British Parking Association (BPA), a large and diverse membership organisation representing both local authorities and private sector companies, asked us to review its governance structures. The Association had undergone a period of internal change and recognised the need to ensure that its complex network of committees and decision-making bodies remained fit for purpose.

Although the BPA's governance framework was extensive and well-established, questions had begun to surface about whether it was working as effectively as intended. Governance featured heavily in every board meeting, prompting reflection on whether the system was over-engineered, sufficiently inclusive, and responsive to its members. The organisation had also experienced internal tensions which tested existing arrangements, reinforcing the need for an independent perspective.

Our role was to undertake a diagnostic review examining the structures, roles, and relationships across the Board, Council, and committees, and to identify opportunities for greater clarity, efficiency, and transparency. This included assessing how decisions were made, how members' voices were represented, and whether the governance model supported the BPA's ambition to remain agile and relevant in a rapidly changing industry.

The impact it has made

The review gave the BPA space to pause and take a good look at itself, which is something it hadn't done for some time.

Our findings and recommendations sparked open and honest conversations and led to real change. The team's transparent way of working and the mix of voices involved helped the BPA reflect on issues of diversity and representation at senior levels.

Clearer boundaries are now in place between the Council, which speaks for members, and the Board, which leads the business. Simplifying structures and decision-making has improved communication, transparency and agility.

As a result, the BPA has introduced independent Board members to broaden skills and perspective, strengthened succession planning, and made leadership roles more accessible to newer and more diverse members. There's now greater confidence in how the organisation governs itself — more open, inclusive and equipped for the future.



Reviewing and refreshing our governance arrangements, last remodelled a decade ago, was essential to confirm our original objectives and ensure continued relevance. CFGS played a crucial role, validating our structure and identifying ways to improve efficiency, clarity, and capability. These enhancements are now being implemented.

Kelvin Reynolds - Executive Consultant and Company Secretary



cfGS

Governance

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 provided for in the M&AA, which require a majority of independent Trustees, During 2024/25 CfGS had a total of four independent Trustees and three Trustees nominated by its founder and corporate members (the LGA, CIPFA and LGIU). Independent Trustees were recruited through open advertisement and appointed by the Board, following interview by a sub-committee consisting of the Chair and a member Trustee and with the advice of 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 audited accounts and annual budget and a selection of recent research and other publications as an introduction to what CfGS does.

Trustees were involved in a series of strategy workshops in the first half of 2024/25. The object of this was 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 2026.

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, plus 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.

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 2024/25, 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 for part of the year, until he was replaced by James Dawson in October 2024.
- CfGS continues to procure a range of services, including management accounting, finance system, payroll and other HR support.

Board meeting attendance in 2024/25

Dr Catherine Howe	4/4
Dr Jonathan Carr-West	3/4
Radikha Vaidya-Sahdev	2/4
Juliet Baker	3/4
Andrew Burns	3/4
Helen Bailey	4/4
*Sam Corcoran	1/2
James Dawson	2/2

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.

*We thank Sam Corcoran for his input, prior to handing over to James Dawson.

Management of risk

The Trustees' risk management strategy includes:

- **Quarterly reviews** of organisational and financial risks as part of the business planning process, so that the most significant and likely risks are identified along with their potential impacts (see examples in the table below).
- **Assessing and strengthening procedures and systems** to ensure that appropriate measures are in place to mitigate identified risks.
- **Ongoing monitoring** of the implementation and effectiveness of these procedures and systems to minimise any adverse 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
White Paper – impact on delivery pipeline	Comms and product response developed; reframed conversations with councils around change-readiness and governance support
New Government – sector uncertainty	Increased thought leadership and communications to maintain visibility; recruitment of new Strategic Comms Director
Organisational culture and operating model	Roadmap for change developed; proposal to invest in external expertise to drive behavioural and cultural shift.
Staff turnover and capacity pressures	Recruitment completed; operating model emphasises team-based delivery to build resilience.

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 by our accountants at Price Bailey, who provide financial guidance to CfGS). It also requests interim reports in between when deemed necessary.

Finances

Statement of Trustees' responsibilities

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Trustees (who are also directors of the Centre for Governance and Scrutiny for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland (FRS 102).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- make judgements and estimates that are reasonable and prudent;
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' SORP;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

on their behalf by: *Catherine Howe*

Dr Catherine Howe, Chair

16 Dec 2025

Catherine Howe (Dec 16, 2025, 5:39pm)



Financial Statements

CENTRE FOR GOVERNANCE AND SCRUTINY

(A Company Limited by Guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

Charity Number: 1136243
Company Number: 5133443

CONTENTS

	Page
Reference and Administrative Details of the Charity, its Trustees and Advisers	2
Independent Examiner's Report	3
Statement of Financial Activities	4
Balance Sheet	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 17

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2025**

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 (resigned 31 October 2025)
Helen Bailey	Independent Trustee
Juliet Baker	Independent Trustee
Radhika Vaidya-Sahdev	Independent Trustee
Stephen Corcoran	Independent Trustee (Resigned 19 September 2024)
James Dawson	Independent Trustee (Appointed 29 October 2024)

Senior Staff

Mel Stevens	Chief Executive
Ed Hammond	Deputy Chief Executive

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 2025**

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2025 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 listed bodies.

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: 22 December 2025

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
Income from:					
Donations and legacies					
Grants receivable	2	7,799	245,727	253,526	204,949
Income from charitable activities					
Projects and services	3	433,373	-	433,373	457,417
Conference and other income	3	17,472	-	17,472	22,862
Investment income	4	14	-	14	12,276
Total income		458,658	245,727	704,385	697,504
Expenditure on:					
Charitable activities	6	356,962	245,727	602,689	774,245
Total expenditure		356,962	245,727	602,689	774,245
Net income/(expenditure) for the year, being movement in funds		101,696	-	101,696	(76,741)
Reconciliation of funds:					
Total funds brought forward		257,896	-	257,896	334,637
Total funds carried forward	14	359,592	-	359,592	257,896

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

COMPANY NUMBER: 5133443
BALANCE SHEET AS AT 31 MARCH 2025

	Note	2025 £	2024 £
Current assets			
Debtors	10	86,540	113,549
Cash at bank and in hand		330,889	218,384
		<u>417,429</u>	<u>331,933</u>
Liabilities			
Creditors: amounts falling due within one year	11	<u>(57,837)</u>	<u>(74,037)</u>
Net current assets		359,592	257,896
Total net assets		<u>359,592</u>	<u>257,896</u>
The funds of the charity:			
Restricted funds	13	-	-
Unrestricted funds	13	359,592	257,896
Total funds		<u>359,592</u>	<u>257,896</u>

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 and signed and authorised for issue on their behalf by: *Catherine Howe*

16 Dec 2025

Dr Catherine Howe
Chair

Catherine Howe (Dec 16, 2025, 5:39pm)

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
Cash flows from operating activities:		
Net income/(expenditure) for the year (as per the SOFA)	101,696	(76,741)
<u>Adjustments for:</u>		
Decrease in debtors	27,009	14,217
(Decrease)/increase in creditors	(16,200)	18,876
Interest received	(14)	(12,276)
Net cash provided by operating activities	<u>112,491</u>	<u>(55,924)</u>
Cash flows from investing activities:		
Interest received	14	12,276
Net cash provided by investing activities	<u>14</u>	<u>12,276</u>
Change in cash and cash equivalents in the reporting period	<u>112,505</u>	<u>(43,648)</u>
Cash and cash equivalents at the beginning of the period	218,384	262,032
Cash and cash equivalents at the end of the reporting period	<u>330,889</u>	<u>218,384</u>
Cash and cash equivalents consists of:		
Cash in hand	330,889	218,384
Total cash and cash equivalents at end of the period	<u>330,889</u>	<u>218,384</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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 of which there were 3 (2024: 3) at the year end. 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 2026 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

2 Income from donation, grants and legacies

	Unrestricted 2025 £	Restricted 2025 £	Total 2025 £
Voluntary income and grants	7,799	245,727	253,526
	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £
Voluntary income and grants	-	204,949	204,949

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 2025 £	Unrestricted 2024 £
Services recharged	433,373	457,417
Conferences and other income	17,472	22,862
Total	450,845	480,279

Services recharged include publications, consultancy and project delivery.

4 Investment income

	Unrestricted 2025 £	Unrestricted 2024 £
Bank interest	14	12,276

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

	2025 £	2024 £
Independent examination fee	1,640	1,560
Fees payable to the Charity's Independent Examiner in respect of other services	19,552	15,987
	21,192	17,547

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

6 Expenditure on charitable activities

	2025 Direct costs £	2025 Support costs (note 7) £	2025 Total £
Events	35,359	-	35,359
Other Programmes	222,104	341,270	563,374
Consultancy	3,956	-	3,956
Total	<u>261,419</u>	<u>341,270</u>	<u>602,689</u>
2024 comparative			
	2024 Direct costs £	2024 Support costs (note 7) £	2024 Total £
Events	25,528	-	25,528
Other Programmes	410,507	223,176	633,683
Consultancy	115,037	-	115,037
Total	<u>551,072</u>	<u>223,176</u>	<u>774,248</u>

in 2025 £245,727 (2024: £204,949) of the above costs were attributable to restricted funds. £356,962 (2024: £590,686) 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

7 Breakdown of support costs	2025	2024
	£	£
Staff costs	267,372	121,300
Office costs	1,600	4,892
IT	16,599	8,779
Legal and advertising	714	-
Travel costs	9,795	24,441
Bank fees	641	322
Service charges	8,406	36,495
Subscriptions	498	1,184
Other staff costs	1,067	279
Donations	300	-
Printing and postage	1,469	344
Insurance	8,117	7,793
Other accountancy costs	18,692	11,347
Governance costs (note 8)	6,000	6,000
	<u>341,270</u>	<u>223,176</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

8 Governance costs	2025	2024
	£	£
Accountancy costs	<u>6,000</u>	<u>6,000</u>
9 Analysis of staff costs and key management personnel		
	2025	2024
	£	£
Wages and salaries	413,345	401,927
Employers national insurance	49,412	43,190
Pension costs	20,859	24,602
Agency staff fees	5,861	61,879
	<u>489,477</u>	<u>531,598</u>

The key management personnel consist of the Chief Executive (CE) and Deputy Chief Executive. The total cumulative benefits including employers national insurance and pension contributions paid during the year were £203,453 (2024: £195,990).

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

	2025	2024
In the band £60,001 - £70,000	1	-
In the band £80,001 - £90,000	1	2
In the band £90,001 - £100,000	1	-

The average monthly number of employees was 7 (2024: 7).

Trustee remuneration

During 2025 no Trustee received any emoluments in respect of services to CfGS (2024 – £nil), neither were they reimbursed any expenses during the period (2024: £nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

10 Debtors

	2025 £	2024 £
Trade debtors	65,858	104,895
Prepayments and accrued income	17,540	8,117
Other debtors	3,142	537
	<u>86,540</u>	<u>113,549</u>

11 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	12,931	14,908
Other creditors	13,555	11,391
Accruals and deferred income	10,900	14,900
Other taxation and social security	20,451	32,838
	<u>57,837</u>	<u>74,037</u>

12 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

13 Funds

	As at 1 April 2024	Income	Expenditure	As at 31 March 2025
	£	£	£	£
Unrestricted Funds	257,896	458,658	(356,962)	359,592
Restricted Funds: LGA grant	-	245,727	(245,727)	-
	<u>257,896</u>	<u>704,385</u>	<u>(602,689)</u>	<u>359,592</u>

	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>

Restricted fund

LGA grant

Description, nature and purpose of the fund

Funding for 2024/25 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

14 Net assets by fund

2025

Current assets

Creditors: amounts falling due within one year

Unrestricted funds £	Restricted funds £	Total funds 2025 £
417,429	-	417,429
(57,837)	-	(57,837)
359,592	-	359,592

2024

Current assets

Creditors: amounts falling due within one year

Unrestricted funds £	Restricted funds £	Total funds 2024 £
331,933	-	331,933
(74,037)	-	(74,037)
257,896	-	257,896

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)

15 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 £20,859 (2024: £24,602). Amounts outstanding at the end of the period total £3,679 (2024: £4,964) and are included in creditors.

16 Related party transactions

In 2025, CfGS paid a service charge to the LGA, the member of CfGS, £nil (2024: £43,972) 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 £245,727 (2024: £204,949).

There were no amounts outstanding at the year end (2024: £nil).

No further related party transactions took place in the period (2024: £nil).

