

Independent auditor's report to the Members of London Borough of Brent

Audit completion

Opinion on the financial statements

In our auditor's report, issued on 25 February 2026, for London Borough of Brent (the 'Authority') for the year ended 31 March 2025, we reported an unqualified opinion on the Authority and Group's financial statements.

We explained that we could not formally conclude the audit and issue the audit certificate for the Authority for the year ended 31 March 2025, in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice, until we had completed the work necessary in relation to the Authority's consolidation returns and received confirmation from the National Audit Office (NAO) that the audit of the Whole of Government Accounts (WGA) is complete for the year ended 31 March 2025. The NAO has now concluded their work in respect of WGA for the year ended 31 March 2025 and confirmed that audit certificates held open in relation to this can be issued. We are therefore satisfied all audit work necessary has been completed.

Opinion on the pension fund financial statements

In our auditor's report, issued on 25 February 2026, for Brent Pension Fund (the 'Pension Fund') for the year ended 31 March 2025, we reported an unqualified opinion on the Pension Fund's financial statements.

Report on other legal and regulatory requirements – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

In our auditor's report for the year ended 31 March 2025 issued on 25 February 2026 we reported that we have nothing to report in respect of whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025 except on 25 September 2025, we identified three significant weaknesses:

- Two significant weaknesses in relation to Financial Sustainability; and
- One significant weakness in relation to Improving Economy, Efficiency, and Effectiveness.

Financial Sustainability

1. Significant weakness in setting realistic future budgets to avoid a draw on reserves and the use of Exceptional Financial Support

The Authority faced continued financial pressures in 2024–25. Service overspends of £15.5 million were covered using earmarked reserves, released after an exercise to re-purpose reserves to support the revenue budget and enhance financial resilience. Rising demand pressures, particularly in temporary accommodation and social care, has made delivering balanced budgets increasingly challenging. The Authority's Medium-Term Financial Strategy anticipates a cumulative budget gap of £28 million by 31 March 2029.

We recommend the Authority must urgently take additional difficult decisions to ensure that a realistic budget can be set for next year and in the medium-term, so this can be delivered without the need to further draw on reserves nor Exceptional Financial Support from central government.

2. Significant weakness in Identification and delivery of savings

The Authority has yet to fully develop the pipeline of savings to close the projected budget gap of £28 million in the MTFS until 2028-29. Progress is being made with savings plans for 2026-27 identified as part of the budget setting process but a budget gap remains. To support this, the Authority is developing its Embrace Change Transformation programme, although this is currently in the early stages and lacks clarity and full organisational understanding and embedding.

Our recommendation states that it is critical that savings through the Embrace Change Transformation Programme are quantified and integrated into the Medium-Term Financial Strategy (MTFS) providing a pipeline of sufficient recurrent savings and income generation schemes supported by robust business cases through collaboration and business transformation.

Improving Economy, Efficiency, and Effectiveness

3. Significant weakness relating to serious failings in quality and safety standards (Housing)

There is a significant weakness in the Authority's arrangements to deliver economy, efficiency and effectiveness in the Authority's housing services, as indicated by the Regulator of Social Housing (RSH) awarding the Authority a 'C3 grading' in May 2025 for serious failings in meeting quality and safety consumer standards, following the self-referral made to the RSH by the Authority.

We recommend the Authority should ensure that governance and oversight arrangements for the Housing Improvement Plan provide assurance for officers and Members over timely delivery of actions and that improvements are sustained and embedded across housing services.

No matters have come to our attention since that date that would have resulted in any additional exception reporting on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

Report on other legal and regulatory requirements – audit certificate

We certify that we have completed the audit of London Borough of Brent for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sophia Brown

Sophia Brown, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

London

13 July 2026