



London Borough of Brent



Statement of Accounts

2024/25

DRAFT UNAUDITED



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Introduction

I am very pleased to present Brent Council's Statement of Accounts for 2024/25. Whilst by their very nature the accounts can be backward looking, they do provide the context of the financial position for Brent at the end of the financial year as well as the numerous challenges presently facing the local authority sector, and which are likely to do so for the foreseeable future.

**Minesh
Patel**
Corporate
Director

Finance and Resources

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Background

Brent lies in north-west London, bordering the boroughs of Harrow to the north-west, Barnet to the north-east, Camden to the east, the City of Westminster to the southeast, and the Royal Borough of Kensington and Chelsea, Hammersmith and Fulham to the west, and Ealing to the south.

It covers an area of 4,325 hectares, making it London's fifteenth largest borough; about 22% of this is green space. Brent's major districts are Kilburn, Willesden, Wembley and Harlesden as well as Stonebridge, Kingsbury, Kensal Green and Queen's Park. There is a mixture of residential, industrial and commercial land with districts in the east having an inner-city character, while the west is more suburban. Within Brent lie Wembley Stadium, the country's largest stadium by capacity, as well as other notable attractions such as the Kiln Theatre, the Swaminarayan Temple, Wembley Arena and the Welsh Harp reservoir.

Population

The census counted 344,500 people residents in Brent in 2023 – making Brent the capital's fifth most populous borough. Brent has seen strong population growth over the decade, rising by 9% between 2011 and 2021 (+28,600 in number). Since 2023, Brent has seen a 'post-pandemic' bounce back in its population: the latest projections suggest the borough's population is now around 353,000 (as at 2024).

Brent is a densely populated borough, with an average of 8,165 people per square kilometre. In common with other London boroughs, Brent has a younger age profile compared with England & Wales, characterised by more adults aged 20-44 and fewer older residents. Around 12% of Brent residents were aged 65 and over compared with 19% nationally.

However, in line with wider trends, the Brent population is ageing. The latest projections suggest the number of older residents, aged 65 and over, will rise by 58% over the period 2023-2041. This equates to an additional 24,300 older residents aged 65 and over by 2041. More than half this increase is within the age 75+ age group (+13,000, up 71%).

Characteristics

Brent is one of the most diverse areas in the country and has long attracted a wide range of residents from across the globe. Around 56% of the local population were born abroad, the largest percentage across England & Wales. The top five countries of birth in Brent (after the UK), were: India, Romania, Poland, Somalia and Pakistan.



Around two thirds (65%) of residents were from Black, Asian and other minority ethnic groups – the 2nd highest rate in England & Wales. The largest single ethnic group is the Indian population who comprise almost one in five residents (19%) – the 5th highest rate nationally. Brent also has a large white minority population, which includes those from Europe: over one in five Brent residents have EU nationality (22%) - the highest rate nationally.

Brent has a large Hindu population comprising 16% of the population – the 3rd highest rate nationally. The borough also has a relatively large Muslim population: 21% of residents were Muslim – the 15th highest rate nationally.

Around one third of residents (34%) use a language other than English as their main language – the second highest rate in England & Wales. At least 150 different languages are spoken in the borough. The five most common languages in Brent, after English, were: Gujarati, Romanian, Arabic, Portuguese and Polish.

Financial Context

In the current and medium term, the economic environment is weak, with domestic output stagnating in the second half of 2024, and many people and organisations still suffering from the cost-of-living crisis. The outlook has also become more uncertain due to upward pressure on defence spending and a tightening of global trade restrictions in recent months.

Inflation has fallen from a peak of over 11% in 2022, to close to the Bank of England's 2% target since the middle of 2024. As of May 2025, the Bank forecasts that inflation will rise temporarily to 3.7% in 2025, partly because of higher energy prices, before falling back to the 2% target after that. As a result, interest rates remain high at 4.25%, having most recently been cut in May and August 2025, but are forecast to fall below 4% in 2026.

The residents of Brent face an equally challenging economic environment with the effects of the cost-of-living crisis exacerbated by levels of unemployment above national and London averages. After effects of the recent high level of inflation, and continuing high interest rates mean that the cost-of-living crisis is unlikely to end in the near future.

The Council will need to assist residents and local businesses through these difficult economic times, for instance by extending the temporary Resident Support Fund.

The Council is seeing the effect of Brent's precarious economic position through a post COVID-19 decline in both council tax and business rates collection which is below the



London average and is not recovering as quickly as elsewhere in London. Additional investment has been made during 2024/25 to enable staffing and process improvements in the Council's recovery of outstanding debt. This short-term investment has yielded positive results, but a longer term and sustainable strategy is required and work on this will be carried out in 2025/26.

Local Government and National Funding Context

The government's Autumn Statement and Local Government Finance Settlement provided figures in sufficient detail to enable effective resource planning for 2025/26. The settlement was the seventh annual one-year settlement for local government, ahead of the Spending Review that was delivered on 11 June 2025.

The government has committed to fundamental reform of local government financing from 2026/27, with particular focus on diverting resources to authorities that need them most and delivering the first reset of the business rates retention system since it was created in 2013. As part of these reforms, the government has stated its intention to deliver a multi-year funding settlement to local authorities for 2026/27.

This will provide greater certainty within which to plan budgets for future years. However, as of July 2025, consultations on these reforms have focussed only on the principles of the reforms. Until there are further details on the impact and transition to these reforms, it makes it extremely challenging to be precise about the financial impact on the Council and the Medium Term Financial Strategy.

Leading into the spending review a range of factors affected the government's plans. These included:

- The state of the public finances
- Long-term pressures on public spending, such as those caused by an ageing population
- Uncertainty, particularly in international trade
- Existing spending commitments, such as the government's plan to increase defence spending to 2.5% of gross domestic product (GDP) by 2027

At the Spending Review, it was announced that Core Spending Power across England would increase by an average of 2.6% a year in real terms between 2026/27 and 2028/29, assuming maximum council tax increases of 4.99% a year. There was some limited additional revenue funding for children's and adult social care, but overall, the impact on current funding assumptions is still unclear.



The spending review was heavily constrained by economic reality, the relatively sluggish performance of the UK economy has limited the scope for movement, and at the same time, demographic pressures, especially an ageing population, are increasing demands for services. In the medium term, the focus of the Spending Review was to increase capital funding, especially for Housing and Transport, with the goal of improving the UK economy.

Medium Term Financial Strategy (MTFS)

When updating the MTFS, the Council's budget approach has very much focused on delivering efficiencies in order to achieve a balanced budget in the face of government funding reductions. As part of this, the Council has been successful in delivering a savings programme without significant reductions in service provision or adverse impact on the most vulnerable.

There is a limit on the level of efficiencies that can be made and significant cuts in government funding could eventually lead to reductions in service provision.

The financial outlook is uncertain with potential funding reductions on the horizon. The Council therefore needs to be cautious and prudent in its financial planning by acting to strengthen its financial resilience so that it can overcome future funding risks, particularly in the transition to the new funding landscape in 2026/27.

The MTFS for the next three years is more challenging than at any time in the recent past.

The overspends detailed in the Review of Financial Year

below, coupled with any potential constraint or reduction in central government funding from 2026/27 onwards mean that the council will have to find significant savings to balance its budget over the medium term.

Strategic Vision - Borough Plan

The Brent Borough Plan 2023–2027, titled Moving Brent Forward Together, sets out the Council's strategic direction over the next four years. Developed through extensive engagement with residents, businesses, and community groups, the plan reflects shared priorities and lessons learned during the pandemic. It aims to strengthen collaboration with partners and communities to deliver inclusive and sustainable outcomes for all who live and work in Brent.

The plan is structured around five key priorities: Prosperity and Stability, A Cleaner, Greener Future, Thriving Communities, The Best Start in Life, and A Healthier Brent. Each priority includes targeted outcomes addressing cross-cutting issues such as



poverty, health inequalities, and housing accessibility. The Council is committed to tackling the cost-of-living crisis and ensuring no resident is left behind, despite financial pressures.

Central to the plan is a focus on inclusive growth, with ambitions to lead in affordable housing development, support local businesses, and equip residents with skills for well-paid employment. Sustainability is embedded throughout, with efforts to ensure environmental responsibility in economic and community development.

The Borough Plan reaffirms Brent's commitment to equity, resilience, and community empowerment. It provides a framework for decision-making and resource allocation, ensuring that the Council remains responsive to evolving needs while maintaining transparency and accountability in service delivery.



2024-25 Strategic themes

The Borough Plan is reviewed regularly to ensure it is still relevant, reflects the national policy landscape, local priorities and context. The council monitors progress against

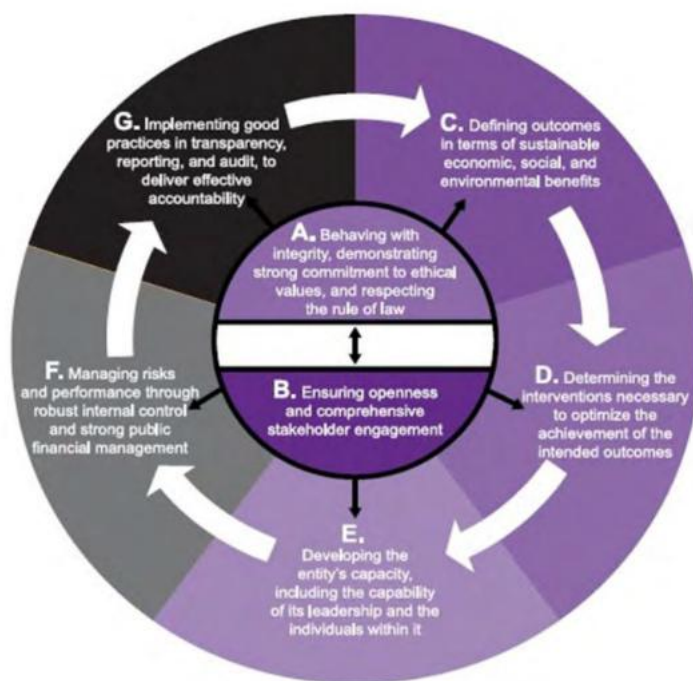


the outcomes set out in the Plan based on a suite of performance measures. These are reported to Cabinet twice a year.

Governance

The Council has a well-established and robust corporate governance framework. This includes the statutory elements such as the posts of Head of Paid Service, the Monitoring Officer and the Section 151 Officer in addition to the current political arrangements. An overview of this governance framework is provided within the Annual Governance Statement for 2024/25. This includes a detailed review of the effectiveness of the Council's governance arrangements.

The principles that underpin the governance framework are shown in the graphic below. The Finance Department undertakes periodic reviews of the financial governance arrangements to ensure decisions to commit resources are always robust. The Council has also tested the resilience of the finance functions and business continuity plans to make sure that the most important elements (running payroll, paying suppliers, core reporting) can continue even with significant risks such as staff absences.



Political Structure

In 2024/25 Brent was divided into 22 electoral wards and three parliamentary constituencies: Brent North, Brent Central, and Hampstead and Kilburn. The Hampstead and Kilburn parliamentary constituency also includes part of the London Borough of Camden.



Chief Officer Structure

During 2024/25 the Council had minor portfolio changes between departments. This chart shows the senior management team 31 March 2025.



Kim Wright
Chief Executive



Nigel Chapman
Corporate Director
Children & Young People



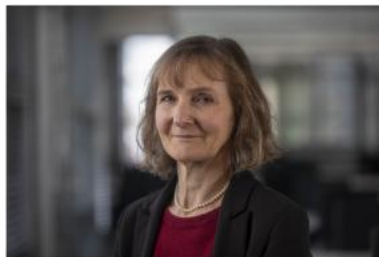
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Corporate Director
Partnerships, Housing &
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Minesh Patel
Corporate Director
Finance & Resources



Debra Norman
Corporate Director
Law & Governance



Alice Lester
Corporate Director
Neighbourhoods &
Regeneration

Review of Financial Year

The 2024/25 financial year proved challenging for the Council. In common with many other London boroughs, there has been a continuous high demand for temporary accommodation services, which has led to a £15.3m overspend in this area. Whilst the level of demand represented a 14% reduction on the 2023/24 total number of



applications, which was 7,300, the demand for the service and associated costs remains high.

There are also pressures in social care, Children's Social Care overspend by £0.4m mainly due to increased demand for placements high cost residential and secure placements.

A key part of the council's strategy to control housing costs in previous years has been to purchase housing for the council or its subsidiaries to reduce costs. This approach was more challenging in 2024/25 as the costs have increased significantly without a similar increase in the income available to the council or its subsidiaries for operating such properties.

Spending controls implemented in response to the overspend on temporary accommodation helped reduce the overspend on services to £15.5m. Demographic changes, compounded by the adverse economic environment, have increased service demand for social care across both the Children and Young People's and Community, Health and Wellbeing departments. Providers are also increasing their prices, resulting in significant inflationary pressures which were largely managed this year. Homelessness continues to be a significant pressure. The upwards trend is compounded by the combination of constrained economic environment and increasing costs for rented accommodation within London.

Summary of Financial Performance

The Council's General Fund position is breakeven as a transfer from corporate contingency covered overspends in the Resident Services of £11.4m, Children and Young People (CYP) service of £1.1m, while other General Fund services out turned with modest underspends. The Housing Revenue Account (HRA) has an underspend position of £2.9m, and the Dedicated Schools Grant (DSG) overspent by £0.4m.

Several spending controls were introduced in 2024/25 to reduce the in year overspend. These controls are estimated to have saved £8m overall and therefore have reduced the required use of reserves.



Revenue Expenditure

Table below show the forecast position against budget for the General Fund

Service Area	Revised Budget	Actual Transactions	Over/(Under) Spend
	£m	£m	£m
Community, Health and Wellbeing	160.4	160.4	0.0
Children and Young People	91.9	92.3	0.4
Neighbourhoods and Regeneration	36.0	34.9	(1.1)
Finance and Resources	11.7	11.5	(0.2)
Law & Governance	14.7	14.3	(0.4)
Partnerships, Housing and Resident Services	40.4	53.2	12.8
Central Items - Supported Exempt Accommodation	0.0	4.0	4.0
Total	355.1	370.6	15.5
Central Items / Transfer from reserves	(355.1)	(370.6)	(15.5)
General Fund Outturn	0.0	0.0	0.0
DSG Funded Activity	0.0	0.4	0.4
Housing Revenue Account (HRA)	0.0	(4.9)	(4.9)
Total (GF, HRA, DSG)	0.0	(4.5)	(4.5)

The detailed breakdown of these figures is in Note 14. Expenditure and Funding Analysis

Service Revenue Expenditure

Community Health and Wellbeing (CHW)

The CHW department is reporting an overall net break even position in 2024/25.

Adult Social Care & Integrated Care Partnership underspent by £0.2m. There were pressures that the service had to manage as the number of service users across ASC



increased by 7% in 2024/25 and the average weekly costs increasing by 6%. These pressures were mitigated through underspends against staffing budgets due to focussed management action to reduce agency spend and holding in year vacancies and using historic reserve balances.

Strategic Commissioning & Capacity Building overspent by £0.1m and the pressure has arisen from £0.1m slippage against savings from the implementation of technology enabled care.

Public Health is reporting a break-even position. This includes a transfer to reserves of £0.4m due to delays in implementing planned activities. These activities will be delivered in the new financial year.

Leisure service overspent by £0.1m. The pressure was mainly due to a shortfall in income arising from the reduced management fee income at Vale farm and the rising costs from running the Bridge Park Community Leisure centre.

This position was also achieved through drawing down £0.6m from the Willesden PFI smoothing reserve. The reserve balance is now £0.4m and it is expected that this will be utilised in 2025/26.

Children and Young People (CYP)

The Children and Young People directorate's General Fund budget overspent by £0.4m largely due to pressures against the Placement Budgets in Forward Planning, Performance and Partnerships (FPPP) partially offset by underspends in other areas.

The placements' budgets in FPPP experienced a net pressure of £1.1m, primarily driven by costs associated with residential and secure placements. Quarter 3 saw an unprecedented rise in clients with very high needs entering care. At the end of the financial year, there was an average of 4 additional clients in residential accommodation compared to 2023/24. There was also an increase in the number of clients in remand (minors placed in secure facilities for serious offences). The Local Authority is responsible for remand placement costs charged by His Majesty's Prison Service.

There were also pressures reported against the LAC and permanency team (£0.4m overspend), mainly driven by legal costs. The pressure this year relates to a small number of legal challenges and high-cost legal disbursements linked to age assessments of Unaccompanied Asylum-Seeking Children (UASC). In the Localities area, there was an overspend of £0.4m and the main reason for this is an increase in



spending against the budget held for clients with no recourse to public funds (overstayers).

The pressures within the directorate have been mitigated by underspends in the Early Help service of £1.0m resulting from spend controls to achieve in-year savings targets. The service continued to maximise the use of grant funds to cover costs and hold positions vacant where possible.

A further £0.5m net underspend was achieved across the remaining areas of the directorate, driven by in-year savings resulting from successful measures implemented by the directorate and controls including vacancy management, reduced agency expenditure and contract savings.

Partnerships, Housing and Resident Services

The Partnership, Housing and Resident Services department is reporting a net overspend of £12.8m for 2024/25.

The overspending experienced by the department is primarily driven by substantial pressures within the Housing Needs and Support service, which alone has caused a significant budget shortfall of £15.3m. This large overspend reflects the increased demand and challenges faced by the service in meeting housing requirements. However, this deficit has been partially alleviated by a series of cost-saving measures implemented during the financial year across other areas of the department. These in-year savings, totalling £2.3m, were achieved through various strategies, including the decision to hold certain staff positions vacant rather than recruiting immediately efforts to generate additional income, and a careful review of planned expenditure with an aim to postpone or reduce some spending in the short term where possible.

The Housing Needs and Support service outturn is consistent with projections throughout the year, reflecting significant ongoing pressures within the service. The intense demand for homelessness support and emergency temporary accommodation remains a critical national challenge, with London experiencing a particularly severe impact. By March 2025, Brent faced demand from 6,281 homeless households, averaging 121 new applications weekly. Although this represents a 14% decline from the 7,300 applications recorded in 2023/24, demand and associated costs continue to be substantial. Furthermore, in the last quarter of 2025, the number of households accommodated in Bed and Breakfast settings increased by 10%, reaching 1,182, underscoring ongoing pressures in managing temporary housing solutions.



Customer Services continued to support residents throughout the difficult economic environment, recognising the increased financial pressures many households were facing. To provide additional assistance, the Council allocated £0.4m from its reserves to the Resident Support Fund. This fund specifically targeted residents experiencing financial difficulties, helping to alleviate some of the immediate economic challenges they encountered. At the same time, the Government continued to provide funding for the Household Support Fund and the Council was awarded £5.6m from this fund, which was strategically used to support a variety of community needs. Key initiatives included providing assistance to households eligible for free school meals during school holiday periods, credit union support with interest free loans and allocating resources to food banks to help meet the growing demand for emergency food supplies.

Additional efforts included promoting careers within Brent to help improve employment opportunities, offering winter support to vulnerable residents during colder months, and delivering holistic support services focused on debt management. Lastly, reactive support was made available for household bills through an application-based process, allowing those in urgent need to access financial relief quickly and efficiently.

Neighbourhoods and Regeneration

Neighbourhoods and Regeneration has underspent by £1.1m. reflecting the impact of spending controls on the budget. This underspend is a result of in-year savings implemented to assist the Council with forecast budget pressures. These savings come from a review of the resources available to the department and largely come from the utilisation of reserves and additional income that was generated by the Parking service in 2024/25.

Public Realm report an underspend of £1.8m. This underspend largely comes from Parking & Healthy Streets. The underspend comes from improved performance due to a range of operational improvements and efficiencies.

The last year has seen a large increase in the number of PCNs issues largely due to improved camera operation. Pressures still remain in Waste due to increased residual waste and fly-tipping, however these were able to be contained within the Directorate due to the performance to Parking & Healthy Streets noted above.

Inclusive Regeneration & Employment report a £0.1m overspend for 2024/25. Whilst pressures remain in Building Control with the impact of the scaling back or cancelled major developments. This was largely able to be managed within the Directorate due to the implementation of in-year savings.



Property & Assets report an overspend of £0.6m. This was due to a review of lease accounting following the introduction of a new leasing standard, IFRS 16. This resulted in a change of the reported income for Commercial Property within Property & Assets.

Finance & Resources

The Finance & Resources department reports an underspend of £0.2m. This is due to an underspend from the Finance department, from a combination of achieving in-year savings, implementing spending controls and holding posts vacant

Law & Governance

The Law & Governance department had a net underspend of £0.4m due to the implementation of in-year savings. These come largely from the early implementation of agreed 2025/26 savings.

Schools and Dedicated Schools Grant (DSG)

The ring-fenced DSG funds local authority schools' budgets, and this is the main source of income for schools. In 2024/25, maintained school balances have decreased by £1.0m from £12.9m to £11.9m. This reduction in school balances is mainly attributable to inflationary pressures. Of the 54 maintained schools, 28 increased their balances and 26 decreased their balances. Also included in this total are 8 schools in deficit and at the end of 2024/25, 2 schools that were previously in deficit recovered their deficit, however 3 new schools have closed with deficit balances. The challenge remains that school budgets are under considerable pressure due to rising costs. In some cases, reduced funding levels have resulted from a reduction in the number of pupils on the school roll.

At the end of 2024/25, the overall DSG deficit has increased from the brought forward balance of £13.2m to £13.6m following a net in-year deficit of £0.4m. The in-year deficit is mainly due to overspend of £2.1m against the High Needs (HN) Block offset by an £1.5m underspend against the Early Years (EY) Block, £0.1m underspend against the Schools Block and £0.1m underspend against the Central Schools Services Block (CSSB).

The underspend of £0.1m in the Schools Block is primarily due to underspends against the de-delegated budgets held for contingencies and maternity and paternity cover.

Early Years Block (£1.5m) under-spend is mainly driven from additional funding from DfE to cover the increase in provision of free childcare for working parents from September 2024 to 30 hours. This allocation was provided based on estimated take-up of hours by working parents in Brent. However, take-up has been lower than predicted



leading to underspends of £0.5m and £0.7m reported against the under 2-to 2-year-old and the 2-year-old working parents' entitlements respectively.

The EY Block funding is based on headcounts at January census points therefore, there is a risk that the DfE may claw back some of the funding received in 2024/25 following an in- year adjustment expected in July 2025. As a precaution, the resulting surplus will be held in reserves to offset any potential clawback.

The Central Block (£0.5m) underspend is mainly attributable to staff vacancies held throughout the year and reduction in spend towards the training offer for schools. The budget included a contingency of £0.1m which was not utilised and contributed to the underspend.

These surpluses were offset by a pressure against the High Needs Block which saw a deficit of £2.1m. There was an increase in the number of children requiring Education, Health, and Care Plans (EHCPs) which was 3,892 as at March 2025 compared to 3,598 as at March 2024 an increase of 8.2%. This led to increases in the top-up funding for in-borough mainstream academies and special schools, additional placements in independent day special schools and alternative education for children awaiting placements as well as the post-16 provision.

The cumulative deficit of £13.6m will be carried forward to 2025/26. A HN Block Deficit Recovery Management Plan is in place with longer-term actions to recover the deficit and a task group set up by the council remains in place to coordinate and monitor these actions. Some of these actions to reduce costs include managing demand through ceasing plans, developing Alternative Provision education in the borough, increasing the amount of special provision within the borough, particularly for secondary phase pupils and 16–25-year-old SEND students and various financial management actions. In 2024/25 the cost avoidance achieved because of these actions was £2.6m.

The deficit will be disclosed as an earmarked unusable reserve in line with DfE regulations (the School and Early Years Finance (England) Regulations 2023). The regulations make clear the requirement for any DSG deficit balance to be held within the local authority's overall DSG and carried forward to be funded from future year's funding and/or recovery plans agreed with the DfE. This also means that authorities cannot fund a deficit from the General Fund without the secretary of state's approval.

This arrangement has been extended until March 2028.

Brent was also a part of the DfE programme called Delivering Better Value (DBV) in SEND to provide dedicated support and funding to help local authorities reform their high needs systems. 2024/25 was the final year of the DBV programme.



The Council received a grant funding of £1m allocated over two financial years i.e., 2023/24 and 2024/25 to deliver the actions in the Management Plan as well as cost benefits identified as part of the programme. The DBV pilot programme has been successful and there is a plan to continue some of the workstreams that were developed with the DfE as part of business-as-usual processes. This will continue work towards reducing the overall deficit and achieving a more sustainable High Needs Block budget in the future.

Housing Revenue Account (HRA).

The Housing Revenue Account is a ring-fenced account, which manages income and expenditure in relation to 8,270 units of Council owned housing stock.

When compared to the previous year, stock levels have a net increase of 59 units, which is a result of additions from ongoing investment in the affordable housing programme being offset by stock reductions from Right to Buy sales. The Council has a target to directly deliver 1,700 new affordable homes by 2028. Against these targets, the Council has developed and let 758 new affordable homes to Brent households and there are a further 1,074 homes being built on site.

The HRA closed the 2024/25 financial year with a £2.1m surplus, increasing the operating reserve to £4.5m. This outcome was supported by higher than originally budgeted rental income from new housing stock and increased leaseholder service charges revenue. However, the financial position was impacted by a £4.2m overspend on responsive repairs driven by an increase in demand for urgent maintenance and efforts to address a backlog of outstanding repair works. Additional costs were incurred from reclassifying expenses related to paused projects, higher insurance costs, tenant incentive payments, and pest control. Offsetting these pressures were savings from staffing vacancies, reduced support service costs, and a planned revenue contribution to capital that was not required. The Council also set aside £2m in additional reserves to manage the current risks around housing maximisation strategies and new contracts implementation. Overall, the HRA demonstrated strong financial management despite ongoing operational challenges.

Looking ahead, increased levels of inflation on new repairs contracts, stock condition and high interest rates pose a financial risk to the HRA. This has an impact on the cost of materials and contracts as well as the cost of new build schemes.



For 2025/26, the government guideline rates on rent uplifts were applied. The average rent currently sits at £149.44 per week, an increase of 2.7% when compared to the previous year. This represented a £1.6m increase in income into the HRA.

The HRA continues to modify service delivery and achieve considerable savings to close the gap between the rental income raised and the increased cost of delivering the service as a result of inflation and previous rent cap.

As part of the latest Spending Review, the government has announced that there will be a 10-year social housing rent settlement increasing at CPI+1% annually, and the government has launched a consultation on implementing social rent convergence. This would help to provide some scope to catch up the income lost through the rent freeze and reductions that were applied in prior years. HRA finances are continuously monitored with an updated position reported in the Medium-Term Financial Strategy (MTFS).

Capital Expenditure

Capital expenditure is money spent on creating or improving assets where the benefits last for more than 12 months. This consists of spending on buying, constructing or improving buildings, land, vehicles or equipment which can be used over a long period of time. It also includes grants and advances that authorities make to other organisations that are for capital purposes.

The Council's Capital Programme is an ambitious five-year investment plan containing a variety of projects that facilitate the Borough Plan, for example by investing in affordable housing for prosperity and stability in Brent; road and pavement improvements for a cleaner borough and delivering additional SEND places to give residents the best start in life. The 2024/25 – 2028/29 Capital Programme budget is £796.8m, financed from a combination of capital receipts, grants, contributions, reserves and external borrowing.

As well as the complexities of managing multi-year budgets, the Capital Programme faced challenges in 2024/25 from the effects of the UK economic outlook, with high interest rates and rising build costs making it harder to plan and deliver financially viable schemes. The Council is continuing to pursue innovative solutions and prioritising partnerships with other organisations such as the Greater London Authority (GLA) to navigate these challenges.

A key focus of the 2024/25 Capital Programme was delivering affordable housing to address the housing emergency facing Brent and the rest of London. The Council completed the Learie Constantine Redevelopment Project, delivering 26 affordable



homes and a refurbished community centre. Significant progress was made on other schemes with 115 affordable homes completed at Grand Union Phase 2 in early 2025/26. Brent Council will directly deliver an estimated 889 new affordable homes in 2025/26.

Another key priority for the Council is using its Strategic Community Infrastructure Levy (SCIL) reserves to fund regeneration and public realm improvements. Key projects in 2024/25 funded by SCIL include the new black history cultural centre at Picture Palace, three new Medical Centres across the Borough and the Preston Library redevelopment.

Brent secured 2-year funding from the Ministry of Housing, Communities and Local Government's Local Authority Housing Fund (LAHF), enabling the purchase of ten properties in 2024/25. The LAHF scheme provides funding for Brent to acquire local properties for temporary accommodation and resettlement to reduce pressure on future revenue housing budgets.

Progress was also made on the Schools Capital Programme including the completion of Elsley Primary School and Newfield Primary School Additionally Resourced Provision (ARP). ARP are specialist units within mainstream schools that support pupils with specific educational needs.

For 2024/25, the Council spent £238.9m against a revised capital budget of £283.9m which equates to 84% of programme budget.

Capital Board	Revised Budget	Outturn	FY Variance		
			£m	£m	£m
	£m	£m	(Underspend)/ Overspend	(Slippage)/ Brought Forward	Variance Total
Corporate Landlord	13.7	11.6	0.0	(2.1)	(2.1)
Housing GF	81.6	71.0	(1.2)	(9.3)	(10.5)
Housing HRA	54.7	60.9	1.7	4.4	6.1
PRS I4B	0.0	0.0	0.0	0.0	0.0
Public Realm	25.4	18.1	(4.3)	(3.0)	(7.3)



Regeneration	45.9	34.6	(0.1)	(11.2)	(11.3)
Schools	28.7	22.1	(0.5)	(6.1)	(6.6)
South Kilburn	33.4	20.4	(13.0)	0.0	(13.0)
St Raphael's	0.5	0.2	0.0	(0.3)	(0.3)
Total	283.9	238.9	(17.4)	(27.6)	(45.0)

In addition, £19.1m was spent by the Council's subsidiary housing company, i4B Holdings Ltd. It was established in 2016 to provide affordable, good quality homes to help reduce homelessness.

One of the main contributors to the (£45.0m) variance is the £13.0m underspend on the South Kilburn Regeneration Scheme. The South Kilburn Regeneration Scheme is an ambitious fifteen-year programme that aims to transform the South Kilburn area and deliver 2,400 homes. The scheme is funded predominantly from land receipts from private housing development, as well as grants and Strategic Community Infrastructure Levy. In October 2024, Cabinet decided to procure a single delivery partner for the remaining seven housing sites to streamline the process and create more cohesive regeneration. This meant remodelling forecasts in 2024/25 ahead of the launch of the single delivery partner procurement on 30 June 2025.

A net variance of (£11.3m) was also reported across the Regeneration budget, primarily driven by £11.2m of project slippage, with the costs reprofiled into 2025/26.

Nevertheless, the overall Regeneration programme remains on budget over the course of the programme.

The Housing General Fund capital budget reported a variance of £10.5m driven by slippage of £10.2m on the Local Authority Housing Fund (LAHF) programme due to challenges in acquiring suitable properties. 10 properties were purchased in 2024/25 with 20 further properties either purchased in early 2025/26 or currently in conveyancing. The Council anticipates meeting its target of acquiring 42 properties in total by the end of 2025/26.

The Housing HRA budget reported £60.9m outturn against a budget of £54.7m, primarily driven by £15.5m of accelerated spend due to expedited progress on the Claire Court housing development. Slippage included £4.2m on Alperton Bus Garage, £5.4m on the Five Tower Blocks Programme and £1.1m on the Granville Homes Refurbishment due primarily to procurement and project completion delays. Overspends of £3.9m across



the major repair and maintenance programme drove the £1.7m overspend across the programme.

The Schools capital programme reported a total variance of (£6.6m), largely due to £6.1m of slippage resulting from the need to re-tender for further ARP projects. Public Realm reported a total variance of (£7.3m), consisting of £2.4m slippage and £4.3m underspend of which £2.5m consists of unused contingency budget.

Pension fund

The Pension Fund is a contributory defined benefit pension scheme administered by Brent Council to provide pensions and other benefits for pensionable employees of Brent Council and a range of other scheduled and admitted bodies.

Brent Council had a net pension liability of £217m on 31 March 2025 which is a net reduction of £25.9m on an IAS 19 basis.

This represents the difference between the estimated cost of pensions payable in the future (£1,352m), and the value of assets in the pension fund £1,135m.

The net pension liability presented in this set of accounts is calculated on an accounting basis and is significantly higher compared to the basis used in the funding valuation. The methodology and assumptions used in the accounting valuation are different and most of the assumptions are prescribed by the relevant accounting standard.

The main reason for the decreased net liability on the IAS 19 basis is due to changes in financial assumptions. The discount rate has increased significantly compared to last year and this places a lower value on the liabilities.

During 2024/25, the value of the Pension Fund's investments increased to £1,313m (2023/24 £1,261m). This is due to strong returns in some markets, particularly UK equities and the diversified growth multi asset strategy somewhat offset by reduction in the value of gilts as a result of higher yields.

Total contributions received from employers and employees was £73m for the year, an increase from the previous year. Total benefits paid to scheme beneficiaries, in the form of pensions or other benefits, was £60m, an increase on the previous year's £52m. As in 2023/24, the Pension Fund is in a positive cash-flow position because its contributions exceed its outgoings to members. This means that the Pension Fund is able to invest some of the contributions from members to further increase the assets available to pay future benefits. This is in contrast to some Local Government Pension



Scheme funds, who have to use some of their investments each year, reducing the assets on which they can make returns.

The Brent Pension Fund is revalued every three years by an independent actuary. This is a detailed appraisal that uses economic and demographic assumptions in order to estimate future liabilities and set employer contribution rates. It was agreed in the 2022 valuation that Council contributions can be reduced by 1.5% of pay per year for the next 3 years. This is consistent with the Fund's deficit recovery plan to clear its deficit within 20 years of the balance sheet date.

The 2022 Triennial Valuation revealed that the Fund's assets, as of 31 March 2022, were sufficient to meet 87% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. This was a significant increase on the 78% funding level as at the March 2019 valuation. The 2025 valuation is currently underway and the outcome will determine contribution rates from 1 April 2026.

Group Financial Performance

The group accounts combine the Council's main accounts with its interests in subsidiaries, associates, and joint ventures.

The council has maintained a strong balance sheet with sufficient funding to repay both long and short-term liabilities as these fall due. The group accounts consolidate the accounts of:

- **First Wave Housing** - provide housing in Brent and is wholly owned by Brent Council.
- **Barham Park Trust** - a charity that is controlled by the Council as the Council appoints all the trustees and is included in Brent's Group accounts as a subsidiary.
- **I4B Holdings Limited** - a company wholly owned by Brent Council to deliver the housing options defined in the Temporary Accommodation reform plan.
- **LGA Digital Services** - a company that is 50% owned by the Council and 50% owned by the Local Government Association.

Other significant financial results

Borrowing

The Council's external borrowing (excluding accrued interest) increased by £85.8m to £900.0m (£814.3m in 2023/24) to fund the Council's growing Capital Programme.



The breakdown of the Council's borrowing portfolio is detailed below and includes borrowing from the PWLB (Public Works Loan Board), LOBO loans, fixed rate loans from the marketplace, and short-term loans with other councils.

Balance Sheet Classification	Loan Type	2023/24	Movement	2024/25
		£m	£m	£m
Short-term	PWLB	13.7	11.8	25.5
	LOBO	0.0	35.0	35.0
	Private Placement	0.0	0.0	0.0
	Local Authority	70.0	0.0	70.0
Long-term	PWLB	576.1	74.0	650.0
	LOBO	59.5	(35.0)	24.5
	Private Placement	95.0	0.0	95.0
	Local Authority	0.0	0.0	0.0
Total Debt Outstanding		814.3	85.8	900.0
Short-term	Accrued Interest	10.0	(1.9)	8.1
Total Debt and Accrued Interest Outstanding		824.3	83.8	908.1

The Council raised £170.0m of new loans and repaid back £84.2m of loans resulting in a net movement of £85.8m increase in the debt portfolio. The Council found best value in borrowing from the PWLB during the year with £73.0m of new loans secured from the PWLB on an Equal Instalment Principal (EIP) structure and £27.0m on a Maturity loan structure; and £70m secured from the local authority market. This borrowing requirement was driven by the demands of delivering the capital programme not already funded through grants, contributions, capital receipts or reserves.

During the year the Council repaid back £84.2m of loans held with the PWLB (£14.2m); and local authorities (£70.0m). The PWLB loans consisted of EIP loans whilst the local authority loans were temporary loans held for cashflow purposes.



The Councils cash balances held in its Money Market Funds (MMF) decreased from £90.6m to £47.3m, a change of 48%. The change in cash balances has been a result of the need to fund the Councils daily cashflow requirements including the funding of its capital programme in lieu of borrowing. Consequently, net debt (excluding accrued interest) grew from £718.2m to £852.9m, a change of 19%.

The Council's Capital Financing Requirement (CFR), the underlying need to borrow, changed from £1,254.5m to £1,361.3m. This represents a change of £106.8m and is a direct reflection of the Council's ambition to improve the lives of borough residents through the investment in its capital programme. The capital programme must be financed and all projects in the General Fund are designed to be repaid based on their asset lifespan through the application of a Minimum Revenue Charge (MRP) which is a charge representing the repayment of debt. MRP is charged to the CIES.

The 2024/25 MRP charge was £30.7m and was calculated in accordance with the Council's approved MRP policy. The HRA is not required to make an MRP charge, whilst service loans MRP charge is equivalent to the loan principal repaid by the respective service area. Service loans liability was reduced by £0.9m during the year through the debt repayments collected. A total of £29.9m of assets were appropriated from the General Fund to the HRA upon completion after undergoing construction. The valuation of the assets was based on the last certified value obtained from a qualified property Surveyor. Subsequently the respective CFRs have been adjusted. The Council's total CFR is £1,361.3m and is split between the General Fund's and the HRA with the respective share being £988.0m and £373.3m.

The Council has an overall under borrowed position when compared to its CFR position. In essence this means that external debt is lower than the Council's CFR and therefore the Council has an internal borrowing position of £461.2m, which will need to be externalised (i.e. replaced with actual loans) at some point in the future. Internal borrowing occurs through the Council's cashflow management process when the Council uses cash resources that are intended for use on other objectives other than financing the capital programme, and due to a timing difference, the cash is used to fund capital invoices instead of borrowing cash.

There were three base rate cuts seen throughout the 2024/25 financial year to manage the UK economic conditions which have resulted in a fall in short term investment income. The Council drew down an additional £13.7m from its capital financing reserve for the capital financing budget as a consequence of higher borrowing costs; lower investment income; and corrections to the Council's soft loan accounting.



Key Risks

Homelessness

Homelessness is anticipated to remain one of the biggest pressures on the Council's budgets in the coming years. Homelessness is a significant issue nationally with housing demand increasing rapidly and less supply available, which quickly widens the budget gap. The increase in demand for emergency temporary accommodation has resulted in a significant budgetary pressure for the Council in 2024/25, which is expected to remain in the coming years.

Once the Council accepts that a household is eligible as homeless, as defined by legislation, the Relief Duty to take reasonable steps to help the applicant secure that accommodation becomes available for at least six months is triggered. If the applicant is also deemed to be in priority need, as defined by legislation, there is an immediate statutory duty to secure suitable interim accommodation, pending further enquiries into the application.

The supply of settled Temporary Accommodation properties, leased from private owners and used to move families out of Bed & Breakfast and Annexe accommodation has also contracted.

This is due to fewer new properties being procured under Private Sector Leasing (PSL) schemes, and owners not renewing the lease for existing stock, when the lease ends. London Councils' findings suggest that London's PRS (Private Rented Sector) is affected by multiple factors driving a reduction in the availability of properties for rent.

The demand for housing is continuing to increase while supply is reducing across the whole market. Greater reliance on the PRS to house lower income households and increasingly limited housing benefits are making accommodation less affordable and available. It appears to be supply side factors notably taxation, interest rate changes and uncertainties about future regulation that are reducing availability at the lower end of the PRS.

As these issues are London wide, the availability of Bed & Breakfast and Annexe accommodation is severely restricted across the capital, with many Councils being forced to book rooms in commercial hotels to meet statutory duties. This lack of availability of accommodation is resulting in having to use expensive providers and at times outside of Brent, which also causes significant financial pressures to the families placed there due to additional travel costs for children at schools in Brent.



The type of accommodation provided as TA also has a bearing on entitlement to housing benefit subsidy for the payments made. Where a family occupies more than one room in a hotel and those rooms are not connected only one room will be eligible for subsidy. Depending on whether the accommodation is self-contained (exclusive use of a kitchen, bathroom and toilet) or non-self-contained (one or more facilities is shared), there is a cap on the subsidy entitlement based on the applicable Local Housing Allowance (LHA). Payments above the LHA cap are ineligible for HB subsidy.

The Homelessness Prevention grant for 2024/25 was £9.4m, including a £1.9m top-up, which was only a 3.2% increase when compared to the previous year. For 2025/26, the grant is set to increase to £12.9m. In January 2025, the Ministry of Housing, Communities and Local Government has published proposals on changing the basis of distribution for the Homelessness Prevention grant from 2026/27, which at the moment indicates a considerable reduction in funding for Brent.

A programme of works has been designed to focus on managing the demand and budgetary pressures on the housing services. Officers are actively looking to renegotiate prices and identify alternative arrangements that would allow to move some of the most expensive cases or those with the highest subsidy loss with the aim of reducing costs to the Housing Needs service and associated overall subsidy losses.

Housing Revenue Account Reserves

The operating reserve is necessary to manage unexpected deficits, or for smoothing in-year budget pressures due to timing differences between the cost of building new homes and receiving rental income, so that it can offset the increased borrowing costs. In addition HRA needs to balance competing demands, such as investing in supply of new homes, building regulations, cost-of-living crisis and inflation have further stressed the importance of maintaining adequate level of reserves.

The current HRA reserve balance is £4.5m. In 2024/25, the HRA operating reserves was increased by £2.1m as a result of the achieved surplus for the year.

Brent's reserve balance is 4% of gross rent and is lower than the peer average. Within the HRA Business Plan, the minimum working balance requirement is assumed at 5% of total income, which is circa £2.7m. If Brent was to increase the level of its reserves, this will require some trade-off on budget reductions elsewhere which may have an impact on key targets such as delivery of 1,700 affordable housing and stock refurbishment programmes.

Fair Funding 2.0



The Fair Funding Review presents several key risks for the Council, particularly in the context of financial planning and service delivery. The review introduces a new formula-based system for allocating central government funding, which could redistribute significant amounts of money between councils. Brent may face reduced funding if its assessed spending needs are lower than its current allocations, especially compared to councils with higher deprivation or lower revenue raising capacity. The new system will assess how much councils can raise via council tax, using a notional average tax rate. If Brent's actual council tax base is below this average, it may receive less central funding, increasing pressure to identify and deliver further savings to balance the budget over the medium term. Overall, these reforms create significant uncertainty over the Councils budget from 2026/27 due to the timing and details of the Fair Funding Review.

Inflation

From early 2021 onwards, Consumer Prices Index (CPI) inflation increased rapidly, peaking at 11.1% in October 2022, more than five times the Bank of England's target of 2%. This led the Bank of England's Monetary Policy Committee to increase the interest base rate successively from historic lows of 0.5% to 5.25%, where it has remained since August 2023. Since then, as inflationary pressures have eased, the base rate has been gradually reduced. As of 31st March 2025, the rate stands at 4.5%.

The combination of high inflation pushing up costs in all areas and the impact of high interest rates on both mortgage holders and their tenants created a cost-of-living crisis in the United Kingdom. In Brent, this has been exacerbated by levels of unemployment above national and London averages.

During 2024/25 CPI has fallen significantly (2.6% as of September 2024), but has increased steadily to 3.6% as of June 2025. Interest rates are also expected to remain high and forecast to drop slowly to 3.5% in 2026. As a result, there is likely to be a continuing upward pressure on rents in future years, meaning that the impact will continue to be felt by individuals and businesses for some time after the initial inflation crisis is over.

Brent's budget will continue to be impacted in future years through increased prices for goods and services and interest on borrowing for capital expenditure. There is likely to also be some increase in demand on services as a result of the pressures experienced by residents and businesses in the borough during this period.



General Fund Reserves

Resident Services

A number of non-ringfenced Resident Services reserves have been repurposed where reasonable to mitigate against the Council's wider budgetary pressures. A reduction in reserves decreases the department's ability to fund certain projects and programmes of work meaning that these need to be carefully reevaluated and prioritised and core budgets might need to be redirected where required. Presently, the department's reserves are considered to be adequate and sufficient.

Local government has faced an extremely challenging financial outlook following a prolonged period of austerity, disproportionate growth in demand for services as well as pressures associated with the cost-of-living crisis. As government funding has been cut, the population has grown.

This population growth has been particularly pronounced in the very oldest and very youngest age groups, which are statistically most likely to require services from the Council, thus adding to the cost pressures. Homelessness has also become a big issue nationally leading to significant pressures within the housing services.

Coupled with the impact of legislative change and uncertainty on the outcome of proposed reforms to local government funding, this has created substantial financial pressures.

The cost-of-living crisis has continued to hit Brent residents who face high levels of unemployment, rising interest rates, sluggish economic growth and high rates of inflation. To provide assistance to the most vulnerable and needy, the Council has created a Resident Support Fund. This has dispersed £16m in support funded from reserves since 2020/21. £1m of recurring funding has been allocated in the MTFS to continue supporting residents.

Children's Social Care

The key risks for Children's social care are mainly due to a rising demand of high-cost highly complex support packages, the volatility of placement costs, the impact of the cost of inflation and market pressures within the sector.

Despite a reduction in the overall number of LAC in Brent during 2024/25, the number of residential placements rose significantly in the second half of the year. This shift toward higher-cost provision placed sustained pressure on the budget. There is an additional risk of further cost pressures for local authorities in the future due to increases in the London Living Wage and Employers' National Insurance contributions. The projected



increase in 2025/26 in the Employer's National Insurance Contribution has been reflected within the costs of placements and contracted services in the council's Medium Term Financial Strategy and the directorate will collaborate with suppliers to negotiate and mitigate costs where possible.

A new in-house care home facility is being developed to help alleviate placement pressures and reduce reliance on high-cost external provision, although the home is not expected to open until the second quarter of the 2025/26 financial year due to delays with OFSTED registrations.

The recruitment of more in-house carers to reduce placements in more costly alternative accommodation continued to be a national challenge, including Brent. The directorate introduced a new and competitive package for in-house carers to encourage greater uptake. In addition to that, Brent is working in partnership with the West London Alliance to improve the recruitment of foster carers.

During the financial year, the service successfully reduced the unit cost of the supported accommodation placements by ensuring care leavers claimed Housing Benefit when entitled.

Recruitment and retention challenges remain a national picture however, the position for Brent improved in 2024/25 due to management action to reduce agency spend as part of the drive to achieve in-year savings.

Adults' Social Care

The risks in the sector include the impact of demographic pressures due to an ageing population, unmet care needs, complexity of needs putting more pressure on existing systems and budgets, the postponement of social care reforms (originally planned for October 2025) which creates uncertainty in funding required for long term planning and budgeting, inflationary pressures, rising costs impacting on the care provider market and recruitment and retention challenges.

The rising cost of inflation is having an impact on care providers and providers are looking to recover the additional costs they are incurring through spot and new placement requests which will lead to a pressure on the adult social care budgets. Brent commissioners continue to review and consider in detail placement fee increase requests from providers and support providers to ensure continuity of services and care quality.



The recruitment and retention of qualified social work staff remains a risk. The sector continues to be faced with high staff turnover and vacancy rates however, management continues to focus on agency to permanent conversions, recruitment drives and retention packages as part of its workforce planning strategy and to maintain stability for the clients.

Dedicated Schools Grant

The DSG deficit at the end of 2024/25 is £13.6m and the main cost driver of the DSG funding is the increasing number of children requiring Education Health and Care Plans (EHCPs) and the risk remains that as demand increases, the High Needs Block funding will not increase in line with continued growth. At the end of 2024/25, there was an 8.2% increase in the number of EHCPs however, the 2024/25 growth in funding was 3.5%. There are cost avoidance measures in place as part of the deficit management plan, costs benefits identified through the Delivering Better Value (DBV) in SEND Programme and a contribution of 0.5% from the Schools Block of the DSG to manage the pressure but there remains a risk that a pressure may still arise.

The DfE in agreement with the Ministry of Housing, Communities and Local Government (MHCLG) have allowed a statutory override which permits local authorities to carry forward a deficit balance against the DSG and this has been extended to the end of March 2028. There remains a risk for the council if the expectation is that local authorities' balances should cover the DSG deficit beyond this period.

Capital Programme and Borrowing

The current interest rate environment continues to remain a risk for the Council and the ongoing delivery of the capital programme, which is dependent on debt financing. The cost of finance could potentially slow the delivery of the capital programme and could require the need to revisit project viability plans and business case to measure the impact of debt finance on the project hurdle rate. The cost of debt will impact the revenue budget in the form of higher interest cost and MRP charge. Debt finance risk can be mitigated by obtaining other sources of financing.

Financial Outlook

Current reserves position

The financial outturn position 2024/25 shows a balanced position on the General Fund. On 31 March 2025 the Council held total usable reserves of £496.9m made up of the general fund balance of £20.0m and reserves set aside for a specific purpose of £476.9m.



The Council has a Reserves Strategy which defines the operational framework for the type of reserve that the Council holds.

Reserves Summary	2024/25
	£m
Working Balances	36.6
Contingency Reserves	19.5
Capital Reserves	326.7
Statutory and Ring-fenced	56.2
Uncertainty and Smoothing	22.3
Service Reserves	35.7
	496.9

Working Balances (£36.6m) – The General Fund balance remain the same, and the HRA balance has been increased by £2.1m, whilst school reserves fell by £0.9m.

Contingency Reserves (£19.5m) – these reserves exist both to cover unexpected events and forecast future expenditure requirements where the level of the expenditure is unknown. At present the Council maintains a Future Funding Risks reserve, which is earmarked to manage any unexpected disruptions to funding and service pressures as a result of changes to the local government finance system, such as the Fair Funding Review and reforms to business rates, and inflationary pressures expected to continue after 2024/25.

Capital Reserves (£326.7m) - These include the Capital Receipts Reserve, the Major Repairs Reserve and the Capital Grants Unapplied reserve. The reserves relating to the Community Infrastructure Levy (CIL) and s106 are held as part of the Capital Grants Unapplied reserve. The total value of CIL and s106 is £190.2m. These reserves can only be used to support capital expenditure.

Statutory and Ring-fenced Reserves (£56.2m) - These reserves can only be used for a specific purpose. They can be capital or revenue. This category includes reserves legally ring fenced for bodies such as the maintained schools, the Housing Revenue Account and Public Health.



Uncertainty and Smoothing Reserves (£22.3m) – these reserves are used to smooth out expenditure that by its nature will vary considerably from year to year and to avoid uncontrollable under- and over-spends, for example insurance claims, PFI contracts, redundancy and pension costs.

Service Reserves (£35.7m) – These are set aside by departments to cover specific initiatives.

Summary of reserves position

The overall level of reserves may appear high, but an analysis of the reserves shows that £476.9m (96%) can only be used for a specific purpose, leaving only £20.0m (4%) which is generally usable for any purpose.

Usable reserves are necessary for the Council to deal with unforeseen events and unexpected financial pressures in any particular year and are a key indicator of financial resilience. As part of the Reserves Strategy, the Corporate Director, Finance and Resources has assessed that the optimum level of general reserves to be held by the Council is 5% of net expenditure. As at 31 March 2025 general reserves at £20.0m were at 5.2% of the budgeted net revenue expenditure for 2024/25 of £386.7m. Overall, the Council recognises the importance of holding adequate reserves to meet the net financial impact of risks facing the Council to ensure it continues to operate in a financially resilient and sustainable manner.

Projected financial position.

Despite the unprecedented financial situation, the Council has set a balanced budget for 2025/26. The budget includes £53.3m of growth, a £5m increase to Council Tax income as a result of the revision of Brent's Council Tax Support scheme, and £8.9m of efficiency savings, all of which have been identified and are subject to an extensive process of consultation, scrutiny and equality analyses. The local government sector has faced significant reductions in central government grant funding and the Council has successfully achieved budget savings of £218m since 2010, demonstrating a good track record of strong financial management.

The Council has a well-established process for the development of its Capital Strategy. As with the revenue budget, it is reported to Cabinet each year along with the Treasury and Investment Strategy which ensures that the Council maintains a capital programme which is prudent, sustainable, and affordable. The Council has an ambitious capital programme for 2025/26 to 2029/30 totalling £780m.



The balance sheet shows net assets of £1,614.4m on 31 March 2025 (£1,826.1m on 31 March 2024) This includes the pension liability of £216.9m on 31 March 2025 (£242.8m on 31 March 2024). Accounting standards require the pension liability to be calculated using actuarial assumptions which will vary from year to year in line with market conditions.

The pension liability continues its trend downwards and is a factor in the overall movement on net assets, this reflects a policy of reducing the pensions liability by a combination of additional contributions and investment. This shows that this strategy has worked to date. Therefore, including the pensions liability, the Council's balance sheet position remains healthy.

Basis of Preparation

Going Concern

As with all local authorities, the Council is required to compile its Statement of Accounts in accordance with the Code of Practice on Local Authority Accounting for 2024/25.

In accordance with the Code the Council's Statement of Accounts is prepared on the basis that the Council will continue to operate in the foreseeable future and that it is able to do so within the current and anticipated resources available. It therefore naturally follows that the Council expects to realise its assets and settle its obligations in the normal course of business.

Statute and regulations

The Council cannot be created or dissolved without statutory prescription; it would not therefore be appropriate for local authority financial statements to be prepared on anything other than a going concern basis. It is also extremely likely that, as in the case of other councils, Central Government would step in to provide support and assistance if any council ran into financial difficulties.

Explanation of Accounting Statements

The Statement of Accounts sets out the Council's income and expenditure for the year, and its financial position on 31 March 2025. It comprises core and supplementary statements, together with disclosure notes. The format and content of the financial statements are prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, which in turn is underpinned by International Financial Reporting Standards.



The Core Statements are:

The Comprehensive Income and Expenditure Statement (CIES) – records the Council’s income and expenditure for the year. The top half of the statement provides an analysis by service area, the bottom half deals with corporate transactions and funding.

The Movement in Reserves Statement (MiRs) - summary of the changes to the Council’s reserves over the course of the year. Reserves are divided into “usable”, which can be invested in capital projects, smoothing change over time or service improvements, and “unusable” which must be set aside for specific legal or accounting purposes.

The Balance Sheet - “snapshot” of the Council’s assets, long- and short- term liabilities, cash balances and reserves at the year-end date.

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

The Annual Governance Statement - the statement that sets out the governance structures of the Council and its key internal controls

The Group Accounts - The statements of the single entity accounts combined with the assets and liabilities of companies and similar entities, which the Council either controls or significantly influences.

The Supplementary Financial Statements are:

The Housing Revenue Account – this separately identifies the Council’s statutory landlord function as a provider of social housing under the Local Government and Housing Act 1989.

The Collection Fund, which summarises the collection and redistribution of council tax and business rates income.

The Pension Fund Account, which reports the contributions received, payments to pensioners and the value of net assets invested in the Local Government Pension Scheme.



The Notes to these financial statements provide further detail about the Council's accounting policies and individual transactions.

A **Glossary of key terms** can be found at the end of this publication.



FINANCIAL STATEMENTS

Core Statements

The Council's accounts are presented in 4 main statements in line with statutory requirements and supported by additional notes.

Balance Sheet

Balance Sheet Detail	31-Mar 2025 £m	Restated 31-Mar 2024 £m	Restated 31-Mar 2023 £m	Notes
Property, Plant & Equipment	2,447.2	2,491.9	2,327.2	1
Heritage Assets	0.5	0.5	0.5	-
Intangible Assets	25.1	26.8	23.9	1
Long Term Investments	116.9	103.8	103.8	24
Long Term Debtors	197.8	190.7	172.6	24
Long Term Assets	2,787.5	2,813.7	2,628.0	-
Short Term Investments	0	5.0	0.2	24
Short Term Debtors	170.3	179.1	221.6	2
Assets Held for Sale	5.0	5.0	0.0	-
Cash and Cash Equivalents	76.0	109.1	134.5	3
Current Assets	251.3	298.2	356.3	-
Short Term Borrowing	(138.5)	(93.7)	(85.7)	24
Short Term Creditors	(224.8)	(166.0)	(177.7)	7
Grant Receipts in Advance- Revenue	(3.0)	(0.5)	(1.4)	19
Provisions	(4.3)	(2.2)	(2.2)	9
Cash and Cash Equivalents - Liabilities	(0.6)	(0.1)	0	3
Current Liabilities	(371.2)	(262.5)	(267.0)	-
Long Term Creditors	0.0	0.0	0.0	24
Provisions	(10.7)	(19.0)	(27.6)	9
Long Term Borrowing	(769.5)	(730.5)	(695.3)	24
Other Long-Term Liabilities	(273.0)	(273.8)	(297.1)	8
Long Term Liabilities	(1,053.2)	(1,023.3)	(1,020.0)	-



Net Assets	1,614.4	1,826.1	1,697.4	-
Usable Reserves	(496.7)	(528.7)	(491.2)	-
Unusable Reserves	(1,117.7)	(1,297.4)	(1,206.3)	-
Total Reserves	(1,614.4)	(1,826.1)	(1,697.5)	-

Please see the Prior Period Errors section for details of the changes to the balance sheet.

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority.

Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt).

The second category of reserves is those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (e.g. the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold, and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.



05. MIRS The Movement in Reserves Statement

Movement in reserves 2024/25	General Fund Balance (£m)	School Balances (£m)	Earmarked General Fund Reserves (£m)	HRA (£m)	Earmarked HRA Reserves (£m)	Capital Receipts Reserve (£m)	Major Repairs Reserve (£m)	Capital Grants Unapplied (£m)	Total Usable Reserves (£m)	Unusable Reserves (£m)	Total Reserves (£m)
Balance as at 31 March 2024	(19.9)	(13.2)	(134.6)	(2.4)	(2.7)	(33.2)	(8.5)	(314.3)	(528.8)	(1,297.4)	(1,826.2)
Movement in reserves during 2024/25: (Surplus) or deficit on the provision of services	62.4	0.0	0.0	38.8	0.0	0.0	0.0	0.0	101.2	0.0	101.2
Other comprehensive income & expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	110.4	110.4
Total comprehensive income & expenditure	62.4	0.0	0.0	38.8	0.0	0.0	0.0	0.0	101.2	110.4	211.6
Adjustments between accounting basis & funding basis under regulations	(54.5)	0.0	0.0	(44.1)	0.0	(4.4)	4.8	28.9	(69.3)	69.3	0.0

Movement in reserves 2024/25	General Fund Balance (£m)	School Balances (£m)	Earmarked General Fund Reserves (£m)	HRA (£m)	Earmarked HRA Reserves (£m)	Capital Receipts Reserve (£m)	Major Repairs Reserve (£m)	Capital Grants Unapplied (£m)	Total Usable Reserves (£m)	Unusable Reserves (£m)	Total Reserves (£m)
Net (increase)/decrease before transfers to earmarked reserves	7.9	0.0	0.0	(5.3)	0.0	(4.4)	4.8	28.9	31.9	179.7	211.6
Transfers (to)/from earmarked reserves	(8.0)	1.1	6.9	3.2	(3.2)	0.0	0.0	0.0	0.0	0.0	0.0
(Increase)/decrease in 2024/25	(0.1)	1.1	6.9	(2.1)	(3.2)	(4.4)	4.8	28.9	31.9	179.7	211.6
Balance as at 31 March 2024/25	(20.0)	(12.1)	(127.7)	(4.5)	(5.9)	(37.6)	(3.7)	(285.4)	(496.9)	(1,117.7)	(1,614.6)



Movement in reserves 2023/24	General Fund Balance (£m)	School Balances (£m)	Earmarked General Fund Reserves (£m)	HRA (£m)	Earmarked HRA Reserves (£m)	Capital Receipts Reserve (£m)	Major Repairs Reserve (£m)	Capital Grants Unapplied (£m)	Total Usable Reserves (£m)	Unusable Reserves (£m)	Total Reserves (£m)
Balance as at 31 March 2023	(17.8)	(15.1)	(144.5)	(0.4)	(1.7)	(15.4)	(2.9)	(293.3)	(491.1)	(1,206.2)	(1,697.3)
Movement in reserves during 2023/24: (Surplus) or deficit on the provision of services	(35.3)	0.0	0.0	3.7	0.0	0.0	0.0	0.0	(31.6)	0.0	(31.6)
Other comprehensive income & expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(97.2)	(97.2)
Total comprehensive income & expenditure	(35.3)	0.0	0.0	3.7	0.0	0.0	0.0	0.0	(31.6)	(97.2)	(128.8)
Adjustments between accounting basis & funding basis under regulations	45.1	0.0	0.0	(6.7)	0.0	(17.7)	(5.6)	(21.0)	(5.9)	5.9	0.0



Net (increase)/decrease before transfers to earmarked reserves	9.8	0.0	0.0	(3.0)	0.0	(17.7)	(5.6)	(21.0)	(37.5)	(91.3)	(128.8)
Transfers (to)/from earmarked reserves	(11.6)	2.0	9.9	1.0	(1.0)	0.0	0.0	0.0	0.3	0.0	0.3
(Increase)/decrease in 2024/25	(1.8)	2.0	9.9	(2.0)	(1.0)	(17.7)	(5.6)	(21.0)	(37.2)	(91.3)	(128.5)
Balance as at 31 March 2023/24	(19.6)	(13.1)	(134.6)	(2.4)	(2.7)	(33.1)	(8.5)	(314.3)	(528.3)	(1,297.5)	(1,825.8)

Further detail is included in Note 10 – Transfers to/from Earmarked Reserves, in the HRA statement and notes, and in the Movement in Reserves Detail in the Additional Reconciliation disclosures.



Further detail is included in Note 10 – Transfers to/from Earmarked Reserves, in the HRA statement and notes, and in the Note 39 Movement in Reserves Detail.

Comprehensive Income and Expenditure Statement

Directorate	2024/25 Gross Expenditure (£m)	2024/25 Gross Income (£m)	2024/25 Net Expenditure (£m)	*2023/24 Gross Expenditure (£m)	*2023/24 Gross Income (£m)	*2023/24 Net Expenditure (£m)	Notes
Community, Health and Wellbeing	205.4	(44.1)	161.3	188.7	(41.9)	146.8	-
Children & Young People (GF)	137.3	(50.3)	87.0	125.9	(39.1)	86.8	-
Children & Young People (DSG)	261.3	(255.8)	5.5	242.7	(243.3)	(0.6)	-
Neighbourhoods and Regeneration	99.8	(67.6)	32.2	90.8	(61.6)	29.2	-
Finance and Resources	83.3	(1.1)	82.2	18.5	(1.3)	17.2	-
Law and Governance	16.0	(2.4)	13.6	12.8	(1.0)	11.8	-
Partnerships, Housing and Resident Services (GF)	114.9	(64.1)	50.8	152.4	(60.7)	91.7	-
Partnerships, Housing and Resident Services (HRA)	101.8	(70.5)	31.3	65.7	(63.0)	2.7	-
Central Items	196.4	(270.2)	(73.8)	228.8	(293.8)	(65.0)	-
Cost of Services	1,216.2	(826.1)	390.1	1,126.3	(805.7)	320.6	-
Other operating expenditure			47.9			6.5	11
Financing and investment income & expenditure			23.1			29.5	12
Taxation and non-specific grant income			(360.0)			(388.3)	13
(Surplus) or Deficit on Provision of Services			101.1			(31.7)	-
(Surplus) or deficit on revaluation of Property, Plant and Equipment assets			126.9			(83.6)	-
Actuarial (gains)/losses on pension assets and liabilities			(16.5)			(13.6)	-

Directorate	2024/25 Gross Expenditure (£m)	2024/25 Gross Income (£m)	2024/25 Net Expenditure (£m)	*2023/24 Gross Expenditure (£m)	*2023/24 Gross Income (£m)	*2023/24 Net Expenditure (£m)	Notes
Other Comprehensive Income and Expenditure			110.4			(97.2)	-
Total Comprehensive Income and Expenditure	-	-	211.5			(128.9)	-



Cash Flow Statement

Cash Flow	2024/25 (£m)	2023/24 (£m)	Notes
Net surplus or (deficit) on the provision of services	(101.2)	31.6	-
Adjustment to surplus or deficit on the provision of services for non-cash movements	213.6	112.8	-
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(52.0)	(103.9)	-
Net cash inflows/(outflows) from Operating Activities	60.4	40.5	4
Net cash inflows/(outflow) from Investing activities	(230.1)	(101.6)	5
Net cash inflows/(outflow) from Financing activities	136.7	35.6	6
Net increase/(decrease) in cash and cash equivalents	(33.0)	(25.5)	-
Cash and cash equivalents at the beginning of the reporting period	109.0	134.5	-
Cash and cash equivalents at the end of the reporting period	76.0	109.0	-

Notes and Disclosures to the Core Statements

Non-Current Assets

Note 1a – Significant movements on balances of property, plant and equipment

Movements in 2024/25	Council Dwellings	Other Land & Buildings	VPF&E	Community Assets	Surplus	Assets Under Construction (AUC)	Total	PFI Assets Included in Property, Plant and Equipment
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Cost or Valuation								
1 April 2024	852.7	1,208.5	65.6	3.7	4.1	196.5	2,331.1	101.0
Additions	28.9	69.5	4.9	1.0	0.0	155.5	259.8	28.7
Depreciation written out	(2.1)	(11.3)	0.0	0.0	0.0	0.0	(13.4)	(0.5)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(45.8)	(3.1)	0.0	0.0	(0.2)	0.0	(49.1)	(0.5)
Revaluation increases/(decreases) recognised in the	(48.4)	(32.0)	0.0	0.0	0.0	0.0	(80.4)	0

Movements in 2024/25	Council Dwellings	Other Land & Buildings	VPF&E	Community Assets	Surplus	Assets Under Construction (AUC)	Total	PFI Assets Included in Property, Plant and Equipment
Surplus/Deficit on the Provision of Services								
Derecognition - Disposals	(3.2)	(48.7)	(32.9)	0.0	0.0	0.0	(84.8)	0
Derecognition - Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(10.8)
Assets reclassified (to)/from Held for Sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Other movements in Cost or Valuation	112.2	(97.0)	0.0	0.0	0.4	(16.1)	(0.5)	0
31 March 2025	894.3	1,085.9	37.6	4.7	4.3	335.9	2,362.7	118.9

Additions for 2024-25 includes £28.8m of PFI assets added due to adoption of IFRS 16 and £22.2m of non-PFI leased assets due to adoption of IFRS 16.

Derecognition - other has been used to correct an overstatement of PFI assets Net Book Value of £4.3m



Movements in 2024/25	Council Dwellings	Other Land & Buildings	VPF&E	Community Assets	Surplus	Assets Under Construction (AUC)	Total	PFI Assets Included in Property, Plant and Equipment
Accumulated Depreciation & Impairment								
1 April 2024	(22.7)	(32.9)	(43.9)	(0.8)		(1.3)	(101.6)	(8.6)
Charge for 2024/25	(11.6)	(20.2)	(2.1)	(0.1)	0.0	0.0	(34.0)	(7.0)
Depreciation write off	2.1	11.3	0.0	0.0	0.0	0.0	13.4	0.5
Impairment write off	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Impairment Losses/(Reversals) recognised in the Revaluation Reserve	(3.7)	(54.2)	0.0	0.0	0.0	0.0	(57.9)	0
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of Services	(4.6)	(18.8)	(1.9)	0.0	0.0	(4.9)	(30.2)	0
Derecognition - Disposals	0.1	0.9	26.1	0.0	0.0	0.0	27.1	0
Derecognition - Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.5
Assets reclassified (to)/from Held for Sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0



Movements in 2024/25	Council Dwellings	Other Land & Buildings	VPF&E	Community Assets	Surplus	Assets Under Construction (AUC)	Total	PFI Assets Included in Property, Plant and Equipment
Other movements in Depreciation and Impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
31 March 2025	(40.4)	(113.9)	(21.8)	(0.9)	0.0	(6.2)	(183.2)	(8.6)
Net Book Value								110.3
31 March 2025	853.9	972.0	15.8	3.8	4.3	329.7	2,179.5	
31 March 2024	830.0	1,175.6	21.7	2.9	4.1	195.2	2,229.5	92.4

Movements in 2023/24	Council Dwellings	Other Land & Buildings	VPF&E	Community Assets	Surplus Assets	Assets Under Construction	Total	PFI Assets Included in Property, Plant and Equipment
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
1 April 2023	843.9	1,131.8	64.9	3.7	1.3	208.7	2,254.3	103.4
Additions	18.9	31.0	0.7	0.1	2.6	57.1	110.4	1.0
Depreciation Write Out	(8.5)	(12.7)					(21.2)	0.0



Revaluation increases/(decreases) recognised in the Revaluation Reserve	25.5	34.6			0.2	2.8	63.1	0.0
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(17.3)	(23.5)				0.1	(40.7)	0.0
Derecognition - Disposals	(9.9)	(9.4)				(10.5)	(29.8)	(3.4)
Derecognition - Other							0.0	0.0
Assets reclassified (to)/from Held for Sale						(5.1)	(5.1)	0.0
Assets reclassified (to)/from Investment Property							0.0	0.0
Other movements in Cost or Valuation		56.5				(56.5)	0.0	0.0
31 March 2024	852.6	1,208.3	65.6	3.8	4.1	196.6	2,331.0	101.0

Movements in 2023/24	Council Dwellings	Other Land & Buildings	VPF&E	Community Assets	Surplus Assets	Assets Under Construction	Total	PFI Assets Included in Property, Plant and Equip.
Accumulated Depreciation & Impairment								



1 April 2023	(17.4)	(30.7)	(42.1)	(0.8)		(1.3)	(92.3)	(8.7)
Charge for 2023/24	(11.2)	(15.1)	(1.8)				(28.1)	0.0
Depreciation written out	7.5	8.9					16.4	0.0
Impairment written out	0.9	3.7					4.6	0.0
Impairment Losses/(Reversals) recognised in the Revaluation Reserve	(2.6)						(2.6)	0.0
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of Services	(0.1)						(0.1)	0.0
Derecognition - Disposals	0.1	0.2					0.3	0.1
Assets reclassified (to)/from Held for Sale							0.0	0.0
Other movements in Depreciation and Impairment							0.0	0.0
31 March 2024	(22.8)	(33.0)	(43.9)	(0.8)	0.0	(1.3)	(101.8)	(8.6)
Net Book Value								
31 March 2024	829.8	1,175.3	21.7	3.0	4.1	195.3	2,229.2	92.4
31 March 2023	826.5	1,101.1	22.8	2.9	1.3	207.4	2,162.0	94.7



Please see the prior period errors section for details of the correction to opening balances.

CIPFA has mandated that councils use a modified retrospective approach to adopting IFRS 16. Wherever applicable, opening balances brought forward from 31 March 2024 have been adjusted on transition to IFRS 16 to show restated balances 1 April 2024.

****Note 1: PFI Assets included within Land & Buildings, VP&E, intangibles and infrastructure are presented in a separate memorandum column to show their total value within the Council's overall PP&E. Intangible assets are shown in Note 1e.**

The Council carries out a rolling programme that ensures that all property, plant and equipment required to be measured at current value is revalued every five years. Revaluation is carried out externally as at 31st March 2025. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

Yearly desktop revaluation based on index rates are applied as 31st March 2025, these are signed off by the Council's External Valuers.

Note 1b- Highways Infrastructure Assets

In accordance with the temporary relief offered by the Update to the Code on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.



The authority has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

	2024/25	2023/24
	£m	Restated £m
Infrastructure Assets		
Opening Net Book Value (restated)	262.4	189.6
Additions	15.2	83.4
Derecognition	0.0	0
Depreciation	(10.4)	(10.5)
Impairment	0	0
Other movements in cost	0.5	0
Closing Net Book Value	267.7	262.4

Infrastructure reconciliation	31-Mar-25	31-Mar-24	31-Mar-23
	£m	£m	
Infrastructure Assets	267.7	262.4	189.6
	2,179.5		2,162.0
Other PPE Assets		2,229.2	
Total PPE Assets	2,447.2	2,491.6	2,351.6

Please see the prior period errors section for details of the correction to opening balances.



Note 1c- Capital Commitment

As at 31/03/2025 the Council has entered several contracts for the construction or enhancement of property, plant and equipment with future years budgeted to cost £198.1m. The major commitments are outlined below:

Capital Commitment	31/03/2024 Restated £m	31/03/2025 £m
Wembley Housing Zone	121.9	94.7
Church End Regen	40.5	24.0
Fulton Road	34.3	2.9
Claire Court and Watling Gardens (TMO)	29.7	2.7
Grand Union	17.1	-
Clock Cottages	2.2	1.4
Pharamond and Longley	0.9	-
New Bridge Park Centre	1.8	1.4
Carlton & Granville	13.8	8.4
London Road SEND School	-	6.0
Alperton Bus Garage Housing Development	46.5	46.5
Neville Winterleys & Carlton House	-	5.3
Preston Park Primary School	-	2.0



Newman Catholic College	-	1.5
Other	-	1.4
Total	308.7	198.1

A prior period adjustment has been made for Alpertown Bus Garage Housing Development as the value of the capital commitment relating to the lease payments was not included in the 23/24 figures.

Note 1d- Valuation breakdown

The table below shows the value of assets revalued each year:

Valuation of Assets	Land & Buildings £m	Surplus £m	Council dwellings £m	Total £m
Revaluation before 20-21	15.7	0	0	15.7
Revaluation 20-21	0	0	0	0
Revaluation 21-22	47.3	0.3	781.6	829.2
Revaluation 22-23	15.4	0	0	15.4
Revaluation 23-24	267.3	0.8	41.6	309.7
Revaluation 24-25	627.8	3.2	29.2	660.2
Grand Total	973.5	4.3	852.4	1,830.2



Note 1e- Intangible Assets

Movements 2024/25	2024/25 Internally generated assets £m	2024/25 Other assets £m	2024/25 Total £m	2023/24 Internally generated assets £m	2023/24 Other assets £m	2023/24 Total £m
Cost or Valuation 1 April 2024	0.2	43.5	43.7	0.2	43.5	43.7
Additions		3.9	3.9			
Depreciation written out						
Revaluation increases (decreases) in the Revaluation Reserve						
Revaluation increases (decreases) in the Surplus / Deficit on the Provision of Services						
Derecognition - Disposals		-4.9	-4.9			
Reclassifications (to/from Assets Held for Sale)						
Other movements in Cost or Valuations						
Cost or Valuation 31 March 2025	0.2	42.5	42.7	0.2	43.5	43.7



Amortisation and Impairments 1 April 2024		(16.9)	(16.9)	-	(16.9)	(16.9)
Charge for the year		(4.3)	(4.3)			
Amortisation written out						
Impairment losses (reversals) recognised in the Revaluation Reserve						
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of Services						
Derecognition – Disposals		3.6	3.6			
Reclassifications (to/from Assets Held for Sale)						
Other Movements in Amortisation & Impairments						
Amortisation and Impairments 31 March 2025		(17.6)	(17.6)	-	(16.9)	(16.9)

Balance Sheet Net Book Values (NBV)

Balance Sheet NBV 31 March 2025	0.2	24.9	25.1	0.2	26.6	26.8
Balance Sheet NBV 1 April 2024	0.2	26.6	26.8	22.7	1.2	23.9



Current Assets

Note 2 – Debtors

Short Term Debtors	31-Mar-2025 £m	31-Mar-2024 £m
Trade receivables Outstanding	105.8	129.9
Less impairments	(33.5)	(29.8)
Net Trade receivables	72.3	101.1
Prepayments	3.5	2.7
Local Taxation receivables Outstanding	77.2	68.6
Less impairments	(38.3)	(34.6)
Net Local Taxation receivables	38.9	34.0
Other receivables amount Outstanding	94.4	80.5
Less impairments	(38.8)	(38.2)
Net Other receivable amounts	55.6	42.3
Total	170.3	179.1

Breakdown of net local taxation receivables

Local Taxation receivable amounts	31-Mar-2025 £m	31-Mar-2024 £m
Outstanding		
Less than one year	14.6	12.7
More than one year	24.3	21.3
Total	38.9	34.0

Note 3 – Cash and Cash Equivalents

Cash and Cash Equivalents	31-Mar-2025	31-Mar-2024
	£m	£m
Bank current accounts	12.0	0.2
School bank accounts	16.7	18.2
Short-term deposits	47.3	90.7
Subtotal Cash and Cash Equivalents within Current Assets	76.0	109.1
Schools cash equivalents liabilities	(0.6)	(0.1)
Total	75.4	109.0



Cash Flow Notes

Note 4 – Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

Cash Flow Item	2024/25 £m	2023/24 £m
Interest received - cash inflow	8.6	16.2
Interest paid - cash (outflow)	(38.0)	(34.0)

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

Cash Flow Item	2024/25 £m	2023/24 £m
Depreciation	44.3	38.6
Impairment and downward valuations	97.5	39.7
Amortisation	4.3	4.1
Increase/(decrease) in creditors	33.6	(9.0)
(Increase)/decrease in debtors	(1.4)	37.8
(Increase)/decrease in impairment for bad debts	(8.0)	(13.4)
Movement in pension liability	(9.4)	(5.7)
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	58.9	29.4
Other non-cash items charged to the net surplus or deficit on the provision of services	(6.2)	(8.7)
Total	213.6	112.8



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

Cash Flow Item	2024/25 £m	2023/24 £m
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	(6.1)	(0.8)
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(8.5)	(14.4)
Any other items for which the cash effects are investing or financing cash flows	(37.4)	(88.7)
Total	(52.0)	(103.9)

Note 5 – Cash Flow Statement - Investing Activities

Cash Flow Item	2024/25 £m	2023/24 £m
Purchase of property, plant and equipment, investment property and intangible assets	(278.9)	(200.7)
Purchase of short-term and long-term investments	(3.2)	(4.8)
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	8.5	14.4
Proceeds of sale of short- and long-term investments	6.1	0.8
Other receipts from investing activities	37.4	88.7
Net cash flows from investing activities	(230.1)	(101.6)



Note 6 – Cash Flow Statement - Financing Activities

Cash Flow Item	2024/25 £m	2023/24 £m
Cash receipts of short- and long-term borrowing	170.0	130.0
Cash inflow/(outflow) relating to Private Finance Initiative schemes	50.9	(3.8)
Repayments of short- and long-term borrowing	(84.2)	(90.6)
Total	136.7	35.6

Note 6a – Reconciliation of Liabilities Arising from Financing Activities

	2024/25	Financ ing Cash Flows	Changes which are not financing cash flows		2024/25
	01 April 2024		Acquisi tion	Other Non- Financ ing Cash Flows	31 Mar 2025
	£m	£m	£m	£m	£m
Long-term Borrowings	(730.5)	(85.8)		46.8	(769.5)
Short-term Borrowings	(93.7)	0.0		(44.8)	(138.5)
Short-term leases	0.0			(12.4)	(12.4)
Other Long-term Liabilities: PFI	(22.8)			(19.9)	(42.7)
Other Long-term Liabilities: Finance Leases	(7.7)			(5.6)	(13.3)
Other Long-term Liabilities: Other	(0.5)	0.4			(0.1)
Total Liabilities Arising from Financing Activities	(855.2)	(85.4)	0.0	(36.0)	(976.6)



	2023/24	Financing Cash Flows	Changes which are not financing cash flows		2023/24
	01 April 2024		Acquis ition	Other Non- Financin g Cash Flows	31 Mar 2024
	£m	£m	£m	£m	£m
Long-term Borrowings	(695.2)	(35.3)			(730.5)
Short-term Borrowings	(85.7)	(8.0)			(93.7)
Other Long-term Liabilities: PFI	(26.8)			4.0	(22.8)
Other Long-term Liabilities: Finance Leases	(7.7)				(7.7)
Other Long-term Liabilities: Other	(0.5)				(0.5)
Total Liabilities Arising from Financing Activities	(815.9)	(43.3)		4.0	(855.2)



Liabilities

Note 7 - Short Term Creditors

Short Term Creditors	31-Mar-2025 £m	31-Mar-2024 £m
Trade payables	(147.7)	(98.0)
Other payables	(77.1)	(68.0)
Total	(224.8)	(166.0)



Note 8 – Long-Term Liabilities

Long Term Liabilities	31-Mar-2025 £m	31-Mar-2024 £m
Pension Fund Liability	(216.9)	(248.8)
Deferred Income	0.2	(6.1)
PFI Liability	(42.9)	(16.7)
Finance Leases	(13.3)	(7.7)
Other Liabilities	0.1	(0.4)
Total	(273.0)	(273.7)



Note 9 – Provisions

Short Term Provisions Detail:

Short Term Provisions	Compensation Claims £m	Housing Provisions £m	Total £m
Balance 1 April 2024	(2.2)	0	(2.2)
Net (additions) reductions to provisions made in 2024/25	(0.8)	(1.3)	(2.1)
Balance 31 March 2025	(3.0)	(1.3)	(4.3)

Long Term Provisions Detail:

Long Term Provisions	Compensation Claims	Other Provisions	Total
Balance 1 April 2024	(3.7)	(15.2)	(18.9)
Net(additions) reductions to provisions made in 2024/25	0.0	8.2	8.2
Balance 31 March 2025	(3.7)	(7.0)	(10.7)

Provisions over both short and long term have been made based on estimations for:

- Compensation claims for uninsured losses that are reviewed annually; and
- Other provisions for items such as leased equipment, NDR appeals and Income shortfalls on PFI contracts.

The £2.1m increase in short term other provision includes a new provision of £1.1m has been created for Housing rents, and a further £0.2m provision has been established for heating charges.

The £8.2m decrease in long term other provision consists of:



- NDR Appeals: net increase of £1.3m due to the provision for appeals against the 2023 list based on the revaluation of nondomestic properties at 1st April 2023 (£1.6m), offset by a reduction of £0.3m on the provision for appeals against the 2017 list.
- Housing BCE PFI: The provision of £6.8m has been reversed in 24/25 in accordance with the changes in how we account for the PFI under IFRS 16. This amount has now been added to the total liability of the PFI under the new accounting standards.
- A £2.8 million release from the Granville provision has been made following a revision in the estimated costs of works and updated valuations.
- A £0.8m short-term provision has been created in the 2024/25 financial year for the estimated liability due following the discontinuation of two Supported Living projects.



Earmarked Reserves

Note 10 – Transfers to/from Earmarked Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement and below.

2024/25

Capital and other Statutorily ring-fenced reserves

Capital and other statutorily ring- fenced reserves Reserve Type	Reserve	Balance at 31- 03-2024 £m	Transfer to/from reserves £m	Balance at 31-03- 2025 £m
Ring-fenced	HMO Licensing	(4.1)	(6.0)	(10.1)
Ring-fenced	Housing Revenue Account	(2.7)	(3.2)	(5.9)
Ring-fenced	Neighbourhoods & Regeneration	(0.5)	0.5	0.0
Ring-fenced	Public Health	(10.0)	(0.4)	(10.4)
Ring-fenced	Schools and other DSG	(13.0)	0.9	(12.1)
Ring-fenced	Edward Harvist Trust	(0.2)	0.0	(0.2)
Ring-fenced	Migration related	0.0	0.0	0.0
Ring-fenced	Total	(30.5)	(8.2)	(38.7)
Capital Finance Related	South Kilburn	(5.7)	(0.1)	(5.8)
Capital Finance Related	Community Health and Wellbeing (GF)	(0.1)	0.0	(0.1)
Capital Finance Related	General Fund Capital funding	(52.1)	28.4	(23.7)
Capital Finance Related	Total	(57.9)	28.3	(29.6)
Capital and other statutorily ring- fenced reserves	Overall Total	(88.4)	20.1	(68.3)



Committed Reserves

Reserve Type	Reserve	Balance at 31-03-2024 £m	Transfer to/from reserves £m	Balance at 31-03-2025 £m
Sinking fund and other smoothing reserves	PFI	(9.4)	3.2	(6.2)
Sinking fund and other smoothing reserves	Universal Credit staffing	(0.4)	0.4	(0.0)
Sinking fund and other smoothing reserves	Redundancy	(1.7)	1.7	0.0
Sinking fund and other smoothing reserves	Insurance	(5.3)	0.1	(5.2)
Sinking fund and other smoothing reserves	Other Central	(3.1)	(7.8)	(10.9)
Sinking fund and other smoothing reserves	Total	(19.8)	(2.4)	(22.3)

Other Earmarked reserves

Reserve Type	Reserve	*Restated Balance at 31-03-2024 £m	Transfer to/from reserves £m	Balance at 31-03-2025 £m
Service reserves	Community Health and Wellbeing	(8.2)	0.9	(7.3)
Service reserves	Children & Young People	(2.9)	(1.0)	(3.9)
Service reserves	Partnership Housing & Resident Services	(10.2)	(0.4)	(10.6)
Service reserves	Neighbourhoods & Regeneration	(12.1)	0.4	(11.7)
Service reserves	Law & Governance	(1.8)	0.4	(1.4)
Service reserves	Finance and Resources	(0.7)	(0.1)	(0.8)
Service reserves	Total	(35.9)	0.2	(35.7)
Transformation/Service Pressures Reserves	Future funding risks	(6.3)	(13.2)	(19.5)
Other Earmarked reserves	Overall Total	(42.2)	(13.0)	(55.2)
Grand Total		(150.4)**	4.7	(145.7)**



2023/24

Capital and other Statutorily ring-fenced reserves

Capital and other statutorily ring-fenced reserves Reserve Type	Reserve	Balance at 31- 03-2023 £m	Transfer to/from reserves £m	Balance at 31- 03-2024 £m
Ring-fenced	HMO Licensing	(2.5)	(1.6)	(4.1)
Ring-fenced	Housing Revenue Account	(1.7)	(1.0)	(2.7)
Ring-fenced	Regeneration & Environment	(1.3)	0.8	(0.5)
Ring-fenced	Public Health	(10.6)	0.6	(10.0)
Ring-fenced	Schools and other DSG	(15.0)	2.0	(13.0)
Ring-fenced	Migration related	(0.2)	0.2	(0.0)
Ring-fenced	Edward Harvist Trust	(0.2)	0.0	(0.2)
Ring-fenced	Total	(31.5)	1.0	(30.5)
Capital Finance Related	South Kilburn	(5.6)	(0.1)	(5.7)
Capital Finance Related	CWB (GF)	(0.1)	0.0	(0.1)
Capital Finance Related	General Fund Capital funding	(57.4)	5.3	(52.1)
Capital Finance Related	Total	(63.1)	5.2	(57.9)
Capital and other statutorily ring-fenced reserves	Overall Total	(94.6)	6.2	(88.4)



Committed Reserves

Reserve Type	Reserve	Balance at 31-03- 2023 £m	Transfer to/from reserves £m	Balance at 31-03- 2024 £m
Sinking fund and other smoothing reserves	PFI	(5.0)	(4.3)	(9.4)
Sinking fund and other smoothing reserves	Universal Credit staffing	(1.5)	1.1	(0.4)
Sinking fund and other smoothing reserves	Redundancy	(1.7)	0.0	(1.7)
Sinking fund and other smoothing reserves	Insurance	(5.3)	0.0	(5.3)
Sinking fund and other smoothing reserves	Children & Young People	(0.2)	0.2	(0.0)
Sinking fund and other smoothing reserves	Other Central	(0.5)	(2.5)	(3.1)
Sinking fund and other smoothing reserves	Temporary Accommodation Housing Benefits	(4.5)	4.5	0.0
Sinking fund and other smoothing reserves	Total	(18.7)	(1.2)	(19.8)

Other Earmarked reserves

Reserve Type	Reserve	Restated Balance at 31-03-2023 £m	Restated Transfer to/from reserves £m	Restated Balance at 31-03-2024 £m
Service reserves	Community Health and Wellbeing	(7.4)	(0.8)	(8.2)



Service reserves	Children & Young People	(2.7)	(0.2)	(2.9)
Service reserves	Partnership Housing & Resident Services	(8.8)	(1.4)	(10.2)
Service reserves	Neighbourhoods & Regeneration	(11.5)	(0.6)	(12.1)
Service reserves	Law & Governance	(2.1)	0.3	(1.8)
Service reserves	Finance and Resources	(0.6)	(0.1)	(0.7)
Service reserves	Total	(33.1)	(2.8)	(35.9)
Transformation/Service Pressures Reserves	Future funding risks	(11.0)	4.7	(6.3)
COVID-19 reserves	COVID-19	(3.9)	3.9	0.0
Other Earmarked reserves	Overall Total	(48.0)	5.8	(42.2)
Grand Total		(161.3)	10.9	(150.4)

*The prior year figures have been restated due to a restructure of the Council's directorates in April 2024.

**This consist of the Schools Balance, Earmarked General Fund Reserves and HRA Earmarked Reserve from the Movement in Reserves Statement.

Descriptions of Earmarked Reserves

- **Capital and other statutory ring-fenced reserves** -These are monies received under specific powers, such as Section 106 of the Town and Country Planning Act 1990 and Community Infrastructure levy, for ring-fenced activities, such as the Dedicated Schools Grant, the Housing Revenue Account and the Public Health grant, and funds identified to smooth the impact of capital financing costs and represents revenue contributions set aside to meet commitments included in the Capital Programme.

- **Committed reserves** - These reserves are held to cover specific known or predicted financial liabilities. They mainly arise as a result of differences in timing between the reserve being established and the expenditure being incurred and are therefore, in effect, committed reserves. Most of these are long term and spread costs over a number of years, such as the PFI sinking fund that equalises the costs



of the annual unitary charge over the 25 years of the contract. This also includes the insurance fund, redundancy and pension costs. There is also a reserve to manage volatility in Collection Fund income. These reserves “smooth” expenditure that by its nature will vary considerably year to year, avoiding uncontrollable under and over spends.

- **Other Earmarked Reserves** - This contains reserves managed by departments, for example unspent government grants with ring fenced commitments set aside to meet expenditure pressures. It also includes reserves that are earmarked to manage any unexpected service pressures, unforeseen emergencies or future funding risks. This is primarily in place to manage any unexpected disruptions to funding as a result of changes to the local government finance system such as the Fair Funding Review and reforms to business rates.

Movement in the unusable reserves are detailed in Note 39- Note to Movement in Reserves statement.



Comprehensive Income and Expenditure Notes

Note 11 – Other Operating Expenditure

The table below shows a breakdown of 'Other Operating Expenditure' included in the Comprehensive Income and Expenditure Statement.

Other Operating Expenditure	2024/25 £m	2023/24 £m
Levies	3.5	3.2
Payments to the Government Housing Capital Receipts Pool	0.0	0.0
(Gains)/losses on the disposal of non-current assets	44.4	3.3
Total	47.9	6.5



Note 12 – Financing and Investment Income and Expenditure

The table below shows a breakdown of 'Financing and Investment Income and Expenditure' included in the Comprehensive Income and Expenditure Statement.

Financing and Investment Income and Expenditure	2024/25 £m	2023/24 £m
Interest payable and similar charges	20.6	34.0
Pensions (Net) interest cost and expected return on pensions assets	(8.7)	12.0
Interest receivable and similar income	11.2	(16.5)
Total	23.1	29.5



Note 13 – Taxation and non-Specific Grant Incomes

The table below shows a breakdown of 'Taxation and Non-Specific Grant Income' included in the Comprehensive Income and Expenditure Statement.

Taxation and non- Specific Grant Incomes	2024/25 £m	2023/24 £m
Council tax income	(162.2)	(150.9)
Business Rates	(93.3)	(88.2)
Other government grants & taxation	(67.1)	(60.5)
Capital grants and contributions	(37.4)	(88.7)
Total	(360.0)	(388.3)



Expenditure and Funding Analysis Notes

Note 14 – Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Directorate	Total expenditure (£m)	Total income (£m)	Below cost of services on CIES (£m)	Subtotal (Surplus) or Deficit on Provision of Services (£m)	Adjustments for capital purposes (£m)	Net change for Pension Adjustments (£m)	Other Statutory Adjustments (£m)	Transfers to/from reserves (£m)	Subtotal Movement in Reserve (£m)	Position on HRA and General Fund* (£m)
Community, Health and Wellbeing	205.4	(44.1)	(0.9)	160.4	(0.5)	2.3	0.0	(1.8)	0.0	160.4
Children & Young People (GF)	137.3	(50.3)	0.0	87.0	0.0	3.9	0.0	1.4	5.3	92.3
Children & Young People (DSG)	261.3	(255.8)	45.0	50.5	(54.0)	5.0	(0.1)	(1.5)	(50.6)	(0.1)
Neighbourhoods and Regeneration	99.8	(67.6)	(0.2)	32.0	2.4	3.2	0.0	(2.8)	2.8	34.9



Directorate	Total expenditure (£m)	Total income (£m)	Below cost of services on CIES (£m)	Subtotal (Surplus) or Deficit on Provision of Services (£m)	Adjustments for capital purposes (£m)	Net change for Pension Adjustments (£m)	Other Statutory Adjustments (£m)	Transfers to/from reserves (£m)	Subtotal Movement in Reserve (£m)	Position on HRA and General Fund* (£m)
Finance and Resources	83.3	(1.1)	9.4	91.6	(80.5)	1.4	0.0	(1.0)	(80.1)	11.5
Law and Governance	16.0	(2.4)	(0.1)	13.5	0.0	1.2	0.0	(0.5)	0.7	14.2
Partnerships, Housing and Resident Services (GF)	114.9	(64.1)	0.6	51.4	(9.0)	4.1	0.0	6.8	1.9	53.3
Central Items	196.4	(270.2)	(349.9)	(423.7)	73.9	(12.3)	4.8	(8.7)	57.7	(366.0)
Subtotal adjustments to	1,114.4	(755.6)	(296.1)	62.7	(67.7)	8.8	4.7	(8.1)	(62.3)	0.4



Directorate	Total expenditure (£m)	Total income (£m)	Below cost of services on CIES (£m)	Subtotal (Surplus) or Deficit on Provision of Services (£m)	Adjustments for capital purposes (£m)	Net change for Pension Adjustments (£m)	Other Statutory Adjustments (£m)	Transfers to/from reserves (£m)	Subtotal Movement in Reserve (£m)	Position on HRA and General Fund* (£m)
the General Fund										
Partnerships, Housing and Resident Services (HRA)	101.8	(70.5)	7.4	38.7	(44.8)	0.7	0.0	3.2	(40.9)	(2.2)
Total	1,216.2	(826.1)	(288.7)	101.4	(112.5)	9.5	4.7	(4.9)	(103.2)	(1.8)

** This is also the position on GF and HRA as per Table 1 Outturn position 2024/25 on the Narrative Statement.*

Expenditure and Funding Analysis for 2023-24 (restated)



Directorate	Total expenditure (£m)	Total income (£m)	Below cost of services on CIES (£m)	Subtotal (Surplus) or Deficit on Provision of Services (£m)	Adjustments for capital purposes (£m)	Net change for Pension Adjustments (£m)	Other Statutory Adjustments (£m)	Transfers to/from reserves (£m)	Subtotal Movement in Reserve (£m)	Position on HRA and General Fund* (£m)
Community, Health and Wellbeing	188.7	(41.9)	(1.1)	145.7	(0.8)	2.0	0.0	(8.5)	(7.3)	138.4
Children & Young People (GF)	125.9	(39.1)	0.0	86.8	(1.5)	3.0	0.0	(1.1)	0.4	87.2
Children & Young People (DSG)	242.7	(243.3)	0.7	0.1	(3.0)	4.1	0.0	(1.1)	0.0	0.1
Neighbourhoods and Regeneration	90.8	(61.6)	(37.0)	(7.8)	36.9	1.5	0.0	7.8	46.2	38.4
Finance and Resources	18.5	(1.3)	(0.8)	16.4	(6.1)	1.8	0.0	(2.3)	(6.6)	9.8



Directorate	Total expenditure (£m)	Total income (£m)	Below cost of services on CIES (£m)	Subtotal (Surplus) or Deficit on Provision of Services (£m)	Adjustments for capital purposes (£m)	Net change for Pension Adjustments (£m)	Other Statutory Adjustments (£m)	Transfers to/from reserves (£m)	Subtotal Movement in Reserve (£m)	Position on HRA and General Fund* (£m)
Law and Governance	12.8	(1.0)	0.0	11.8	0.0	1.1	0.0	0.1	1.2	13.0
Partnerships, Housing and Resident Services (GF)	150.7	(60.7)	30.6	120.6	(72.7)	4.8	0.0	1.0	(66.9)	53.7
Central Items	230.4	(293.8)	(345.4)	(408.8)	92.7	(13.4)	(5.3)	(7.5)	66.5	(342.3)
Subtotal adjustments to the General Fund	1060.5	(742.7)	(353.0)	35.2	45.5	4.9	(5.3)	(11.6)	33.5	(1.7)
Partnerships, Housing and	65.7	(63.0)	1.0	3.7	(7.6)	0.9	0.0	1.0	(5.7)	(2.0)



Directorate	Total expenditure (£m)	Total income (£m)	Below cost of services on CIES (£m)	Subtotal (Surplus) or Deficit on Provision of Services (£m)	Adjustments for capital purposes (£m)	Net change for Pension Adjustments (£m)	Other Statutory Adjustments (£m)	Transfers to/from reserves (£m)	Subtotal Movement in Reserve (£m)	Position on HRA and General Fund* (£m)
Resident Services (HRA)										
Total	1,126.2	(805.7)	(352.0)	(31.5)	37.9	5.8	(5.3)	(10.6)	27.8	(3.7)

Note:

Figures for 2023-24 have been restated to reflect the Council reporting according to the Organisation Restructure in 2023- 24, to allow like-for-like comparison. 2023-24 also includes a Prior Period Adjustment. (See Prior Period Note).

In Year Movements on Housing Revenue Account and General Fund Balances:



Opening Balance 2024-25 (£m)	Transfers to/from Earmarked Reserves (£m)	Movement on HRA and General Fund before transfers to/from Earmarked Reserves (£m)	Closing Balance 2024-25 (£m)	Balance	Opening Balance 2023-24 (£m)	Transfers to/from Earmarked Reserves (£m)	Movement on HRA and General Fund before transfers to/from Earmarked Reserves (£m)	Closing Balance 2023-24 (£m)
(2.4)	3.2	(5.4)	(4.6)	Housing Revenue Account	(0.4)	1.0	(3.0)	(2.4)
(2.7)	(3.2)	0.0	(5.9)	Housing Revenue Account Earmarked Reserves	(1.7)	(1.0)	0.0	(2.7)
(5.1)	0.0	(5.4)	(10.5)	HRA Subtotal	(2.1)	0.0	(3.0)	(5.1)
(20.0)	(8.1)	8.5	(19.6)	General Fund	(17.8)	(11.9)	9.8	(19.9)
(147.7)	8.1	0	(139.6)	General Fund Earmarked Reserves and Schools Balances	(159.6)	11.9	0.0	(147.7)
(167.7)	0.0	8.5	(159.2)	General Fund Subtotal	(177.4)	0.0	9.8	(167.6)



(172.8)	0.0	3.1	(169.7)	TOTAL HRA and General Fund	(179.5)	0.0	6.8	(172.7)
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Additional Disclosures

Note 15 – Pooled Budgets

Pooled funds enable health bodies and local authorities to work collaboratively to address specific local health issues. A key feature of the pool is that the use of resources contributed to the pool should be dictated by the needs of clients who meet the criteria established for the pool, rather than the respective contributions of the partners.

Thus, it is to be expected that health service resources could be used to deliver local authority services and vice versa. This is intended to ensure client focused care packages are developed and delivered to individuals, which meet their needs in a more seamless and efficient manner. Pooled funds are not legal entities. The partners in the pool will nominate one partner to be the 'host' to the pool. That 'host' has responsibility for the administration of the pool. The host partner is required to produce a memorandum account of the financial activity of the pool, which used to be subject to external audit certification until the requirement was discontinued.

There is a pooled fund agreement under section 75 of the National Health Service Act 2006 between the Council and the ICB to administer the Government's Better Care Fund to support the integration of health and social care.

This includes a partnership agreement under Section 31 of the Health Act 1999, with NHS Northwest London Integrated Care Board (NHS NWL ICB) for provision of occupational therapy equipment via the Integrated Community Equipment Service (ICES).

The overall BCF allocation for 2024/25 is £55.4m of which £2.0m of the ICB's BCF allocation contributes to the ICES and the Council contributes £0.9m from the general fund budgets and £0.235m from its BCF allocation. The pooled fund income and expenditure for 2024/25 is shown in the table below:

	2024/25		2023/24	
Funding	*Integrated Community Equipment Service (ICES)	Better Care Fund	Integrated Community Equipment Service (ICES)	Better Care Fund
	£m	£m	£m	£m

LB of Brent	(1.1)	(22.0)	(0.9)	(21.0)
NHS NWL ICB	(2.0)	(31.2)	(1.5)	(29.0)
Total Funding	(3.1)	(53.2)	(2.4)	(50.0)
Expenditure	3.6	53.2	3.6	50.0
Net Overspend/(Underspend)	0.5	0.0	1.2	0.0

*£0.2m of the ICES budget for the Council and £2.0m from the ICB is included in the overall BCF allocation of £55.4m in 2023/24 it was £1.5m from the ICB.

For 2024/25, for ICES, the share of overspend attributed to NHS NWL ICB is £0.3m (£0.7m in 2023/24) and £0.2m to Brent Council (£0.5m in 2023/24).



Note 16 – Members' Allowances

The council paid the following amounts to Members of the council during the year:

Members' Allowances Total payments including National Insurance costs in 2024/25 were £1.2m (£1.2m in 2023/24).

Details of the Members' Allowances scheme are available on Brent's website



Note 17 – External Audit Costs

In 2024/25, the council incurred the following fees relating to external audit:

External Audit Costs	2024/25	2023/24
	£'000	£'000
External audit services for in-year	545.2	503.0
Certification of grant claims and returns for in- year	57.5	56.1
Total	602.7	559.1



Note 18 – Contingent Liabilities

The best estimate of the liability for all the issues is in the region of zero in 2024/25 (estimated at zero in 2023/24), but due to the nature of the contingent liabilities this is subject to significant change.

Figures are not shown against contingent liabilities where there are legal proceedings, or the disclosure would adversely affect the outcome.



Note 19 – Grant Income Applied to the CIES

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement either as part of the services direct gross income or within the Council's Taxation and non-specific grant income:

Revenue Grants: Housing Benefit	2024/25	2023/24
	£m	£m
Mandatory Rent Allowances: subsidy	(140.5)	(173.6)
Mandatory Rent Rebates outside HRA	(19.2)	(16.9)
Rent Rebates Granted to HRA Tenants: subsidy	(18.5)	(19.4)
Housing Benefit Administration	(1.4)	(1.3)
Total	(179.6)	(211.2)

Revenue Grants: Schools	2024/25	2023/24
	£m	£m
Dedicated Schools Grant (DSG)	(232.4)	(220.9)
Pupil Premium Grants	(6.6)	(6.6)
Sixth forms funding from Learning and Skills Council (LSC)	(4.0)	(4.0)
Universal Infant School Meal	(3.0)	(3.1)
Teachers' Pension Employer Contribution Grant	0.0	(0.2)
Mayor of London - Universal Free School Meals	(5.6)	(4.0)
Teachers Pay Additional Grant	(3.5)	0.0
Core Schools Budget Grant	(3.3)	0.0
Mainstream Schools Additional Grant	0.0	(3.7)
Special Educational Needs	0.0	(0.8)
Holiday Activities and Food Programme	(1.0)	0.0



Physical Education and Sports	(0.9)	0.0
Teachers Pay Additional Grant	(2.4)	(1.5)
Early Years Supplementary Grant	(0.3)	(1.5)
Supported Accommodation Reforms	(0.6)	0.0
Wraparound Childcare Programme	(0.6)	0.0
Other Schools	(1.7)	(0.9)
Total	(265.9)	(247.2)

Revenue Grants: Other	2024/25	2023/24
	£m	£m
Revenue Support Grant	(30.9)	(29.1)
Section 31	(28.9)	(26.0)
Public Health	(24.7)	(23.6)
Adults Social Care Support Grant	(29.2)	(22.3)
Other Miscellaneous Grants & Contributions	(10.4)	(15.5)
Adults Social Care Improved Better Care Fund	(13.3)	(13.3)
Flexible Homeless Grant	(9.4)	(9.1)
Market Sustainability and Improvement Fund	(5.9)	0.0
Household Support Grant	(5.6)	(5.7)
Private Finance Initiative	(5.5)	(5.5)
Adult Education	(3.7)	(4.0)
Asylum Leaving Care (Post 18) Grant	(3.3)	(3.7)
DLUHC - Service Grant	(0.6)	(3.6)
Supporting Families Grant	(1.8)	(3.5)
ASC Community Discharge Fund	(3.1)	0.0



European Social Fund	0.0	(2.0)
Discretionary Housing payments	(1.6)	(1.6)
Homes for Ukraine	(1.4)	(1.6)
Family Hubs and Start for Life Programme	(1.5)	0.0
Rough Sleeping Initiative Grant	(1.5)	(1.2)
Funding Guarantee	(1.4)	0.0
COVID-19 Grants	0.0	(0.9)
Shared Prosperity Fund	(1.0)	(0.6)
Supplementary Substance Misuse Treatment and Recovery	(1.0)	(0.6)
Council Tax Support Fund - Discretionary	0.0	(0.4)
New Homes Bonus	(2.9)	0.0
New Burdens Grant	(0.3)	0.0
Total	(188.9)	(173.8)

Capital Grants & Contributions	2024/25	2023/24
	£m	£m
Department for Energy Security & Net Zero	(0.3)	(1.0)
School Condition Grant	(2.4)	(2.4)
Transport for London	(1.6)	(3.7)
Disabled Facilities	(6.6)	(5.8)
Other Grant	(7.0)	(3.7)
Education Funding - includes High and Basic Needs Grant	(2.7)	(6.8)
Greater London Authority - Outer London Fund	(2.4)	(18.0)



South Kilburn Housing Infrastructure Fund	(5.5)	(1.0)
Section 106 & Community Infrastructure Levy	(2.0)	(38.4)
New Homes Bonus	(0.0)	(7.9)
Local Authority Housing Fund	(6.3)	(0.0)
Other Contributions	(0.6)	(0.0)
Total	(37.4)	(88.7)

The Authority has received grants that have yet to be recognized as income as they have conditions attached to them that will require the monies to be returned to the giver. The balance at the year-end are as follows:

Current Liabilities: Grant receipts in advance (Revenue grant):	2024/25	2023/24
	£m	£m
Mayor of London - Universal Free School Meals	(0.1)	0.0
MHCLG - Section 31	(2.8)	0.0
DEFRA - Simpler Recycling Food Waste Collection	(0.1)	0.0
Greater London Authority Election Grant	0.0	(0.4)
Mayor's Office for Policing grant	0.0	(0.1)
Total	(3.0)	(0.5)



Note 20 – Capital Grants Unapplied

	2024/25	2023/24
Capital Grants Unapplied	£m	£m
Section 106 & Community Infrastructure Levy	(194.6)	(206.8)
Basic Needs- Primary schools	(23.0)	(41.3)
School Condition Grant	(2.5)	(1.6)
Greater London Authority - Outer London Fund	(12.3)	(19.5)
Disabled Facilities	0.0	(0.5)
Transport for London	(1.2)	(1.2)
Adult Personal Social Services	(3.6)	(3.6)
Early Education	(1.6)	(1.6)
Devolved Formula Capital	(0.9)	(0.9)
Other Education grant	(5.4)	(5.4)
Other Grant	(40.3)	(32.0)
Department for Energy Security & Net Zero	0.0	0.0
Total	(285.4)	(314.4)



Note 21 – Deployment of Dedicated Schools Grant

The Council's expenditure on schools is funded primarily by the Dedicated Schools Grant (DSG), provided by the Department for Education (DfE) through the Education and Skills Funding Agency (ESFA).

The DSG is ring-fenced and can only be applied to meet expenditure properly included in the schools' budget, as defined in The School and Early Years Finance (England) Regulations 2023.

In 2024/25, as in previous years, an element of the DSG was recouped by the DfE to fund academy schools in the borough. The schools' budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each maintained school.

Details of the deployment of DSG received for 2024/25 are as follows:

Dedicated Schools Grant (DSG)	Central Expenditure £m	Schools Budget £m	Total £m
Final DSG for 2024/25 before academy and high needs recoupment			396.2
Academy and high needs figure recouped for 2024/25			(162.3)
Total DSG after academy and high needs recoupment for 2024/25			233.9
Plus: Brought forward from 2023/24			1.9
Less: Carry-forward to 2025/26 agreed in advance			(1.9)
Agreed initial budgeted distribution in 2024/25	99.7	133.9	233.9
In-year adjustments	0.1	(1.5)	(1.3)



Final budget distribution for 2024/25	99.8	132.4	232.6
Less: Actual central expenditure	102.3		(102.3)
Less: Actual ISB deployed to schools		130.3	(130.3)
Plus: Local authority contribution for 2024/25	0.0	0.0	0.0
In-year carry-forward to 2025/26	(2.5)	2.2	(0.3)
Plus: Carry-forward to 2025/26 agreed in advance			1.9
Carry-forward to 2025/26			1.6
DSG unusable reserve at the end of 2023/24			(15.1)
Addition to DSG unusable reserve at the end of 2024/25			0.0
Total of DSG unusable reserve at the end of 2024/25			(15.1)
Net DSG position at the end of 2024/25			(13.6)

At the end of 2024/25, the DSG has a deficit of £13.6 million, which will be carried forward into 2025/26, in line with the Department for Education's (DfE) regulations (The School and Early Years Finance (England) Regulations 2023). The regulations require that where the DSG is in deficit at the end of the preceding year, an authority must carry forward the deficit into the next funding period.

Details of the deployment of DSG received for 2023/24 are as follows:

Dedicated Schools Grant (DSG)	Central Expenditure £m	Schools Budget £m	Total £m
Final DSG for 2023/24 before academy and high needs recoupment			370.6



Academy and high needs figure recouped for 2023/24			(148.5)
Total DSG after academy and high needs recoupment for 2023/24			222.1
Plus: Brought forward from 2022/23			1.3
Less: Carry-forward to 2024/25 agreed in advance			(1.3)
Agreed initial budgeted distribution in 2023/24	91.0	131.1	222.1
In-year adjustments	0.0	(1.3)	(1.3)
Final budget distribution for 2023/24	91.0	129.8	220.8
Less: Actual central expenditure	(93.8)	0.0	(93.8)
Less: Actual ISB deployed to schools	0.0	(126.4)	(126.4)
Plus: Local authority contribution for 2023/24	0.0	0.0	0.0
In-year carry-forward to 2024/25	(2.8)	3.4	0.6
Plus: Carry-forward to 2024/25 agreed in advance			1.3
Carry-forward to 2024/25			1.9
DSG unusable reserve at the end of 2022/23			(15.1)
Addition to DSG unusable reserve at the end of 2023/24			0.0
Total of DSG unusable reserve at the end of 2023/24			(15.1)
Net DSG position at the end of 2023/24			(13.2)

At the end of 2023/24, the DSG has a deficit of £13.2 million, which will be carried forward into 2024/25, in line with the Department for Education's (DfE) regulations (The School and Early Years Finance (England) Regulations 2023). The regulations require that where the DSG is in deficit at the end of the preceding year, an authority must carry forward the deficit into the next funding period.



Note 22 – Related Party Transactions

The Council is obligated to disclose material transactions with related parties—entities or individuals that can control or influence the Council, or be controlled or influenced by it. Each year, Councillors and Chief Officers complete related party transaction forms.

Several voluntary organisations that received grants from the London Borough of Brent in 2024/25 have Brent Members serving as Directors, Trustees, or employees. No material transactions were disclosed in the Declarations of Related Party Transactions for 2024/25 obtained from Chief Officers. Materiality was assessed based on the nature and size of transactions, judged in the surrounding circumstances from both the Council's and the related party's perspectives.

London Borough of Brent Pension Fund: Administrative support is provided to the Fund, and its accounts are shown separately in this document. The Council charged the Pension Fund £1.0m for administration in 2024/25 (£0.9m in 2023/24).

Pooled Budgets: Details of partnerships with NHS Brent CCG and the North-West London Mental Health Trust are provided in Note 15 to the Core Financial Statements.

Subsidiary Companies: Brent has several subsidiaries, including First Wave Housing (FWH) (formerly Brent Housing Partnership (BHP)), LGA Digital, and I4B Holdings Limited (formerly Investing 4 Brent Limited (I4B)).

First Wave Housing (FWH): A registered housing provider with the Regulator of Social Housing and is wholly owned by Brent Council and limited by guarantee. FWH was set up to manage properties previously owned by Brent Housing Partnership (BHP). The total invoiced transactions with the Council for the 2024/25 financial year were £2.1m, of which £1.1m relates to interest for loans to FWH (£0.7m in 2023/24). As of 31st March 2025, there were outstanding loans from Brent Council totalling £33.8m (£34.9m in 2023/24), which are secured against the company's properties. The board of directors for FWH includes the Corporate Director of Resident Services and the Director for Public Health, as well as Councillor Saqib Butt.

I4B Holdings Limited: A company wholly owned by Brent Council that was incorporated on the 16 December 2016. The primary purpose of the company is to deliver the housing options defined in the Temporary Accommodation reform plan. Total invoiced transactions with the Council relating to the 2024/25 financial year amounted to £6.9m, of which £5.3m related to the interest charge for loans to i4B. As of 31st March 2025, Brent Council had provided loans totalling £182.4m to I4B (£185.9m in 2023/24), which are secured against the company's properties. The board of



directors for I4B includes the Corporate Director of Resident Services and the Director for Public Health, as well as Councillor Saqib Butt.

LGA Digital: The Council partnered with the Local Government Association on 27 January 2016 to provide ICT services, including new infrastructure for their offices, hosting ICT services at Brent Data Centres, and ongoing ICT support. A company was established, 50% owned by the Council and 50% by the Local Government Association, to facilitate this arrangement. The board of directors includes the Strategic Director for Resident Services and the Head of Finance for Resident Services.

Barham Park Trust: This charity is controlled by the Council, which appoints all trustees, and is included in Brent's Group accounts as a subsidiary. Brent held £0.7m on behalf of the Barham Park Trust. The Group Accounts, found later in this document, combine the accounts of Brent, FWH, I4B, Barham Park Trust, and LGA Digital Services.

Locata: Brent, in partnership with other London boroughs and Housing Associations, operates a joint lettings scheme for housing tenants through Locata (Housing Services) Limited. Brent is liable for up to £10 in debts and liabilities if Locata is wound up. Locata's accounts are not consolidated into Brent's group accounts due to immaterial sums and limited influence (less than 20% voting rights). Locata's accounts can be obtained from Companies House: www.companieshouse.gov.uk.

Capital Letters: Brent, along with 15 other London boroughs, is a member of Capital Letters, a non-profit company that secures accommodation to alleviate homelessness by financially incentivising landlords to rent to eligible tenants suggested by the members. The Board is accountable to a Borough Representative Body, comprising representatives from each member council. Capital Letters is a company limited by guarantee, without share capital, and member liability upon winding up would not exceed £1. Capital Letters' accounts are not consolidated into Brent's group accounts due to limited influence (less than 20% voting rights). Capital Letters is winding down and is expected to close by December 2025.



Note 23 - Capital Expenditure and Capital Financing

2023/24	2023/24	2023/24		2024/25	2024/25	2024/25
£m	£m	£m	Capital Investment	£m	£m	£m
HRA	GF	Total		HRA	GF	Total
42.6	157.1	199.7	Property, Plant & Equipment	60.9	166.6	227.5
0.0	7.5	7.5	REFCUS	0.0	11.4	11.4
0.0	0.3	0.3	Loans to Third Parties	0.0	0.0	0.0
0.0	0.0	0.0	IFRS 16 Transition Additions: Leases	0.4	22.3	22.7
0.0	0.0	0.0	IFRS 16 Transition Additions: PFI	0.0	28.7	28.7
0.0	1.1	1.1	Other	0.0	0.0	0.0
42.6	166.0	208.6	Total	61.3	229.0	290.3

2023/24	2023/24	2023/24		2024/25	2024/25	2024/25
£m	£m	£m	Capital Financing	£m	£m	£m
HRA	GF	Total		HRA	GF	Total
0.0	(18.1)	(18.1)	Minimum Revenue Provision	0.0	(30.7)	(30.7)

0.0	(18.1)	(18.1)	Total Debt Repayments	0.0	(30.7)	(30.7)

2023/24	2023/24	2023/24		2024/25	2024/25	2024/25
£m	£m	£m	Sources of Finance	£m	£m	£m
HRA	GF	Total		HRA	GF	Total
(0.5)	(0.1)	(0.6)	Capital Receipts	(0.1)	(17.2)	(17.3)
0.0	4.6	4.6	Lease Accounting Adjustment	0.0	0.0	0.0
(15.2)	(41.1)	(56.3)	Grants	(0.4)	(51.6)	(52.0)
0.0	(8.9)	(8.9)	S106 & CIL	(0.9)	(10.9)	(11.8)
0.0	(9.2)	(9.2)	Direct Revenue Contribution	0.0	(11.4)	(11.4)
(10.4)	0.0	(10.4)	Major Repairs Reserve	(16.6)	0.0	(16.6)
0.0	(1.2)	(1.2)	Earmarked Reserves	0.0	(1.4)	(1.4)
(26.1)	(55.9)	(82.0)	Total Capital Financing	(18.0)	(92.5)	(110.5)

2023/24	2023/24	2023/24	Explanation for Movements	2024/25	2024/25	2024/25



£m	£m	£m		£m	£m	£m
HRA	GF	Total		HRA	GF	Total
294.9	849.1	1,144.0	Opening Capital Financing Requirement	300.6	953.9	1,254.5
0.0	0.0	0.0	IFRS 16 Transition - PFI & Leases Adjustment	(0.4)	(49.5)	(49.9)
(10.8)	10.8	0.0	Appropriation between General Fund and HRA	29.9	(29.9)	0.0
0.0	2.0	2.0	Other Balance Sheet Movements	0.0	7.6	7.6
16.5	92.0	108.5	(Decrease) / Increase in the Underlying Need to Borrow	43.2	105.9	149.1
300.6	953.9	1,254.5	Closing Capital Financing Requirement	373.3	988.0	1,361.3



Financial Instruments

Note 24 – Financial Instruments Categories

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes, benefits, and government grants, do not give rise to financial instruments. Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The fair value of a financial asset is the price that would be received if it were sold.

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Council.

The majority of the Council's financial liabilities held during the year are measured at amortised cost and comprised:

- Long-term loans from the Public Works Loan Board and commercial lenders.
- Short-term loans from other local authorities.
- Lease payables detailed in note 27.
- Private Finance Initiative contracts detailed in note 28; and
- Trade payables for goods and services received.

Financial Assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Council. The financial assets held by the Council during the year are accounted for under the following classifications under the Code of Practice:

1. Amortised cost (where cash flows are solely payments of principal and interest and the Council's business model is to collect those cash flow) comprising:
 - cash in hand.
 - bank current and deposit accounts with the NatWest Bank.
 - loans to small companies and housing associations.

- lease receivables detailed in note 27; and
 - Trade receivables for goods and services provided.
2. Fair value through other comprehensive income (where cash flows are solely payments of principal and interest, and the Council's business model is to both collect those cash flows and sell the instrument; and equity investments that the Council has elected into this category). The Council does not currently hold any financial assets with this category.
 3. Fair value through profit and loss (all other financial assets) comprising of low volatility money mark funds that are used for cashflow purposes and equity investment in I4B Holdings Limited, a wholly owned Council subsidiary.

Financial assets held at amortised cost and some assets held at fair value through other comprehensive income are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Council.

Financial Instrument Balances

Financial Liabilities - The financial liabilities disclosed on the balance sheet are analysed across the following categories:

31-Mar-24			FINACIAL LIABILITIES	31-Mar-25		
Long-term	Short-term	Total		Long-term	Short-term	Total
£m	£m	£m		£m	£m	£m
Amortised Cost						
730.5	93.7	824.2	Borrowing*	769.5	138.5	908.0
0.0	0.1	0.1	Cash and Cash Equivalents	0.0	0.6	0.6



0.0	125.7	125.7	Trade Payables**	0.0	112.3	112.3
22.8	2.0	24.8	PFI	42.7	15.0	57.7
7.7	0.0	7.7	Finance Leases	13.3	12.4	25.7
0.5	0.0	0.5	Other Liabilities	0.1	0.0	0.1
761.5	221.5	983.0	Total Liabilities Held at Amortised Cost	825.6	278.8	1,104.4

* The total short-term borrowing includes £8.1m of accrued interest (2023/24: £10.0m)

** Total trade payables equate to £139.8m. An Adjusted amount is shown here as £27.5m is split between short-term PFI and lease payables.

During the reported financial year, the Council had repaid short-term principal debt of £84.2m. This comprised of short-term loans from other local authorities (£70.0m), which were raised to support the Council's daily cashflow needs; and long-term PWLB debt (£14.2m). As at 31st March 2025 short term debt was valued at £138.5m, which consisted of reclassified long-term debt and accrued interest that is due in 2025/26 financial year. Short-term debt consists of PWLB debt (£25.5m); local authority loans (£70.0m); LOBO Loans that are due for potential repayment upon an interest rate review (£35.0m) and accrued interest (£8.1m).

The Council raised £170.0m of new loans during the financial year and found best value in borrowing from the PWLB with £100.0m of new loans secured on an Equal Instalment Principal (EIP) structure (£73.0m); PWLB Maturity Structure (£27.0m) and £70m secured from the local authority market. This borrowing requirement was driven by the demands of delivering the capital programme not already funded through grants, contributions, capital receipts or reserves, and the repayment of maturing debt.

There were no changes in contract terms for financial instrument liabilities during the reported period. The Council does not offset financial assets and financial liabilities on its balance sheet.



Financial Assets – The financial assets disclosed on the balance sheet are analysed across the following categories:

31 st March 2024			FINANCIAL ASSETS	31 st March 2025		
Long-term	Short-term	Total		Long-term	Short-term	Total
£m	£m	£m		£m	£m	£m
Fair Value through profit or loss (FVTPL)						
0.0	0.0	0.0	Investments	54.3	0.0	54.3
0.0	90.7	90.7	Cash and Cash Equivalents	0.0	47.3	47.3
0.0	90.7	90.7	Total Financial Assets Held At FVTPL	54.3	47.3	101.6
Amortised Cost						
0.3	5.0	5.3	Investments	0.1	0.0	0.1
32.4	115.7	148.1	Debtors	44.5	77.1	121.6
0.0	18.4	18.4	Cash and Cash Equivalents	0.0	28.7	28.7
153.5	0.0	153.5	Soft Loan Debtors	153.3	0.4	153.7
103.5	0.0	103.5	Soft Loan Investment	62.5	0.0	62.5
289.7	139.1	428.8	Total Financial Assets Held at Amortised Cost	260.4	106.2	366.6
289.7	229.8	519.5	Total Financial Assets Defined as Financial Instruments	314.7	153.5	468.2



The Council's approach to accounting for soft loans was reviewed in 2024/25 and changes were made in year to ensure that the Council was compliant with the CIPFA Code of Practice and IFRS 9. Subsequently, there was a reduction of £4.4m relating prior year recognition of soft loan accounting interest that was incorrectly recognised on the balance sheet thus inflating the investment in both subsidiaries (£3.8m in I4B and £0.6m in FWH). The reversal charge was made to Comprehensive Income and Expenditure account. The underlying nominal loan balance remains unaffected.

There was also a change in the manner in which the equity investment is recognised on the balance sheet and was brought in line with the Council's accounting policy for equity investments in subsidiaries. As a result, the Council's equity investment in I4B Limited held on its balance sheet is accounted for on FVTPL basis rather than held at amortised cost (as per 2023/24) and had increased in value by £17.9m. The equity investment was not valued in 2023/24 due to its classification of being held at amortised cost.



Note 25 - Material Soft Loans made by the Council

The Council lends to two wholly own subsidiaries, First Wave Housing (FWH) and I4B, to enable service delivery. The loans are classified as soft loans which are defined as those advanced at below market rates in support of the Council's service priorities. The movements on material soft loans advanced to FWH and I4B are as follows:

2023/24		Company Loan Accounting	2024/25	
FWH	I4B		FWH	I4B
£m	£m		£m	£m
21.4	131.5	Opening balance	21.3	132.4
0.0	0.0	Nominal value of new loans granted in the year	0.0	0.3
0.0	0.0	Soft Loan Accounting Recognition	0.0	(0.1)
(0.4)	0.0	Loans repaid	(0.4)	0.0
0.3	0.9	Other changes	0.3	(0.0)
21.3	132.4	Closing balance at end of year	21.2	132.4
34.9	185.9	Nominal value at 31 March	33.8	182.4

Formerly known as BHP after a change to the loan terms, FWH is a registered provider of social housing (RP), and its primary purpose is to manage, maintain and improve its stock and contribute to Brent's Housing Strategy.

The loan to FWH is classed as a soft loan as it is set at a below-market rate of interest. No new loans were raised by FWH during the year, whilst the Council received the timely repayment of the scheduled loan principal and interest. Other charges relate to soft loan accounting valuation.

I4B's primary purpose is to deliver the housing options defined in the Temporary Accommodation reform plan. Loans to I4B enable the company to acquire properties to support the Council's homelessness agenda. The Board of Directors for I4B includes the Director Public Health Leisure and Parks (Melanie Smith); and Councillor Saqib Butt.

The loan to I4B is classed as a soft loan as it is set at a below-market rate of interest. As this loan is made to a company that is a subsidiary for group account purposes, the loss represented by the undercharge of interest remains in the group and the Council is deemed to be making an additional investment in the subsidiary.



The loss on the initial investment of the loan is posted to the balance sheet as an investment, then over the life of the loan the balance sheet investment is unwound between the investment and the long-term debtor.

The interest rate used to calculate the fair value of the soft loan is with reference to the methodology laid out in the EU document - Communication from the Commission on the revision of the method for setting the reference and discount rates (2008/C14/02). This rate is used as the loans were arranged, and agreed, before the change in legislation and the introduction of the UK Subsidy Act 2023.

During the year new loans of £0.3m were advanced to I4B over a 50-year term at the PWLB Maturity Loan rate.

As 31st March 2025, Brent Council had provided nominal funding of £218.7m to I4B (£218.4m in 2023/24 excluding soft loan accounting) and comprised of a number of soft loans and equity transactions. The 2023/24 total investment includes soft loan accounting adjustments which have been reversed out in 2024/25 to ensure that accounting for soft loans aligns with the IFRS 9 accounting standard and the CIPFA Code of Accounting Practice. For I4B prior year soft loan adjustments relating to interest recognition have been reversed out of the soft loan investment held on the balance sheet and charged to the Comprehensive Income and Expenditure account totalling £3.8m. For FWH, £0.6m has been reversed out of the soft loan investment and charged to the Comprehensive Income and Expenditure account.

Funding to FWH and I4B can be analysed as follows:

2023/24		Company Funding Type	2024/25	
FWH	I4B		FWH	I4B
£m	£m		£m	£m
21.3	132.4	Soft loan	21.2	132.5
13.6	53.5	Soft loan investment	12.7	49.8
34.9	185.9	Total soft loan	33.9	182.3
0.0	36.4	Equity Investment (Nominal)	0.0	36.4
0.0	0.0	Equity Investment Fair Value Adjustment	0.0	17.9
0.0	36.4	Total Company Equity	0.0	54.3
34.9	222.3	Overall Total Investment	33.9	236.6

The Council holds an equity investment in I4B that consists of £1 ordinary shares that were purchased in prior years (2019-2021). The nominal value of shares 31 March 2025 was £36.4m and the fair value of the shares was £54.3m. A gain of £17.9m was



recognised 31 March 2025 based on I4B's balance sheet. The Company's net assets were valued at £54.3m, giving a gain of £17.9m to the Council on its £36.4m investment. There was no equity valuation undertaken in 2023/24. The equity investment is held at Fair Value Through Profit & Loss.



Note 26 – Financial Instruments

Fair Values of Assets and Liabilities

The fair value of a financial instrument is the price that would be received when selling an asset, or the price that would be paid when transferring a liability, to another market participant in an arms'-length transaction. Where liabilities are held as an asset by another party, such as the Council's borrowing, the fair value is estimated from the holder's perspective.

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value. For most assets, including shares in money market funds, the fair value is taken from the market price.

Financial instruments classified at amortised cost are carried in the Balance Sheet at their amortised cost. Their fair values disclosed below have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March 2025, using the following methods and assumptions:

- Public Works Loan Board (PWLB) loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument using the "New Loan" interest rate at 31 March 2025 for respective loan period to determine the fair value.
- Discount rates for "Lender's Option Borrower's Option" (LOBO) loans have been reduced to reflect the value of the embedded options. The size of the reduction has been calculated using proprietary software.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31st March.
- The fair values of finance lease assets and liabilities and of PFI scheme liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at the appropriate AA-rated corporate bond yield rate.
- No early repayment or impairment is recognised for any financial instrument.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g., bond prices.



- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g., interest rates or yields for similar instruments.
- Level 3 – fair value is determined using unobservable inputs, e.g., non-market data such as cash flow forecasts or estimated creditworthiness.

Fair value of financial liabilities:

Balance Sheet	Fair Value	FINANCIAL LIABILITIES	Fair Value Level	Balance Sheet	Fair Value
31/03/2024	31/03/2024			31/03/2025	31/03/2025
£m	£m			£m	£m
Financial Liabilities held at amortised cost:					
597.2	527.8	Loans from the PWLB	2	681.3	575.4
60.1	72.0	LOBO loans	2	60.4	67.3
95.1	60.6	Other loans	2	95.3	56.4
71.8	71.9	Loans from Local Authorities	2	71.2	71.1
0.0	0.0	Cash and Cash Equivalents	2	0.6	0.6
32.5	27.3	Lease payables and PFI liabilities	2	83.5	83.5
125.7	125.7	Trade Payables*	N/A	112.3	112.3
982.4	885.3	Total liabilities defined as financial instruments		1,104.6	966.6

* Total trade payables equate to £139.8m. An Adjusted amount is shown here as £27.5m is split between short-term PFI and lease payables.

The fair value of financial liabilities is lower than the carrying amount because the Authority's portfolio of loans includes a number of loans where the interest rate payable is lower than the rates available for similar loans at the Balance Sheet date. The fair value for total borrowings reflects the volatility in PWLB rates as a result of the volatile movements in UK Gilt rates during 2024/25.



Fair Value of Financial Assets:

Balance Sheet	Fair Value	FINANCIAL ASSETS	Fair Value Level	Balance Sheet	Fair Value
31/03/2024	31/03/2024			31/03/2025	31/03/2025
£m	£m			£m	£m
Financial Assets held at Fair Value through profit or loss					
90.7	90.7	Money Market Funds	1	47.3	47.3
0.0	0.0	Long-term Investment- Equity	3	54.3	54.3
90.7	90.7	Total Financial Assets held at Fair Value through profit or loss		101.6	101.6
Financial Assets held at amortised cost:					
103.8	37.0	Long-term investments	2	62.6	44.2
186.0	70.5	Long-term debtors	2	197.8	153.7
5.0	5.0	Short-term deposits with Local Authorities	2	0.0	0.0
115.7	115.7	Short-term debtors	3	77.5	77.5
16.8	16.8	Cash and cash equivalents	2	28.7	28.7
518.0	335.7	Total assets defined as financial instruments		468.2	405.7

The fair value of short-term financial assets held at amortised cost, including trade receivables, is assumed to approximate to the carrying amount.

Transfers between Levels of the Fair Value Hierarchy - There were no transfers between input levels 1 and 2 during the year.

Changes in the Fair Valuation Technique - There was no change in the valuation technique used during the year for financial instruments except for the equity investment held in I4B Holdings Limited, a wholly owned Council subsidiary. In prior years, the



equity holding has been held at amortised cost and was not compliant with the IFRS 9 accounting standard. The equity investment of £36.4m (£36.4m in 2023/24) has been changed in 2024/25 from held at amortised cost to held at Fair Value Through Profit & Loss in line with current accounting policy and has been valued using the subsidiary's balance sheet net worth.

Collateral: During the reporting period the Council held no collateral as security.

Offsetting Financial Assets and Liabilities

Financial assets and liabilities are set off against each other where the Council has a legally enforceable right to sell off and it intends to either settle on a net basis or to realise the asset and settle the liability simultaneously. At 31 March 2025, the Council had no other financial assets or liabilities subject to an enforceable master netting arrangement or similar agreement.

Financial Instruments Gains and Losses

The gains and losses recognised in the surplus or deficit on the provision of services in relation to financial instruments is shown in the table below.

Interest payable and similar charges and broadly remained the same when compared to the previous financial year as the Council continued to borrow short-term and long-term debt to support cashflow activities including financing maturing debt and funding capital programme activities.

Dividend income decreased by 64% year on year as Council held fewer surplus cash balances throughout the year compared to previous financial years. The reduction in dividend income from money market funds also reflects the reduction in Bank of England Bank Rate throughout the financial year.

Interest generated on cash investments that are classified as held at Amortised Cost (Bank Call Accounts; DMADF; Local Authority deposits; service loans) reduced by 118% year on year following the one off derecognition of prior year soft loan interest recognition following an in-year review of soft loan accounting. The Council had previously incorrectly recognised £4.4m of soft loan interest.



2023/24 Financial Liabilities: Amortised Cost	2023/24 Financial Assets: Amortised Cost	2023/24 Financial Assets: FVTP&L	2023/24 Total		2024/25 Financial Liabilities: Amortised Cost	2024/25 Financial Assets: Amortised Cost	2024/25 Financial Assets: FVTP&L	2024/25 Total
£m	£m	£m	£m		£m	£m	£m	£m
34.0	0.0	0.0	34.0	Interest Expense	37.3	0.0	0.0	37.3
34.0	0.0	0.0	34.0	Interest payable and similar charges	37.3	0.0	0.0	37.3
0.0	(11.5)	0.0	(11.5)	Interest income	0.0	(5.3)	0.0	(5.3)
0.0	0.0	(5.0)	(5.0)	Dividend income	0.0	0.0	(3.1)	(3.1)
				Gains from Change in Fair Value of Investment	0.0	0.0	(17.9)	(17.9)
0.0	(11.5)	(5.0)	(16.5)	Interest & Investment Income	0.0	(5.3)	(21.0)	(26.3)
34.0	(11.5)	(5.0)	18.0	Net Impact on surplus/deficit on provision on services	37.3	(5.3)	(21.0)	11.0
34.0	(11.5)	(5.0)	17.5	Net (Gain)/loss for the year	37.3	(5.3)	(21.0)	11.0



Nature and Extent of Risks arising from Financial Instruments

The Council complies with CIPFA's Code of Practice on Treasury Management and the Prudential Code for Capital Finance in Local Authorities, both revised in December 2021. In line with the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The 2024/25 Treasury Management Strategy was approved at the Council's meeting on the 29 February 2024. The Strategy sets out the parameters for the management of risks associated with financial instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Investment Strategy in compliance with the Ministry for Housing, Communities and Local Government Guidance on Local Government Investments. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Management Strategy and its Treasury Management Practices seek to achieve a suitable balance between risk and return or cost.

The main risks covered are:

- Credit Risk: The possibility that the counterparty to a financial asset will fail to meet its contractual obligations, causing a loss to the Council.
- Liquidity Risk: The possibility that the Council might not have the cash available to make contracted payments on time.
- Market Risk: The possibility that an unplanned financial loss will materialise because of changes in market variables such as interest rates or equity prices.

Credit Risk: Loans to Subsidiary Companies

In furtherance of the Council's service objectives, the Council has lent money to subsidiary companies at sub-market rates of interest. The Council manages the credit risk inherent in its loan commitments by:

- Wholly owning the companies
- Putting in place a loan agreement to manage the relationship
- Ensuring the council has first right of call on assets in the event of default.
- Obtaining assurance that there is sound governance and controls in place within the companies referred to above

For I4B and FWH expected credit losses have been estimated and been found to be immaterial.

Credit Risk: Treasury Investments

The Council manages credit risk by ensuring that treasury investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK Government, other local authorities, housing associations and

organisations without credit ratings upon which the Council has received independent investment advice. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap and equity prices when selecting commercial entities for investment.

- Up to £20m can be invested with a single pre-selected UK banking group (or individually rated banks within that group).
- Up to £20m can be invested with pre-selected overseas banks.
- Up to £20m can be invested with money market funds with a minimum long-term credit rating of A-.
- Up to £20m can be invested with other individual local authorities, housing associations or UK Government bodies.
- The Council's maximum exposure to credit risk in relation to its investments in banks and building societies cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of non-recoverability applies to all of the Council's deposits, but there was no evidence at the 31 March 2025 that this was likely to crystallise. The Council's direct exposure to banks and building societies on 31 March 2025 was limited to a marginal net amount with the National Westminster (NatWest) Bank.

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the Approved List for Investments, which governs lending to banks and financial institutions, including building societies, Government authorities and supranational institutions. The Council combines long-term, short-term, and individual ratings to reduce the risk of default. To further reduce risk, the Council only makes new investments with financial institutions through marketable instruments which could be sold at short notice to minimise prospective losses.

Loss allowance on treasury investments has been calculated by reference to historic default data published by credit ratings. Investments are determined to have suffered a significant increase in credit risk where they have been downgraded by [three] or more credit rating notches or equivalent since initial recognition unless they retain an investment grade credit rating. They are determined to be credit-impaired when awarded a "D" credit rating or equivalent. The Council does not expect any losses from non-performance by other counterparties.

The table below summarises the credit risk exposures of the Council's cash balances held in money market funds and short-term deposits.

31/03/2024	Credit Rating	31/03/2025	Change
£m		£m	£m



0.0	AAA	0.0	0.0
5.0	AA-	0.0	(5.0)
90.6	A+	47.3	(43.3)
0.1	A	0.0	0.0
0.0	Unrated Local Authorities	0.0	0.0
95.7	Total Investments	47.3	48.3

As at 31 March 2025, the cash investment portfolio comprised of money market funds which are categorised under Cash and Cash Equivalents on the Balance Sheet. The Council had short-term cash investments of £47.3m including accrued interest. In the prior year, £90.6m of the balance was classified under Cash & Cash Equivalents and £5.0m as a short-term cash investment. Whilst money market funds remain a AAA rated investment product the credit assessment has been evaluated on the underlying credit rating of each fund.

Cash balances held in Money Market Funds and other short-term investments as illustrated in the above table decreased during the financial year by 50.6% (£48.4m) to finance the Council's daily cashflow requirement including the repayment of maturing debt and the financing of the capital programme. Cash held in such instruments is easily accessible and is available upon demand if required.

Credit Risk: Trade Receivables

Trade receivables are general debtors to the Council, and includes Government departments, other local authorities, or housing rents. The Council does not generally allow credit for its trade debtors. During the reporting period the Council held no collateral as security.

The following analysis summarises the Council's potential maximum exposure to credit risk. Potential Maximum Exposure to Credit Risk for trade receivables:

Amount at 31 March 2024	Impairment for Doubtful Debts	Estimated loss through non-recovery	Type	Amount at 31 March 2025	Impairment for Doubtful Debts	Estimated loss through non-recovery
£m	%	£m		£m	%	£m
115.7	16.9%	19.6	Trade receivables	77.5	16.9%	13.1
115.7	16.9%	19.6	Total	77.5	16.9%	13.1



The Council's credit risk on lease receivables is mitigated by its legal ownership of the assets leased, which can be repossessed if the debtor defaults on the lease contract. The impairment for doubtful debts has been calculated based on historical collection rates, whilst also factoring in debts which are secured or highly likely to be collectible, to estimate the non-collection of our outstanding debt. Debts are deemed to be overdue when they are outstanding passed our payment terms.

Liquidity Risk

The Council has ready access to borrowing at favourable rates from the Public Works Loan Board and other local authorities and private investors, and at higher rates from banks and building societies. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. It is however exposed to the risk that it will need to refinance a significant proportion of its borrowing at a time of unfavourably high interest rates. This risk is managed by maintaining a spread of fixed rate loans and ensuring loans mature at different times.

The Council holds £47.3m of liquid financial assets (cash held in money market funds) that can be withdrawn or sold at short notice if required to meet cash outflows on financial liabilities. The maturity analysis of financial liabilities is as follows shown as discounted (principal plus accrued interest to date) and as held on the balance sheet.

Liquidity Risk Disclosure at 31 March 2025 (Discounted)	<1 Year	1-2 Years	3-5 Years	5-10 Years	10-20 Years	20-40 Years	>40 Years	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Borrowing	138.5	62.0	61.0	97.3	133.7	310.6	105.0	908.1
Trade Payables*	109.7	0	0	0	0	0	0	109.7
PFI Payables	15.0	39.9	0.0	0.0	0.0	0.0	0.0	54.9
Lease Payables	12.4	13.3	0	0	0	0	0	25.7
Loan Commitments	2.5	0	0	0	0	0	0	2.5
Total Financial Liabilities	278.1	115.2	61.0	97.3	133.7	310.6	105.0	1,100.9
Liquid Financial Assets	47.3	0.0	0.0	0.0	0.0	0.0	0.0	47.3
Net Liquidity Risk	230.8	115.2	61.0	97.3	133.7	310.6	105.0	1,053.6

*Total trade payables differ from the amounts shown in Note 7 for two reasons:

- £30m is disclosed separately in this table and split between PFI payables, lease payables and loan commitments; and
- the trade payables balance shown in note 7 includes non-financial liabilities such as deferred income, which does not warrant separate disclosure because it is immaterial. Non-financial liabilities are not included in this analysis of liquidity risk.



Liquidity Risk Disclosure at 31 March 2024 (Discounted)	<1 Year	1-2 Years	3-5 Years	5-10 Years	10-20 Years	20-40 Years	>40 Years	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Borrowing	94.2	48.7	47.0	73.4	144.3	311.6	105.0	824.3
Trade Payables	125.8	0	0	0	0	0	0	125.8
PFI Payables	4.0	3.8	4.3	8.4	4.2	0.0	0.0	24.7
Lease Payables	7.7	0	0	0	0	0	0	7.7
Loan Commitments	20.3	0	0	0	0	0	0	20.3
Total Financial Liabilities	251.9	52.5	51.3	81.8	148.5	311.6	105.0	1,002.7
Liquid Financial Assets	95.7	0.0	0.0	0.0	0.0	0.0	0.0	95.7
Net Liquidity Risk	156.3	52.5	51.3	81.8	148.5	311.6	105.0	907.0

As at 31 March 2025 the Council had £59.5m (2023/24: £59.5m) of “Lender’s option, borrower’s option” (LOBO) loans where the lender has the option on set dates to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty. The lender therefore has the effective right to demand repayment and so these loans are shown in the tables above as maturing on the next option date. In 2025/26 £35.0m of LOBO loans will undergo an interest rate review and potentially the Lender could demand the repayment of the loans if the Council does not accept the new interest rate. The Council has therefore reclassified such LOBO loans to fall due in 1 years’ time on the presumption that the loans will be repaid.

Refinancing and Maturity Risk

The Authority maintains a significant debt portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the Authority relates to managing the exposure to replacing financial instruments as they mature. The risk relates to the maturing of long- term financial liabilities.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council approved treasury and investment strategies address the main risks, and the central treasury team address the operational risks within the approved parameters. This includes:

- Monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and



- Monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Authority's day to day cash flow needs.
- Treating the maturity date of LOBO loans in accordance with the next Call option review date.

The Maturity Analysis of debt held by the Council at 31 March 2025 is as follows:

2023/24			Maturity Analysis of Debt	2024/25		
Principal	Interest	Portion		Principal	Interest	Portion
£m	£m	%		£m	£m	%
Short-term						
83.7	32.4	4.6%	<1 Year	130.5	36.0	5.2%
10.0	0.0		Accrued Interest	8.1		
93.7	32.4	4.6%	Total Short-term	138.5	36.0	5.2%
Long-term						
49.2	27.9	4.0%	1-2 Years	62.0	30.2	4.4%
47.0	51.3	7.3%	3-5 years	61.0	53.5	7.8%
73.4	117.4	16.7%	5-10 Years	97.3	118.0	17.2%
75.8	104.3	14.9%	10-15 Years	71.7	101.9	14.8%
68.5	95.4	13.6%	15-20 Years	62.0	93.9	13.6%
92.9	89.3	12.7%	20-25 Years	91.9	86.0	12.5%
29.4	74.1	10.6%	25-30 Years	41.6	72.8	10.6%
183.2	53.0	7.6%	30-35 Years	171.0	43.4	6.3%
6.1	19.5	2.8%	35-40 Years	6.1	19.3	2.8%
0.0	19.1	2.7%	40-45 Years	5.0	19.0	2.8%
105.0	17.6	2.5%	45+ Years	100.0	13.9	2.0%
730.5	668.7	95.4%	Total Long-term	769.5	651.9	94.8%
824.3	701.2	100%	Grand Total	908.0	687.9	100%

The total interest commitment on all outstanding borrowing as at 31 March 2025 (as shown in the table above) if all borrowing is held to maturity is £687.8m

During 2024/25 the Council serviced its debts in a timely manner and there was no breach of any loan covenants or default on loan repayments. The Council repaid back £84.2xm of loan capital held with the PWLB (£14.2m); and local authorities (£70.0m). The PWLB loans consisted of Equal Instalment Principal (EIP) loans whilst the local authority loans were temporary loans held for cashflow purposes.

The Council raised new loans of £170.0m (£73.0m long-term PWLB EIP loans; £27.0m of PWLB Maturity loans and £70.0m short term local authority loans).

Market Risks



Market risk can be further split into price risk, foreign exchange risk and interest rate risk.

Price Risk: Price risk is the risk that the Council will suffer loss as a result of adverse movements in the price of financial instruments. The Council does not hold any financial instruments that are exposed to volatile market prices. The Council does hold several money market funds where the underlying unit prices of instruments held within the fund are exposed to low volatility price movements but trade close to £1 per unit. Such price movements do not impact on the Council's cash balances. Money market funds are further discussed in the Equity Instruments section.

Foreign Exchange Risk: The Council has no financial asset or liabilities denominated in a foreign currency. It therefore has no exposure to loss arising as a result of adverse movements in exchange rates.

Interest Rate Risk: The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Authority. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense will rise.
- borrowings at fixed rates – the fair value of the liabilities will fall.
- investments at variable rates – the interest income will rise.
- investments at fixed rates – the fair value of the assets will fall.

100% of the Council's long-term borrowing is at fixed rates so the risk would arise when the need to refinance arises or on occasions when short term borrowing is required, which are small in relation to the Council's scale of operation. A rise in interest rates would lead to a fall in the fair value of borrowings but this would have no impact on the Income and Expenditure Account.

Investments measured at amortised cost and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services.

The Treasury Management Strategy aims to mitigate these risks by setting an upper limit of £5m on the 12-month revenue impact of a 1% fall and rise in interest rates. If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be as follows.



Impact of Interest Rates being 1% Higher (£m)	31 Mar 2024	31 Mar 2025
Share of overall impact debited to the HRA	(0.2)	(0.3)
Impact of 1% rise in interest rate of fair value of fixed rate investment assets	(0.1)	0.0
Impact on Comprehensive Income and Expenditure	(0.1)	(0.3)
Decrease in fair value of fixed rate borrowings / liabilities*	89.3	135.1

*No impact on Comprehensive Income and Expenditure.

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed. The Council has £59.5m (2023/24: £59.5m) of “Lender’s option, borrower’s option” (LOBO) loans with maturity dates between 2048 and 2077 where the lender has the option to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty. In the current interest rate environment, the likelihood of the lender increasing the rate is high.

Equity Instruments

As at 31st March 2025, the Council held cash balances across seven Sterling money market investment funds with a nominal balance of £47.1m and accrued interest of £0.2m. There was a 45% reduction in fund balances over the course of the financial year from £90.3m to £47.1m as cash was used to support the Council's cashflow activity including the repayment of grants, debt and financing the capital programme in the absence raising new debt.

The funds have been valued at “Fair Value through Profit & Loss” (FVP&L) in accordance with the IFRS 9 (Financial Instruments) standard. The investment funds do not provide contractual cash flows to the Authority that are solely payments principal and interest on the outstanding investment balance in a manner that are consistent with basic lending arrangements. There is no possibility of default on contractual payment and consequently there is no impairment loss allowance set aside.

The investment funds are held for treasury management purposes and support the Council’s daily liquidity requirements. Money market funds are a useful investment instruments that are low risk and simultaneously enhance returns. All money market funds that the Council subscribes to are AAA rated by the main credit rating agencies and domiciled in the UK or Europe, but the underlying credit rating may vary depending on instruments held within the fund. Therefore, from a risk perspective, the fund balances have been shown per underlying credit rating exposure. The funds are



categorised as Low Volatility Net Asset Valuation Funds (LVNAV) and therefore the fair value of the LVNAV money market fund is equivalent to the carrying amount.

31-Mar-24		Money Market Funds held at Fair Value through Profit & Loss- Credit Rating	31-Mar-25	
Carrying Value	Fair Value		Carrying Value	Fair Value
£m	£m		£m	£m
90.6	90.6	A+	47.3	47.3
0.1	0.1	A	0.0	0.0
90.7	90.7	Total	47.3	47.3

5.0	5.0	Dividends distributed by Money Market Funds	3.1	3.1
7		Total number of funds in operation	7	

The Council received monthly dividends equating to £3.1m during 2024/25 (2023/24: £5.0m) on balances held in the money market funds, which has been charged to the Comprehensive Income and Expenditure account under Financing Investment Income and Expenditure. The dividends relate to interest accrued daily on balances held in the funds that the Council subscribed to during the financial year. The significant change in the value of dividends received during the year of 63.5% (from £5.0m to £3.1m) reflects the change in fund interest rates driven by the reduction in Bank of England Bank Rate throughout 2024/25. Cash balances held in Money Market Funds decreased during the financial year by 91.2% to finance the Council's daily cashflow requirement.

At 31 March 2025, the Council had an equity investment of £36.6m (2023/24 £36.6m) in I4B Holdings Limited, a wholly owned Council subsidiary. In prior years, the equity holding has been held at amortised cost and was not compliant with the IFRS 9 accounting standard and therefore has been changed in 2024/25 to be held at Fair Value Through Profit & Loss. The original equity investment was made in 2019/20 financial year and gradually increasing to the current balance. To date the Council has not received any dividend income from I4B Holdings Limited. The equity investment was valued at £54.3m (a gain of £17.9m in 2024/25 using I4B's balance sheet net worth).



Note 27 – IFRS 16 Leases

Authority as Lessee

The following table shows the change in value of right-of-use assets held under leases by the authority following adoption of IFRS 16.

	Council Dwellings £m	Land & Buildings HRA £m	Land & Buildings GF £m	Vehicles, Plant & Equipment £m	Community Assets £m	Total PPE £m	Investment Property £m
Balance at 1 April 2024	0	0.0	0.0	0.0	0.0	0.0	0.0
Additions	0.4		21.4	0.9		22.7	
Revaluations							
Depreciation & Amortisation	(0.1)		(2.7)	(0.1)		(2.9)	
Balance at 31 March 2025	0.3	0.0	18.7	0.8	0.0	19.8	0.0

Maturity Analysis of lease creditors

The council incurred the following expenses and cash flows in relation to leases:

The lease creditors are due to be settled over the time bands shown in the following table

(measured at the undiscounted amounts of expected cash payments):



Maturity Analysis of lease creditors	31-Mar-25 £m
Less than one year	12.8
One to five years	12.6
More than five years	6.1
Total undiscounted liabilities	31.5

In the prior year, Brent recognised £7.7m of non-current lease creditors related to an incentive payment that Brent received for the Alperton Bus Garage lease that Brent will enter into in 2025/26. This £7.7m has been included in the table above as part of the £12.8m of lease creditors maturing within one year.

The Council incurred interest expenses on lessees of £1.1m in 2024/25 (£0m in 2023/24).

Authority as Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal and replaced by a long-term debtor in the Balance Sheet valued on the future income due under the finance lease. This value then reduces over time as principal repayments are made.

Brent Council leases Northwick Park Golf course to a commercial operator on a finance lease with a remaining term of 83 years.



In addition, there are five residential properties leases with an average minimum contractual duration of 999 years, and one retail unit in Brent Civic Centre with a 150-year lease.

The Council has two significant land lease agreements for the South Kilburn Regeneration Programme with a developer: for phase 4 of the Peel development, and the NWCC (Neville, Winterley, Carlton Hall, Carlton House) site. In 2024/25, the Council received the land receipt for Peel Phase 2, reducing the lease debtor balance by £11.5m.

31-Mar-24 £m	Finance Lease Debtor Detail	31-Mar-25 £m
24.6	Current	0.7
2.1	Non-Current	27.1
26.7	Discounted lease debtor	27.7

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is recognised in the Comprehensive Income and Expenditure Statement on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease).



	31-Mar-25	31-Mar-24
CIES Lessor income	£m	£m
Profit or (loss) on disposal	2.2	-
Finance income on net investment in the lease	0.6	0.8
Total lease income	2.8	0.8

Maturity Analysis of lease debtors

The lease receivables are due to be collected over the following time bands (measured at the undiscounted amounts of expected cash receipts).

	Finance leases		Operating leases	
Maturity Analysis of lease debtors	31-Mar-25 £m	31-Mar-24 £m	31-Mar-25 £m	31-Mar-24 £m
Less than one year	1.2	11.7	0.4	1.1
One to five years	5.3	12.7	0.4	2.2
More than five years	96.8	54.1	7.3	53.1
Total undiscounted lease debtors	103.3	78.5	8.2	56.4



Note 28 – Private Finance Initiative (PFI) and Service Concessions

The Council has entered two PFI projects which have generated assets to be used by the Council, these are:

- In 2006/07 a 25-year project to provide, operate and maintain a new sports centre and related facilities in Willesden; legal title to this sports centre transfers to Brent at the end of the contract.
- In 2008/09 the Council entered phase 1 of a 20-year project to provide and maintain social housing, and replacement residential facilities for people with learning disabilities. Phase 2 of this contract was signed in 2010-11. Legal title to the residential facilities for people with learning disabilities transfers to Brent. Brent controls the residual value of at least 158 units of the housing stock at the end of the contract by a combination of restrictions on the sale and use of the social housing built and guaranteed nomination rights to 158 of the properties built. The complexities of this contract are further detailed below. Important to note the make-up of those 158 units is still to be determined during the expiry process.

The Council has reviewed its contracts and identified the following agreements that meet the definition of a Service Concession:

- In 2005/06 a 32-year agreement was made to provide and maintain social housing within Stonebridge. Whether or not a block of flats or house paid for by this contract appears on Brent's balance sheet was determined by a tenant's vote at the start of the contract. The PFI operator manages and maintains these properties on behalf of Brent.
- The assets that have been recognised on the balance sheet funded by PFIs and service concessions are shown in Note 1 on Plant, Property, and Equipment.
- These assets are funded by the following liabilities which are repaid over the course of the contract to recompense the PFI operator for the capital expenditure they have incurred.

The value and movement of outstanding liabilities resulting from PFI, finance leases and similar contracts at each Balance Sheet date:



2024/25 Accounts		
	2023/24	2024/25
	£m	£m
Opening Balance as at 1st April 2024	20.5	18.8
Liability in year	0.0	0.0
Payments in year	(1.7)	(39.2)
	18.8	(20.4)

Details of payments due to be made under PFI, finance leases and similar contracts:

2024/25 Accounts - Housing PFI				
	Liability	Interest	Service Charges	Total
	£m	£m	£m	£m
Payable within 1 year	1.3	(0.2)	1.5	2.6
Payable within 1 to 2 years	1.4	(0.3)	2.6	3.7
Payable within 2 to 5 years	2.1	(0.1)	2.2	4.2
Payable within 6 to 10 years	0.0	0.0	0.0	0.0
Payable within 11 to 15 years	0.0	0.0	0.0	0.0
	4.8	(0.6)	6.3	10.5



2024/25 Accounts - Stonebridge PPP				
	Liability	Interest	Service Charges	Total
	£m	£m	£m	£m
Payable within 1 year	0.9	(0.4)	1.5	2.1
Payable within 1 to 2 years	1.8	(0.6)	3.1	4.2
Payable within 2 to 5 years	2.7	(0.7)	4.6	6.6
Payable within 6 to 10 years	4.5	(0.6)	7.7	11.6
Payable within 11 to 15 years	0.9	0.1	1.5	2.6
	10.8	(2.2)	18.4	27.1



2024/25 Accounts - Willesden Leisure Centre PFI				
	Liability	Interest	Service Charges	Total
	£m	£m	£m	£m
Payable within 1 year	1.2	(0.0)	1.8	3.0
Payable within 1 to 2 years	2.4	0.2	3.5	6.1
Payable within 2 to 5 years	3.6	0.7	5.3	9.6
Payable within 6 to 10 years	0.8	2.1	1.2	4.1
Payable within 11 to 15 years	0.0	2.7	0.0	2.7
	8.0	5.7	11.8	25.5



Employee Benefits

Note 29 – Senior Employees' Remuneration

Senior employees are Brent's Chief Executive, direct reports (other than administration staff), statutory chief officers and employees whose salary is £150k or more. No bonuses were paid during 2024/25

Employee	Salary (including fees and allowances)	Employers pension contributions	Compensation for Loss of Office	Total remuneration including pension contributions
	£	£	£	£
Chief Executive - Kim Wright	231,626	75,132	-	306,758
Interim Director Resident Services - Thomas Cattermole	145,407	46,500	-	191,906
Corporate Director Children Young People and Community Development - Nigel Chapman	182,590	58,433	-	241,023
Corporate Director Finance and Resources S151 - Minesh Patel	181,342	58,433	-	239,775
Corporate Director Partnerships Housing and Resident Services - Peter Gadsdon	185,312	59,300	-	244,612
Corporate Director Service Reform and Strategy - Rachel Crossley	185,312	59,300	-	244,612

Employee	Salary (including fees and allowances)	Employers pension contributions	Compensation for Loss of Office	Total remuneration including pension contributions
	£	£	£	£
Corporate Director Law and Governance - Debra Norman	163,165	51,339	-	214,504
Corporate Director Neighbourhoods and Regeneration - Alice Lester	152,299	48,864	-	201,163
Director Public Health Leisure and Parks - Melanie Smith	145,324	46,500	-	191,824



Salary and Pension Contributions for Senior Employees for 2023/24

Employee	Salary (including fees and allowances)	Employers pension contributions	Compensation for Loss of Office	Total remuneration including pension contributions
	£	£	£	£
Chief Executive - Carolyn Downs	30,327	-	-	30,327
Chief Executive - Kim Wright	209,973	70,341	-	280,313
Corporate Director Children and Young People - Nigel Chapman	171,808	57,560	-	229,367
Corporate Director Communities and Regeneration - Alice Lester	50,350	16,867	-	67,218
Corporate Director Communities and Regeneration - Zahur Khan	136,560	45,747	-	182,307



Employee	Salary (including fees and allowances)	Employers pension contributions	Compensation for Loss of Office	Total remuneration including pension contributions
	£	£	£	£
Corporate Director Community Health and Wellbeing - Philip Porter	44,549	14,924	-	59,473
Corporate Director Community Health and Wellbeing - Rachel Crossley	79,704	26,701	-	106,405
Corporate Director Finance and Resources (Section 151 officer) - Minesh Patel	170,560	57,560	-	228,119
Corporate Director Law and Governance - Debra Norman	152,755	51,173	-	203,928
Corporate Director Partnerships Housing and Resident Services - Peter Gadsdon	178,148	59,680	-	237,827
Director Public Health - Melanie Smith	178,330	56,227	-	234,557



Note 30 – Officers' Remuneration

The table below presents the number of employees whose remuneration in 2023/24 and 2024/25 was equal to £50,000 or more in bands of £5,000. The remuneration excludes the employer's pensions contributions, and the table excludes senior employees whose remunerations has been disclosed in note 29.

2023/24			Remuneration band	2024/25		
Schools staff	Officers	Total		Schools staff	Officers	Total
113	214	327	50,000 - 54,999	134	263	397
153	127	280	55,000 - 59,999	128	139	267
57	100	157	60,000 - 64,999	131	101	232
63	51	114	65,000 - 69,999	62	84	146
51	35	86	70,000 - 74,999	56	31	87
25	15	40	75,000 - 79,999	32	13	45
18	3	21	80,000 - 84,999	12	11	23
14	13	27	85,000 - 89,999	18	17	35
7	6	13	90,000 - 94,999	11	11	22
12	5	17	95,000 - 99,999	6	9	15
3	4	7	100,000 - 104,999	6	3	9
6	14	20	105,000 - 109,999	5	18	23
1	0	1	110,000 - 114,999	3	4	7
0	3	3	115,000 - 119,999	5	2	7
3	1	4	120,000 - 124,999	0	2	2
1	2	3	125,000 - 129,999	1	1	2
0	1	1	130,000 - 134,999	1	0	1

2023/24			Remuneration band	2024/25		
Schools staff	Officers	Total		Schools staff	Officers	Total
0	0	0	135,000 - 139,999	1	1	2
1	3	4	140,000 - 144,999	0	0	0
0	0	0	145,000 - 149,999	1	5	6
0	0	0	150,000 - 154,999	0	0	0
1	0	1	155,000 - 159,999	0	0	0
0	0	0	160,000 - 164,999	1	0	1
1	0	1	165,000 - 169,999	0	0	0
0	0	0	170,000 - 174,999	0	0	0
0	0	0	175,000 - 179,999	0	0	0
0	0	0	180,000 - 184,999	0	0	0
0	0	0	185,000 - 189,999	0	0	0
0	0	0	190,000 - 194,999	0	0	0
0	0	0	195,000 - 199,999	0	0	0
0	0	0	200,000 - 204,999	0	0	0
0	0	0	205,000 - 209,999	0	0	0
0	0	0	210,000 - 214,999	0	0	0
0	0	0	215,000 - 219,999	0	0	0
530	597	1127	Total	614	715	1329

This note reports the number of school staff and council officers paid over £50,000 in 2024/25.



During the year the number of school staff and Council officers paid over £50,000 in 2024/25 has increased by 202 compared to 2023/24. The main reason for the increase is the incremental shift combined with the implementation of the pay award.

Note 31 – Exit Packages

Exit Package cost band (including special payments)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages in each band £'000
	2024/25	2024/25	2024/25	2024/25
£0 - £20,000	8	23	31	643.3
£20,001 - £40,000	0	21	21	625.6
£40,001 - £60,000	1	7	8	380.1
£60,001 - £80,000	2	4	6	450.9
£80,001 - £100,000	0	4	4	272.3
£100,001 - £150,000	1	5	6	784.2
£150,001 - £200,000	1	5	6	1042.5



£200,001 - £250,000	0	1	1	231.7
£250,001 - £300,000	0	1	1	268.9
£300,001 - £350,000	0	1	1	302.4
Total cost included in bandings	13	72	85	£5,002
ADD: amounts provided for in CIES not included in bandings				£0
TOTAL cost included in CIES				£5,002
Average cost of exit packages				£59

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

The number of exit packages has increased from 37 in 2023/24 to 89 in 2024/25 with the total costs of exit packages increasing from £0.557m in FY 2023/24 to £5,002m in 2024/25.

The average cost of exit packages has increased from £15k in 2023/24 to £56k in 2024/25. The increase in the volume and average cost can be attributed to the voluntary scheme that took place in 2024, which resulted in the delivery of £3.3m in annual recurring savings as part of the budget strategy for 2025/26.



Exit packages comprise both payments made to employees and amounts paid to the Pension Fund. Most payments to the Pension Fund relate to capital costs of early retirements (pension strain). The table includes exit packages relating to school employees. The table includes redundancy payments, as well as other termination benefits such as settlement agreements and payments in lieu of notice. Exit packages relating to ill-health retirements are excluded from the table as they are post-employment benefits arising from membership of the scheme and not termination benefits.



Pension Notes

Note 32 - Pension Schemes Accounted for as Defined Contribution Schemes

In 2024/25, the Council paid £15.5m to Teachers' Pensions (£12.6m - 2023/24) in respect of teachers' retirement benefits, representing 28.68% in 2024/25 (23.68% - 2023/24) of pensionable pay. The Authority is responsible for the cost of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme.

Teachers employed by the Council are members of the Teachers' Pension Scheme administered by the Department for Education. The Scheme provides teachers with specified benefits upon their retirement and the Council contributes towards the cost by making contributions based on a percentage of scheme members' pensionable salaries. The Scheme itself is a defined benefit scheme but is unfunded. The Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid.

Note 33 – Defined Benefit Pension Schemes

Participation in Pension Schemes

The Council participates in the Local Government Pension Scheme, this is a funded defined benefit scheme. The Council and employees pay contributions into the fund, this is calculated at a level intended to balance the pensions liabilities with investment assets.

Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service, summarised in the following table:

	Service pre-1 April 2008	Service post 31 March 2008
Pension	Each year worked is worth $1/80 \times$ final pensionable pay	Each year worked is worth $1/60 \times$ final pensionable pay



Lump sum	Automatic lump sum of 3 x pension	No automatic lump sum
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Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

From 1 April 2014, the scheme became a career average revalued earnings (CARE) scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is updated annually in line with the Consumer Prices Index. There are a range of other benefits provided under the scheme including early retirement, disability pensions, and death benefits.

Brent Council Pension Fund provides an additional voluntary contributions (AVC) scheme for its members, the assets of which are invested separately from the pension fund. AVCs are paid to the AVC providers by employers and specifically for providing additional benefits for individual contributors. Each AVC contributor receives an annual statement showing the amount held in their account and the movements in the year.

Governance

The Council has delegated management of the fund to the Pension Fund Sub-Committee (the 'Committee') who decide on the investment policy most suitable to meet the liabilities of the Fund and have the ultimate responsibility for the investment policy.

The Committee reports to the Full Council and has full delegated authority to make investment decisions. The Committee considers views from Council Officers and obtains, as necessary, advice from the Fund's appointed investment advisors, fund managers and actuary.



In line with the provisions of the Public Service Pensions Act 2013 the Council has set up a local Pension Board to oversee the governance arrangements of the Pension Fund. The Board meets quarterly and has its own Terms of Reference. Board members are independent of the Pension Fund Sub-committee. The Section 151 Officer holds ultimate responsibility for the preparation of the Pension Fund Statement of Accounts.

Transactions Relating to Post-employment Benefits

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to fund the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The employees of the Council are members of two separate pension schemes:

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions Agency on behalf of the Department for Education.
- The Local Government Pension Scheme, administered by Brent Council and the Local Pensions Partnership Administration (LPPA).

All of the above schemes provide defined benefits to members e.g. retirement lump sums and pensions, earned as employees working for the Council, or for related parties.

Under IAS 19 and Code requirements, the Council recognises the cost of post-employment benefits in the reported cost of services when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the arrangements for the Teachers' Scheme mean that liabilities for these benefits cannot ordinarily be identified for the Council. These schemes are therefore accounted for as if they were defined contributions schemes and no liability for future payments of benefits is recognised in the Balance Sheet.



We recognise the cost of retirement benefits in the reported cost of services when they are earned by the employees, rather than when the benefits are paid in due course as pensions. Actuarial gains and losses on pension assets and liabilities are recorded as other comprehensive income and expenditure. The charge which Council is required to make against council tax is based on the cash payable in the year, therefore the real cost of post-employment/retirement benefits is reversed out of the general fund through the movement in the reserves statement.

Effect of the asset ceiling

In accordance with the requirements of IAS 19 and the associated interpretation IFRIC 14, an adjustment has been made to reflect the limit on the recognition of a defined benefit pension asset. IFRIC 14 outlines that a surplus may only be recognised on the employer's balance sheet to the extent that the entity has an unconditional right to realise the surplus, either through a refund or a reduction in future contributions.

Following a review by the Scheme actuary, a prior-year adjustment of £75.4m was required for the 23/24 accounts, resulting in an opening liability of £242.8m in 24/25. A further in-year adjustment of £254.8m has been recognised, resulting in an overall adjustment of £175.7m in accordance with IFRIC 14. The overall net pension liability is £216m as at 31 March 2025.

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

31 March		31 March	
2024	Comprehensive Income and Expenditure Statement	2025	
£m		£m	
	Cost of Services:		
29.7	Current service cost	29.1	
1.4	Past service costs (including curtailments)	1.1	



0	Effects of business combinations and disposals	(0.7)
	Financing and investment Income and Expenditure:	
58.6	Interest cost	60.1
0	Interest effect of asset ceiling	3.6
(46.6)	Expected return on scheme assets	(52.6)
43.1	Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	40.6
	Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	
(7.4)	Changes in demographic assumptions	(2.2)
(56.2)	Changes in financial assumptions	(193.2)
41.6	Other experience	(14.7)
(67.0)	Return on assets excluding amounts in net interest	17.9
75.4	Change in effect of the asset ceiling	175.7
29.5	Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	24.1

31 March

2024 Movement in Reserves Statement

£m

44.8	Employers' contributions payable to the scheme	46.0
4.0	Contributions in respect of unfunded benefits	4.0
48.8	<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>	50.0
(43.1)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	(40.6)

31 March

2025

£m



5.7

9.4

Statements Pensions Assets and Liabilities Recognized in the Balance Sheet

The amount included in the Balance Sheet arising from the authority's obligation in respect of its defined benefit plans is as follows:

31 March 2024		31 March 2025
£m		£m
(1,262)	Present value of the defined benefit obligation	(1,097)
1,095	Fair value of plan assets	1,135
(75)	Change in the effect of the asset ceiling	(255)
(242)	Net liability arising from defined benefit obligation	(217)

Note 34 – Reconciliation of Assets and Liabilities in Relation to Post-Employment Benefits

2023/24

2024/25

Scheme Pensions Assets	Pensions Obligations	Net Pensions Liability		Scheme Pensions Assets	Pensions Obligations	Net Pensions Liability
£m	£m	£m		£m	£m	£m
981.1	1,243.2	(262.1)	Opening Balance at 1 April	1,094.7	1,262.1	(242.8)
			Service Costs			
0	29.7	(29.7)	Current Service Cost	0	29.1	(29.1)
0	1.4	(1.4)	Past Service cost and gains/losses on curtailments	0	1.1	(1.1)
			Effect of settlements	(1.4)	(2.1)	0.7



46.6	58.6	(12.0)	Interest Income and Expense	52.6	60.2	(11.2)
			Re-measurements			
67.0	0	67.0	Return on Plan Assets	(17.9)	0	(17.9)
	(7.4)	7.4	Actuarial Gains and Losses arising from changes in demographic assumptions		(2.2)	2.2
0				0		
	(56.2)	56.2	Actuarial Gains and Losses from changes in Financial Assumptions		(193.2)	193.2
0				0		
		(75.4)	Changes in the effect of the Asset Ceiling			(175.7)
	41.6	(41.6)	Other Experience		(14.8)	14.8
			Contributions			
48.8		48.8	The Council	50.0		50.0
8.8	8.8	0	Employees	9.6	9.6	0
			Payments			
(57.6)	(57.6)	0	Retirement Grants and Pensions	(52.9)	(52.9)	0
		0	Effects of business combinations and disposals			0
0				0		
1,094.7	1,262.1	(242.8)	Closing Balance at 31 March	1,134.7	1,096.9	(216.9)

Note 35 – Sensitivity Analysis



Change in assumptions at 31 March 2025	Approximate increase in Defined Benefit obligation	Approximate monetary amount
	%	£m
0.1% decrease in Real Discount Rate	2%	17.9
1 year increase in member life expectancy	4%	43.9
0.1% increase in the Salary Increase Rate	0%	0.5
0.1% increase in the Pension Increase Rate (CPI)	2%	17.9

Note 36 – Explanation of Change in Net Pension Liability

The Net Pension Liability has decreased by £25.9m (decreased by £94.7m in 2023/24).

The discount rate has increased from 4.80% to 5.80% leading to an increase in the net interest on the net defined benefit pension liability. There are also risks attached to the maturity of the members, as it can be seen that 44.2% of the liability related to pensioners.

Following the 2022 Triennial valuation, Employer's contributions for the period to 31 March 2026 are estimated to be approximately £43.1m. The deficit recovery period is 20 years. Contributions will decrease by 1.5% to 30.5% of pensionable pay for the majority of employers in 2025/26.

	Liability split (£'000s) as at 31 March 2024	Liability split (%) as at 31 March 2024
Active Members	318,998	29.9%
Deferred Members	276,273	25.9%



Pensioner Members	471,586	44.2%
Total Members	1,066,857	100.0%

Note 37 – Basis for Estimating Assets and Liabilities

The latest full actuarial valuation of the London Borough of Brent's liabilities took place as at 31 March 2022. The principal assumptions used by the independent qualified actuaries in updating the latest valuation of the Fund and assessing discretionary benefit liabilities are set out below:

2023-24		2024-25
	Actuarial Assumptions	
	Longevity at 65 for current pensioners	
21.9	Men	21.8
24.5	Women	24.5
	Longevity at 65 for future pensioners	
22.9	Men	22.8
25.8	Women	25.8
3.10%	Rate of increase in salaries	3.10%
2.80%	Rate of increase in pensions	2.80%
4.80%	Rate for discounting scheme liabilities	5.80%
50.0%	Take-up of option to convert annual pension into retirement lump sum (pre-April 2008 service)	50.0%
50.0%	Take-up of option to convert annual pension into retirement lump sum (post-April 2008 service)	50.0%

Derivation of financial assumptions

Discount rate



The Accounting Standards state that the discount rate used to place a value on the obligations should be determined by reference to market yields on high quality corporate bonds at the reporting date. The currency and term of the high-quality corporate bonds used to set the discount rate should be consistent with the currency and term of the obligations.

Corporate bond yield curve

Updated Government bond yield curves are available on a daily basis from the Bank of England so we can easily identify a spot yield on Government bonds at any duration and at any date. However, a similarly accessible yield curve for corporate bonds is not so readily available. To set the discount rate, we construct a “Hymans Robertson” corporate bond yield curve based on the constituents of the iBoxx AA corporate bond index.

Weighted average duration

The discount rate should reflect the ‘term’ of the benefit obligation. We interpret ‘term’ to be the weighted average duration of the benefit obligation. We calculate the weighted average duration for each employer and categorise each employer’s duration. We set assumptions based on duration category as below:

Weighted average duration at most recent actuarial valuation	Duration category
Less than 17 years	Short
Between 17 and 23 years	Medium
More than 23 years	Long

Retail Price Inflation (RPI)

We use a market implied inflation curve over a range of maturities, derived from yields available on fixed interest and index linked government bonds to be consistent with the derivation of the discount rate. For each duration category we derive a



cashflow weighted single RPI rate from this market implied inflation curve. Our RPI assumption allows for an Inflation Risk Premium (IRP) of 0bps pre-2030 and a post-2030 IRP of 30bps, giving an average IRP of 20bps over short durations; and 25bps over medium and long durations.

Consumer Price Inflation (CPI) – Pension Increases

We set the pension increases assumption in line with our default Consumer Prices Index (CPI) assumption. As a market in CPI linked bonds does not exist, we need to estimate the long-term wedge between RPI and CPI to derive a CPI assumption for accounting purposes. Our estimate is based on analysis of past and emerging future trends in the gap between these indices. Our CPI assumption allows for a wedge of 100bps pre-2030 and a wedge of 10bps post-2030 relative to RPI.

The former reflects differences between RPI and CPI and the latter reflects differences between CPI and CPIH. The resulting average RPI/CPI gap is 0.35% over short durations, 0.30% over medium durations and 0.25% over long durations.

The above gives a CPI assumption of 2.80% p.a. over short durations, 2.75% over medium durations and 2.70% over long durations.

We have considered the 5 months of observed CPI experience from September 2024 to February 2025 of 1.34% to be consistent with the above CPI assumptions over all durations. As such, no adjustment is required to capture further inflationary experience in our default CPI assumptions.

Salary Increases

We set our standard assumption for salary growth relative to CPI, using the same methodology as the Fund's most recent funding valuation. See the Fund's formal valuation report for further details on the salary growth assumption.



Proposed financial assumptions for the Accounting Date

We use financial assumptions from the beginning of the accounting period to calculate the service cost and net interest components of the pension expense. We propose the following standard assumptions at the Accounting Date.

Accounting Date – 31 March 2025	Weighted average duration at most recent Actuarial Valuation		
	Short	Medium	Long
	%p.a.	%p.a.	%p.a.
Discount Rate	5.80%	5.80%	5.85%
Retail Price Inflation (RPI)	3.15%	3.05%	2.95%
Consumer Price Inflation (CPI) – Pension Increase Rate	2.80%	2.75%	2.70%

Demographic assumptions

Longevity

We use baseline longevity assumptions consistent with the assumptions used at the latest funding valuation. We use future longevity improvements assumptions in line with the latest Continuous Mortality Investigation (CMI) results, namely the CMI 2023 model with a 15% weighting of 2023 and 2022 data, a 0% weighting of 2021 and 2020 data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of 1.5% p.a. for both females and males.

Other demographic assumptions



We use other demographic assumptions (e.g. commutation, withdrawal, ill-health early retirements etc) which are the same as those used for the latest funding valuation. These were considered to be best estimate. Further details of these assumptions are set out in the Fund's formal valuation report.

Reasonableness of assumptions

There is a range of actuarial assumptions which are acceptable under the requirements of the Accounting Standard. We consider that the assumptions above are within the acceptable range.

Risks and uncertainties in relation to the assumptions

We have adopted assumptions which are in effect projections of future investment returns and demographic experience many years into the future. There is inevitably a great deal of uncertainty in what constitutes 'best estimate' with such projections. It is important to note that the Accounting Standard requires the discount rate to be set with reference to the yields on high quality corporate bonds irrespective of the Fund's actual investment strategy. As such, the figures presented in the Statement of Accounts are not likely to reflect the actual cost of providing the benefits. Similarly, the IAS 19 accounting valuation is not used in any way to calculate or certify employer cash contributions.

Sensitivity to assumptions

We have included details of the effect on the obligations of changes to the key assumptions in the Sensitivity Analysis section of the Statement of Accounts. The net discount rate is the difference between the discount rate and the assumed rates of increase of salaries/deferred pension revaluation/pension increases in payment. Changes in market conditions that affect the net discount rate can have a significant effect on the value of the obligations reported.



- A reduction in the net discount rate will increase the assessed value of obligations, as a higher value is placed on benefits paid in the future.
- A rise in the net discount rate will have an opposite effect of similar magnitude.

Impact on the Authority's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 20 years from April 2022. Funding levels are monitored on an annual basis.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31 March 2014. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants. The Council anticipates paying £43.1m (main scheme) employer contributions in 2025/26. In general, participating in a defined benefit pension scheme means that the Employer is exposed to a number of risks:

Investment risk

The Fund holds investment in asset classes such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges.

Interest rate risk

The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Fund holds assets such as equities, the value of the assets and liabilities may not move in the same way.



Inflation risk

All the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation.

Longevity risk

In the event that the members live longer than assumed, a deficit will emerge in the Fund. There are also other demographic risks.

In addition, as many unrelated employers participate in both Brent Council Pension Fund, there is an orphan liability risk, where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.



Note to Movement in Reserves Statement

Note 39 – Note to Movement in Reserves Statement 2024/25

Note: - CIPFA has mandated that councils use a modified retrospective approach to adopting IFRS 16. Wherever applicable, opening balances brought forward from 31 March 2024 have been adjusted on transition to IFRS 16 to show restated balances 1 April 2024. IFRS 16 Transition: Prior Period Adjustments

Comprehensive income & expenditure

Movement in Reserves	General Fund	HRA	Earmarked Reserves	Capital Receipts Reserves	Capital Grants Unapplied	Major Repairs Reserves	Revaluation Reserves	Capital Adjustment Account	Deferred Capital Receipts	Financial Instrument Adjustment A/C	Pensions Reserve	Short Term Accumulation Compensated Absence Reserves	Collection Fund Adjustment A/c	Dedicated School Grant Adjustment A/c	Total
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
(Surplus) or Deficit on Provision of Services	62.4	38.8													101.2
Surplus Or Deficit On Revaluation of Property Plant and Equipment Assets							126.9								126.9
Actuarial Gains/Losses On Pension Assets and Liabilities											(16.5)				(16.5)
Total comprehensive income & expenditure (a)	62.4	38.8	0.0	0.0	0.0	0.0	126.9	0.0	0.0	0.0	(16.5)	0.0	0.0	0.0	211.6

Adjustments between accounting basis & funding basis under regulations

Movement in Reserves	General Fund	HRA	Earmarked Reserves	Capital Receipts Reserves	Capital Grants Unapplied	Major Repairs Reserves	Revaluation Reserves	Capital Adjustment Account	Deferred Capital Receipts	Financial Instruments Adjustment A/C	Pensions Reserve	Short Term Accumulation Compensated Absence Reserves	Collection Fund Adjustment A/c	Dedicated School Grant Adjustment A/c	Total
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Charges for Depreciation and Impairment of Non - Current Assets	(58.2)	(16.4)	0.0	0.0	0.0	0.0	7.1	67.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revaluation losses on Property Plant and Equipment	(24.3)	(42.9)	0.0	0.0	0.0	0.0	0.0	67.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	(4.2)	(0.1)	0.0	0.0	0.0	0.0	0.0	4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue expenditure funded from capital under statute	(12.1)	0.7	0.0	0.0	0.0	0.0	0.0	11.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amounts of Nca Written Off As Part of Gain/Loss On Disposal To Cies	(54.2)	(4.7)	0.0	0.0	0.0	0.0	27.1	31.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Statutory provision for	29.2	0.0	0.0	0.0	0.0	0.0	0.0	(29.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0



Movement in Reserves	General Fund	HRA	Earmarked Reserves	Capital Receipts Reserves	Capital Grants Unapplied	Major Repairs Reserves	Revaluation Reserves	Capital Adjustment Account	Deferred Capital Receipts	Financial Instrument Adjustment A/C	Pensions Reserve	Short Term Accumulation Compensated Absence Reserves	Collection Fund Adjustment A/c	Dedicated School Grant Adjustment A/c	Total
the financing of capital investment															
Capital expenditure charged against the General Fund and HRA balances	12.8	0.0	0.0	0.0	0.0	0.0	0.0	(12.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Grants and Contributions Unapplied Credited To The CIES	35.0	0.0	0.0	0.0	(35.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Application of Grants To Capital Financing Transferred To The CAA	(0.1)	0.0	0.0	0.0	63.9	0.0	0.0	(63.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer of Cash Sale Proceeds Credited As Part of Gain/Loss On Disposal To Cies	(4.4)	7.0	0.0	(7.2)	0.0	0.0	0.0	0.0	4.6	0.0	0.0	0.0	0.0	0.0	0.0
Use of the Capital	0.0	0.0	0.0	17.3	0.0	0.0	0.0	(17.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0



Movement in Reserves	General Fund	HRA	Earmarked Reserves	Capital Receipts Reserves	Capital Grants Unapplied	Major Repairs Reserves	Revaluation Reserves	Capital Adjustment Account	Deferred Capital Receipts	Financial Instrument Adjustment A/C	Pensions Reserve	Short Term Accumulation Compensated Absence Reserves	Collection Fund Adjustment A/c	Dedicated School Grant Adjustment A/c	Total
Receipts Reserve to finance new capital expenditure															
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals	0.0	(0.1)	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer From Deferred	12.4	0.0	0.0	(12.8)	0.0	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0	(0.0)



Movement in Reserves	General Fund	HRA	Earmarked Reserves	Capital Receipts Reserves	Capital Grants Unapplied	Major Repairs Reserves	Revaluation Reserves	Capital Adjustment Account	Deferred Capital Receipts	Financial Instrument Adjustment A/C	Pensions Reserve	Short Term Accumulation Compensated Absence Reserves	Collection Fund Adjustment A/c	Dedicated School Grant Adjustment A/c	Total
Capital Receipts Reserve Upon Receipt of Cash															
Transfer of Deferred Sale Proceeds Credited As Part of Gain/Loss On Disposal To Cies	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0
Reversal of Major Repairs Allowance credited to the HRA	0.0	11.8	0.0	0.0	0.0	(11.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Use of the Major Repairs Reserve to finance new capital expenditure	0.0	0.0	0.0	0.0	0.0	16.6	0.0	(16.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Difference Between Finance Costs Charged To Cies and Those	18.7	0.0	0.0	(1.8)	0.0	0.0	0.0	(16.1)	0.0	(0.8)	0.0	0.0	0.0	0.0	(0.0)



Movement in Reserves	General Fund	HRA	Earmarked Reserves	Capital Receipts Reserves	Capital Grants Unapplied	Major Repairs Reserves	Revaluation Reserves	Capital Adjustment Account	Deferred Capital Receipts	Financial Instrument Adjustment A/C	Pension Reserves	Short Term Accumulation Compensated Absence Reserves	Collection Fund Adjustment A/c	Dedicated School Grant Adjustment A/c	Total
Chargeable By Statute															
Reversal of Items Relating To Retirement Benefits Debited Or Credited To Cies	(39.6)	(1.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	40.6	0.0	0.0	0.0	0.0
Eers Pensions Conts and Direct Payments To Pensioners Payable In The Year	48.3	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(50.0)	0.0	0.0	0.0	0.0
Diff Between Officer Remuneration Charged To Cies and That Chargeable By Statute	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Diff Between Ct and NNDR Income Credited To Cies and That Collectable By Statute	(13.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.9	0.0	0.0
Statutory Transfer of Dedicated Schools Grant Deficit To	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0



Movement in Reserves	General Fund	HRA	Earmarked Reserves	Capital Receipts Reserves	Capital Grants Unapplied	Major Repairs Reserves	Revaluation Reserves	Capital Adjustment Account	Deferred Capital Receipts	Financial Instrument Adjustment A/C	Pension Reserve	Short Term Accumulation Compensated Absence Reserves	Collection Fund Adjustment A/c	Dedicated School Grant Adjustment A/c	Total
Dedicated Schools Grant															
Total adjustments between accounting basis & funding basis under regulations (b)	(54.5)	(44.0)	0.0	(4.4)	28.9	4.8	34.2	26.4	4.8	(0.8)	(9.4)	0.1	13.9	0.0	(0.0)



Totals

Movement in Reserves	General Fund	HRA	Earmarked Reserves	Capital Receipts Reserves	Capital Grants Unapplied	Major Repairs Reserves	Revaluation Reserves	Capital Adjustment Account	Deferred Capital Receipts	Financial Instrument Adjustment A/C	Pensions Reserve	Short Term Accumulation Compensation Absence Reserves	Collection Fund Adjustment A/c	Dedicated School Grant Adjustment A/c	Total
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Earmarked reserve transfers (c)	(8.0)	0.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(Increase)/decrease in 2024/25 (a) + (b) + (c)	0.0	(5.3)	8.0	(4.4)	28.9	4.8	161.1	26.4	4.8	(0.8)	(25.9)	0.1	13.9	0.0	211.6
Opening balance 2024/25	(20.0)	(5.1)	(147.7)	(33.2)	(314.2)	(8.5)	(874.7)	(661.7)	(31.9)	13.1	242.8	3.6	(3.7)	15.2	(1,826.1)
Closing balance 2024/25	(20.0)	(10.4)	(139.7)	(37.6)	(285.3)	(3.7)	(713.6)	(635.3)	(27.1)	12.3	216.9	3.7	10.2	15.2	(1,614.5)





Prior year figures (2023-24)

Comprehensive income & expenditure

Movement in Reserves	General Fund	HRA	Earmarked Reserves	Capital Receipts Reserves	Capital Grants Unapplied	Major Repairs Reserves	Revaluation Reserves	Capital Adjustment Account	Deferred Capital Receipts	Financial Instrument Adjustment A/C	Pensions Reserve	Short Term Accumulation Compensated Absence Reserves	Collection Fund Adjustment A/c	Dedicated School Grant Adjustment A/c	Total
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
(Surplus) or Deficit on Provision of Services	(35.3)	3.7													(31.6)
Surplus Or Deficit On Revaluation of Property Plant and Equipment Assets							(83.6)								(83.6)
Actuarial Gains/Losses On Pension Assets and Liabilities											(13.6)				(13.6)
Total comprehensive income & expenditure (a)	(35.3)	3.7	0.0	0.0	0.0	0.0	(83.6)	0.0	0.0	0.0	(13.6)	0.0	0.0	0.0	(128.8)



Adjustments between accounting basis & funding basis under regulations

Movement in Reserves	General Fund	HRA	Earmarked Reserves	Capital Receipts Reserves	Capital Grants Unapplied	Major Repairs Reserves	Revaluation Reserves	Capital Adjustment Account	Deferred Capital Receipts	Financial Instrument Adjustment A/C	Pensions Reserve	Short Term Accumulation Compensated Absence Reserves	Collection Fund Adjustment A/c	Dedicated School Grant Adjustment A/c	Total
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Charges for Depreciation and Impairment of Non - Current Assets	(33.9)	(10.8)	0.0	0.0	0.0	0.0	9.7	35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revaluation losses on Property Plant and Equipment	(19.1)	(19.7)	0.0	0.0	0.0	0.0	0.0	38.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.1	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue expenditure funded from capital under statute	(7.5)	0.0	0.0	0.0	0.0	0.0	0.0	7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amounts of Nca Written Off As Part of Gain/Loss On Disposal To Cies	(29.3)	0.0	0.0	0.0	0.0	0.0	2.7	26.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Statutory provision for	18.1	0.0	0.0	0.0	0.0	0.0	0.0	(18.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0



Movement in Reserves	General Fund	HRA	Earmarked Reserves	Capital Receipts Reserves	Capital Grants Unapplied	Major Repairs Reserves	Revaluation Reserves	Capital Adjustment Account	Deferred Capital Receipts	Financial Instrument Adjustment A/C	Pensions Reserve	Short Term Accumulation Compensated Absence Reserves	Collection Fund Adjustment A/c	Dedicated School Grant Adjustment A/c	Total
the financing of capital investment															
Capital expenditure charged against the General Fund and HRA balances	10.1	0.0	0.0	0.0	0.3	0.0	0.0	(10.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Grants and Contributions Unapplied Credited To The CIES	86.1	0.0	0.0	0.0	(86.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Application of Grants To Capital Financing Transferred To The CAA	0.0	0.0	0.0	0.0	64.9	0.0	0.0	(64.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer of Cash Sale Proceeds Credited As Part of Gain/Loss On Disposal To Cies	20.2	7.0	0.0	(13.8)	0.0	0.0	0.0	4.6	(18.0)	0.0	0.0	0.0	0.0	0.0	0.0
Use of the Capital	0.0	0.0	0.0	(4.0)	0.0	0.0	0.0	(0.7)	4.7	0.0	0.0	0.0	0.0	0.0	0.0



Movement in Reserves	General Fund	HRA	Earmarked Reserves	Capital Receipts Reserves	Capital Grants Unapplied	Major Repairs Reserves	Revaluation Reserves	Capital Adjustment Account	Deferred Capital Receipts	Financial Instrument Adjustment A/C	Pensions Reserve	Short Term Accumulation Compensated Absence Reserves	Collection Fund Adjustment A/c	Dedicated School Grant Adjustment A/c	Total
Receipts Reserve to finance new capital expenditure															
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals	0.0	(0.1)	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer From Deferred	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0



Movement in Reserves	General Fund	HRA	Earmarked Reserves	Capital Receipts Reserves	Capital Grants Unapplied	Major Repairs Reserves	Revaluation Reserves	Capital Adjustment Account	Deferred Capital Receipts	Financial Instrument Adjustment A/C	Pensions Reserve	Short Term Accumulation Compensated Absence Reserves	Collection Fund Adjustment A/c	Dedicated School Grant Adjustment A/c	Total
Capital Receipts Reserve Upon Receipt of Cash															
Transfer of Deferred Sale Proceeds Credited As Part of Gain/Loss On Disposal To Cies	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.6)	0.0	0.0	0.0	0.0	0.0	0.0
Reversal of Major Repairs Allowance credited to the HRA	0.0	16.0	0.0	0.0	0.0	(16.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Use of the Major Repairs Reserve to finance new capital expenditure	0.0	0.0	0.0	0.0	0.0	10.4	0.0	(10.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Difference Between Finance Costs Charged To Cies and Those	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.8)	0.0	0.0	0.0	0.0	0.0



Movement in Reserves	General Fund	HRA	Earmarked Reserves	Capital Receipts Reserves	Capital Grants Unapplied	Major Repairs Reserves	Revaluation Reserves	Capital Adjustment Account	Deferred Capital Receipts	Financial Instrument Adjustment A/C	Pension Reserve	Short Term Accumulation Compensated Absence Reserves	Collection Fund Adjustment A/c	Dedicated School Grant Adjustment A/c	Total
Chargeable By Statute															
Reversal of Items Relating To Retirement Benefits Debited Or Credited To Cies	(41.7)	(1.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	43.1	0.0	0.0	0.0	0.0
Eers Pensions Conts and Direct Payments To Pensioners Payable In The Year	46.6	2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(48.8)	0.0	0.0	0.0	0.0
Diff Between Officer Remuneration Charged To Cies and That Chargeable By Statute	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Diff Between Ct and NNDR Income Credited To Cies and That Collectable By Statute	(6.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.0	0.0	0.0
Statutory Transfer of Dedicated Schools Grant Deficit To	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0



Movement in Reserves	General Fund	HRA	Earmarked Reserves	Capital Receipts Reserves	Capital Grants Unapplied	Major Repairs Reserves	Revaluation Reserves	Capital Adjustment Account	Deferred Capital Receipts	Financial Instrument Adjustment A/C	Pension Reserve	Short Term Accumulation Compensated Absence Reserves	Collection Fund Adjustment A/c	Dedicated School Grant Adjustment A/c	Total
Dedicated Schools Grant															
Total adjustments between accounting basis & funding basis under regulations (b)	45.1	(6.8)	0.0	(17.7)	(20.9)	(5.6)	12.4	7.9	(13.9)	(0.8)	(5.7)	0.0	6.0	0.0	0.0



Totals

Movement in Reserves	General Fund	HRA	Earmarked Reserves	Capital Receipts Reserves	Capital Grants Unapplied	Major Repairs Reserves	Revaluation Reserves	Capital Adjustment Account	Deferred Capital Receipts	Financial Instrument Adjustment A/C	Pensions Reserve	Short Term Accumulation Compensation Absence Reserves	Collection Fund Adjustment A/c	Dedicated School Grant Adjustment A/c	Total
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Earmarked reserve transfers (c)	(11.6)	0.0	11.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(Increase)/decrease in 2024/25 (a) + (b) + (c)	(1.9)	(3.0)	11.6	(17.7)	(21.0)	(5.6)	(71.2)	8.0	(14.0)	(0.8)	(19.3)	0.0	6.0	0.0	(128.9)
Opening balance 2024/25	(17.9)	(2.1)	(159.6)	(15.4)	(293.2)	(2.9)	(803.5)	(669.7)	(17.9)	13.8	262.1	3.6	(9.7)	15.2	(1,697.4)
Closing balance 2024/25	(19.8)	(5.1)	(148.0)	(33.1)	(314.2)	(8.5)	(874.7)	(661.7)	(31.9)	13.0	242.8	3.6	(3.7)	15.2	(1,826.3)



Note 40 Additional Supporting Information

In preparing the Statement of Accounts, the Authority has had to make judgements, estimates and assumptions that affect the application of its policies and reported levels of assets, liabilities, income and expenses. The estimates and associated assumptions have been based on historical experience, including the recovery of amounts due to the Council, current trends and other relevant factors that are reasonable. These estimates and assumptions have been used to inform the basis for judgements about the carrying values of assets and liabilities, where these are not readily available from other sources. Future events may result in these estimates and assumptions being revised and could significantly change carrying balances in subsequent years' financial statements.

Estimates and underlying assumptions regularly reviewed. Changes in accounting estimates are adjustments of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, which results from the assessment of the present status of, and expected future benefits and obligations associated with assets and liabilities. Changes in accounting estimates result from current information or new developments and accordingly are not correction of errors. Changes to accounting estimates recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements made in the accounts:

Treatment of PFI arrangements – The Council has made judgements as to whether PFI contracts require to be accounted for on the Balance Sheet. These judgements are based on the following principles:

- a) The underlying asset recognised on the authority's balance sheet at fair value when it becomes available for use,
- b) a corresponding liability recognised, representing the obligation to pay the operator for the asset and associated services over the contract term.

The liability measured using lease accounting principle, previously under IAS 17 now under IFRS 16.

The Council deemed to control the services provided under the following agreement and has significant residual interest through nomination rights at the end of the PFI term.

In 2008/09 the Council commenced phase 1 of a 20-year project to provide and maintain social housing, and replacement residential facilities for people with learning disabilities. Phase 2 of this contract signed in 2010-11 with Brent Co-Efficient Ltd, leaving the Council with a long-term liability of £58m.



The Contract is due to ended in 2028/2029 The accounting policies for PFI schemes and similar contracts have been applied to this arrangement.

Key sources of estimation uncertainty which have a significant effect on the financial statements:

Plant, Property and Equipment Valuations -

Both Council dwellings (£852.42m) and Land and Buildings (£973.2m) valuations are dependent on professional judgements made by the valuers, such as the exact methodology each individual uses to estimate a valuation when they must extrapolate values from a limited number of recent sales. When the courts have considered this issue, they have set an expectation that valuations by different valuers should differ by no more than 10%. Given that the council has a rolling five-year revaluation programme it may take up to five years to see the full impact of this, but even one fifth of these adjustments would be material.

Land and Buildings Valuation

£627.8m of Land and Buildings valued this year based on a Depreciated Replacement Cost (DRC) basis. The valuation is based on a modern equivalent replacement cost which estimates how much it would cost to replacement the building with a modern equivalent and relies on estimating the cost of construction. If the cost of construction were to change significantly over the following year, then these estimates would change materially. The Construction output price index (produced by the Office for National Statistics) shows 4.1% increase in December 2024 for the year. Given that this is a recent statistic, and global events make it hard to be certain about the future, this is a reasonable scenario.

Fair Value estimates

Most the Council's financial assets and financial liabilities that considered financial instruments are held at amortised cost. The exceptions to this are:

- Money Market Funds
- Interest in companies, including the Council's equity investment in I4B Holdings Ltd.

Both these instruments held at fair value through profit and loss.

Money Market Funds

As 31 March 2025, the Council held cash balances across seven Sterling money market investment funds with a nominal balance of £47.1m and accrued interest of £0.2m. The funds are of low volatility and are marked to market daily with a valuation of £1 per unit purchased.

The underlying cash financial instruments held within the fund are tradeable by the respective fund manager in the capital markets but hold true to the £1 valuation with a zero deviation in the unit price. There is no material uncertainty in the valuation of the funds and therefore no impact on the Council's finances.



Equity investment in I4B

The Council's only material equity instrument is its 100% shareholding in I4B Holdings Ltd, a Housing Subsidiary Company. The Council's policy is to calculate the fair value of this equity investment with reference to the net assets in I4B Holdings Ltd.'s published accounts. As I4B is a housing company, most of its assets are property subject to annual professional revaluation. The I4B accounts are subject to annual audit by external auditors. Therefore, Brent Council have judged that the I4B balance sheet offers a reasonable and reliable view of fair value.

- **Pension Liability**

Estimation of the net liability to pay pensions depends on several complex judgements relating to the discount rate used, the rate at which salaries projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. There are risks and uncertainties associated with whatever assumptions are adopted.

The assumptions are in effect projections of future investment returns and demographic experience years into the future therefore there is a great deal of uncertainty.

- the changes in key assumptions used in the 2024/25 financial year, and their estimated impact are as follows:
-

Changes in Key Assumptions Regarding Rates in 2024/25

Key Assumptions - Rates	Change in 2024/25	Estimated impact on the pension liability (£m)
Inflation/pensions increase rate	0.00%	0.0
Salary increases rate	0.00%	0.0
Discount rate	1.00%	(178.8)



Changes in Key Assumptions Regarding Longevity in 2024/25

Key Assumptions - Longevity	Change in 2024/25	Estimated impact on the pension liability (£m)
Current pensioners (Male)	(0.1 years)	(4.4)
Current pensioners (Female)	0.0 years	(0.0)
Future pensioners (Male)	(0.1 years)	(4.4)
Future pensioners (Female)	0.0 years	(0.0)

Further details on assumptions made about the future and other major sources of estimation uncertainty.

The Council includes accounting estimates within the accounts; the significant accounting estimates relate to non-current assets, impairment of financial assets. The Council's accounting policies include details on the calculation of these accounting estimates.

The Council also carries out a review of all debtor balances and uses experience of debt collection rates across all categories to establish allowances for non-collection.

The appropriate level of non-earmarked reserves to be held by the Council is based on an assessment of financial risks facing the Council. These risks include future funding levels, delivery of planned savings and future demands on services.

Accounting Standards that have been issued but have not yet been adopted.



Under the Code of Practice on Local Authority Accounting in the United Kingdom (the Code), the Council is required to disclose information setting out the impact of an accounting change required by a new accounting standard that has been issued but not yet adopted by the code.

As at the balance sheet date 31.03.2025, the following new standard had been published but not yet adopted by the Code of Practice for Local Authority Accounting in the United Kingdom and will be adopted in the new financial year, 2025/26.

Changes in the 2025/26 Code to the valuation of property

The 2025/26 CIPFA LASAAC Code will introduces changes to the valuation of operational property including:

- A revaluation expedient for operational property, plant and equipment, requiring valuations once every five years or on a five-year rolling basis and supported by indexation in intervening years.
- Intangible assets to be held at historical cost only.
- Transitional arrangements when applying these changes so they will be applied prospectively, with no restatement of prior year figures.
- A clarification to ensure that undertaking a full revaluation should not be a default process to demonstrate there has not been a material impairment of an asset and to comply with IAS 36. 42.

The changes are expected to have an operational impact and reduce the quantity of properties being revalued each year but are not expected to have a material impact on the financial statements.

Other changes in standards introduced by the 2025/26 Code.

Other changes in standards introduced by the 2025/26 Code where disclosures are required in the 2024/25 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are:

a) IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. As Brent does not incur many transactions in foreign currency, the impact is not expected to be material.

b) IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.



Brent does not hold material insurance contracts, so the impact is not expected to be material.

Significant changes in accounting policy introduced in 2024/25.

IFRS 16

From 1 April 2024, Brent Council has applied IFRS 16 Leases as adopted by the CIPFA Code of Practice on Local Authority Accounting, replacing IAS 17. Details of the new accounting policy are in 7.2 of the accounting policies.

Interest in companies

Brent Council has amended its accounting policy for interest in companies to held equity investments at fair value rather than historic cost less expected credit losses. This is to better comply with the requirements of IFRS 9. More details of this revised policy are contained in 8.0 of the accounting policies.

Brent has assessed the impact of change in accounting policy and concluded that it is immaterial in the prior year. Therefore, this change has been applied prospectively, and prior year comparatives have not been restated.

5. Events after the reporting period

There have been no events since 31 March 2025, and up to the date when these accounts were authorised that require any adjustments to these accounts.



Note 41 Nature of Income and Expenditure for 2024/25 and 2023/24

The table below categorises the authority's expenditure and income by nature.

Income and Expenditure Detail	2024/25 £m	2023/24 £m
Depreciation & Impairment Losses	146.2	83.6
Employee Expenses	326.7	313.0
Premises Related Expenditure	105.0	113.2
Supplies and Services	171.3	131.5
Third Party Payments	255.1	233.8
Transfer Payments	196.7	236.6
Transport Related Expenditure	15.3	14.7
Total Gross Expenditure	1,216.3	1,126.4
Customer and Client Receipts	(230.9)	(206.4)
Government Grants	(564.7)	(565.8)
Other Grants, Reimbursements & Contributions	(30.5)	(33.7)
Total Gross Income	(826.1)	(805.9)
Net Cost of Services	390.2	320.5
Financing and Investment Income & Expenditure	23.1	29.6
Other Operating Expenditure	47.9	6.5
Taxation & non-specific grant income	(360.0)	(388.3)
Total Other Income & Expenditure	(289.0)	(352.2)
(Surplus) / Deficit on Provision of Services	101.2	(31.7)

Statement of Accounting Policies

1. Code of Practice

The general policies adopted in preparing these accounts are in accordance with the current Code of Practice on Local Authority Accounting in the United Kingdom issued by the Chartered Institute of Public Finance Accountants (CIPFA), henceforth referred to as the "Code of Practice". This Code of Practice is based upon International Financial Reporting



Standards (IFRS), with some adoptions from International Public Sector Accounting Standards (IPSAS).

Accounts drawn up under the Code assume that a local authority's services will continue to operate for the foreseeable future. This assumption is made because local authorities carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of Central Government).

1.1 Materiality

The Council has presented information in the accounts to provide a full picture of its performance and financial health, any of which, if omitted, might influence decisions made on the basis of these accounts. Information about transactions and balances of low financial value and which are non-influential for decision-makers (immaterial) have been omitted where possible to improve the readability of the statements.

1.2 Rounding

It is not the Council's policy to adjust for immaterial cross-casting differences between the main statements and disclosure notes.

1.3 Schools

The CIPFA Code of Practice on Local Authority Accounting confirms that the balance of control for local authority-maintained schools (i.e. those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the local authority. The Code of Practice also stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the local authority financial statements (and not the group accounts). Therefore, schools' transactions, cash flows and balances are recognised in each of the financial statements of the authority as if they were the transactions, cash flows and balances of the authority.

2. Comprehensive Income and Expenditure Statement

2.1 Accruals of Expenditure and Income

The Statement of Accounts is prepared on an accrual's basis with the effects of transactions and other events being recognised when they occur, and recorded in the accounting records and reported in the financial statements of the periods to which they relate.

This means that:



- **Revenue from contracts** with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- **Supplies** are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- **Expenses** in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- **Interest receivable** on investments and payable on borrowings is accounted for respectively as income and expenditure based on the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where **revenue and expenditure** have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

The exception to this is the Cash Flow Statement which is prepared in accordance with International Accounting Standard (IAS) 7.

2.2 VAT

Income and expenditure accounts are VAT exclusive, unless VAT is irrecoverable, in which case it is included.

2.3 Government grants and contributions

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

- the authority will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied.

Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as Grants Receipts in Advance. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or taxation and nonspecific grant income and expenditure (non-ringfenced



revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

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

The authority has elected to charge a Community Infrastructure Levy (CIL). The levy is charged on new builds (chargeable developments for the authority) with appropriate planning consent. The council charges for and collects the levy, which is a planning charge.

The income from the levy will be used to fund a number of infrastructure projects (these include transport, flood defences and schools) to support the development of the area.

The CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure

Statement in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital. However, a proportion of the charges may be used to fund revenue expenditure.

2.4 Charges to Revenue

Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

The provision for depreciation is charged to the surplus or deficit on provision of services section of the Comprehensive Income and Expenditure Statement to the relevant service.

This results in a charge to the General Fund for depreciation for all General Fund fixed assets used in the provision of services. The charge is allocated to each individual service based on the capital employed in its provision. Depreciation charges are reversed out of the General Fund in the Movement in Reserves Statement.

Depreciation is a bottom-line charge to the Housing Revenue Account (HRA). An amount equal to depreciation is credited to the Major Repairs Reserve via the Movement on the HRA statement, and the impact of this is offset by crediting the Movement on the HRA statement with the same amount from the Capital Adjustment Account.

Amounts set aside from revenue for the repayment of external loans, to finance capital expenditure or as transfers to earmarked reserves are disclosed in the Movement in Reserves Statement and the notes to this statement.

2.5 Council Tax and Non-Domestic Rates (NDR)



Council Tax included in the Comprehensive Income and Expenditure Statement account is Brent's accrued income for the year including its share of the surplus or deficit arising. The collection of Council Tax on behalf of the Greater London Authority (GLA) is in substance an agency arrangement so these amounts are not shown in the surplus or deficit on provision of services section of the Comprehensive Income and Expenditure Statement. There will be a debtor / creditor position between Brent and the GLA to be recognised in Brent's balance sheet if the net cash paid to the GLA is not exactly its share of cash collected from Council Taxpayers. In this case, Brent's accrued income will be shown in the taxation and non-specific grant section of the Comprehensive Income and Expenditure Statement.

The 'Operating Activities' section of the cash flow statement only includes Brent's share of Council Tax cash collected during the year.

The income collected from NDR is shared between the Council, Central Government and the GLA rather than being paid over to Government and redistributed and so is now acting as a principal and an agent. Apart from its own share of NDR transactions, Brent accounts only for the effects of timing differences between the collection of NDR attributable to major precepting authorities and Central Government and paying it across.

2.6 Foreign Currency Transactions

Transactions in foreign currencies are accounted for in Sterling at the rate ruling on the date of the transactions. The Pension Fund accounting policies deal with the only foreign currency de-nominated assets disclosed on the balance sheet.

2.7 Jointly Controlled Operations

The Council has jointly controlled operations in the form of pooled budgets in conjunction with NHS Northwest London Integrated Care Board (NHS NWL ICB). The Council's joint operations with NHS NWL ICB relate to the Better Care Fund and the Brent Integrated Community Equipment Service (see Note 15). The Authority recognises the income that it gains and expenditure that it incurs on the Comprehensive Income and Expenditure Statement. The balance sheet recognises any assets and liabilities resulting to the Council from the pooled budget.

3. Balance sheet – Non-Current Assets

3.1 Plant, Property and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as property, plant and equipment (PPE).

All expenditure on the acquisition, creation or enhancement of PPE above the Council's de minimis of £5,000 is capitalised on an accrual's basis in the accounts. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. most repairs and maintenance) is charged as an expense when it is incurred.

Property, Plant and Equipment are initially measured and subsequently valued on the basis required by CIPFA and in accordance with the Statements of Asset Valuation Principles and



Guidance Notes issued by the Royal Institute of Chartered Surveyors (RICS). This is performed by the Council's In-house Valuer and its appointed Valuers, Wilkes Head and Eve LLP. Property, plant and equipment are classified into the groupings required by the Code of Practice.

Individual categories of assets are carried on the balance sheet on the following basis:

- **infrastructure**, community assets and assets under construction –these assets are measured at depreciated historical cost, but this practice has been subject to modification.
- **dwelling**s – current value, determined using the basis of existing use value for social housing (EUV–SH)
- **council offices** – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV), except for a few offices that are situated close to the council's housing properties, where there is no market for office accommodation, and that are measured at depreciated replacement cost (instant build) as an estimate of current value
- **school buildings** – current value, but because of their specialist nature, are measured at depreciated replacement cost which is used as an estimate of current value
- **surplus assets** – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- **all other assets** – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

The values are disclosed in accordance with the fair value hierarchy:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date

Level 2: inputs other than quote prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for asset or liability

- **Community assets** are included in the balance sheet at depreciated historic cost where appropriate otherwise they are included at a nominal value.
- **Infrastructure assets**, vehicles, plant, furniture and equipment have been valued at depreciated historic cost.
- **Assets under construction** are held at their historic cost on an accrual's basis

Revaluations of property, plant and equipment are planned on a five-year cycle with a proportion of the asset base being revalued each year. Material changes to asset valuations resulting from works or similar investment outside of the agreed revaluation of the asset's cycle will be adjusted in the period as they occur.

3.1.1 Depreciation and Amortisation



Depreciation is the measurement of the cost or revalued amount of the economic benefits of the tangible noncurrent assets that have been consumed during the financial year.

Amortisation is the measurement of the cost or revalued amount of the economic benefits of the intangible non-current assets that have been consumed during the financial year.

Consumption includes the wearing out, using up or other reduction in the useful economic life of a non-current asset whether arising from use, passing of time or obsolescence through either changes in technology or demand for the goods and services produced by the asset.

Depreciation is calculated on all building assets using the straight-line method as set out below. Land Assets are not depreciated.

Straight Line Depreciation Method per Asset Class:

Asset Class	Depreciation Method (Straight Line)
Buildings (including HRA)	5 – 60 years as determined by the Valuer
Infrastructure	25 years
Plant, Vehicles, Equipment & Machinery	Up to 10 years
Community Assets	Not depreciated where held at nominal value

HRA dwellings are depreciated by an estimate of the consumption of economic benefits.

Where buildings assets are revalued, the accumulated depreciation at the beginning of the year is written down to the revaluation reserve.

3.1.2 Component Accounting

Local authorities are required to value the components of major assets, where the components are of material value and have a significantly different economic life to the asset itself.

Componentisation will be undertaken where the value of the individual component is over £2m and the value of that component is more than 20% of the total gross carrying value of the building and will be undertaken when buildings are valued or re-valued, or enhancement expenditure of £0.25m is incurred

Where componentisation applies, the assets will be broken down into the following broad categories:

- **Building main structure** - including foundations, structure, doors, windows and internal finishes - Design life 60 years.
- **Heating systems** - boilers, hot water systems, piping, air ventilation, pumps - Design life 25 years.
- **Electricals** - fixed wiring, lighting - Design life 30 years.
- **Mechanical plant** - lifts - Design life 30 years.



- **Roof structure** - Design life 50 years.
- **Externals** - drains, service mains, car parks, play areas, landscaping - Design life 60 years.

The estimated life of the individual categories may vary and the above is intended as a guide. In some circumstances further break down to additional components maybe justified for unusual or specialist building elements.

The remaining life of each of the elements is given, then the blended remaining useful life is calculated and applied to the overall asset.

3.2 Investment Properties

Investment properties are properties held solely for capital appreciation or rental income. The Code of Practice requires that investment properties are not depreciated, but instead held at fair value, in this case OMV, and their book value is adjusted annually where there has been a material change in value.

3.3 Heritage Assets

Heritage Assets are defined as:

A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture, or an intangible asset with cultural, environmental or historical significance.

Heritage assets are carried at valuation rather than fair value, reflecting the fact that exchanges of heritage assets are uncommon. The Council's valuation is as per an insurance valuation. Revaluations will be carried out as and when the insurance valuation is updated.

3.4 Intangible Assets

Intangible assets are identifiable non-monetary assets without physical substance. Expenditure on purchasing intangible fixed assets such as computer software has been capitalised at cost when it is probable that future economic benefit or service potential will flow to the Authority.

Amortisation is the equivalent of depreciation for intangible assets and is calculated using the straight-line method based on an estimated economic life of between 5 to 7 years.

3.5 Highways Network Infrastructure Assets

Highways network infrastructure assets include carriageways, footways and cycle tracks, structures (e.g. bridges), street lighting, street furniture (e.g. illuminated traffic signals, bollards), traffic management systems and land which together form a single integrated network.

Recognition

Expenditure on the acquisition or replacement of components of the network is capitalised on an accrual basis, if it is probable that the future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably.

Measurement



Highways network infrastructure assets are generally measured at depreciated historical cost. However, this is a modified form of historical cost - opening balances for highways infrastructure assets were originally recorded in balance sheets at amounts of capital undischarged for sums borrowed as of 1st April 1994, which was deemed at that time to be historical cost. Where impairment losses are identified, they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

Depreciation

Depreciation is provided on the parts of the highways network infrastructure assets that are subject to deterioration or depletion and by the systematic allocation of their depreciable amounts over their useful lives. Annual depreciation is the depreciation amount allocated each year. Useful lives of the various parts of the highways network are assessed by the Highways department using industry standards where applicable as follows. These numbers were used together with estimated gross replacement cost data from 2018 to calculate a weighted average for the entire network of 25 years.

Part of the highways network	Useful economic life
Carriageway	25
Footways + cycle tracks	25
Structures	25
Lighting	25
Traffic management	25
Street furniture	25

Disposals and derecognition

When a component of the network is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement, also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal).

The written-off amounts of disposals are not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are transferred to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Where a part of the network is replaced, an adaptation provided in a separate update to the Code assumes that from the introduction of the IFRS-based Code, when parts of an asset are replaced or restored the carrying amount of the derecognised part will be zero because parts of infrastructure assets are rarely replaced before the part has been fully consumed.

3.6 Impairment

Impairment reviews on groups of assets are undertaken on an annual basis by the valuer. Impairment is recognised where the asset's carrying value is greater than its net recoverable value in use or through sale, and the loss is specific to the asset, or a small group of assets. Losses not specific to the asset or a small group of assets, such as a general fall in market prices will be treated as revaluation losses.



Impairment losses are recognised against historic cost, and revalued net book value (for revalued assets). Losses for revalued assets will be recognised against the revaluation reserve to the limit of the credit balance for that asset in the revaluation reserve, and thereafter in surplus or deficit on provision of services in the Comprehensive Income and Expenditure Statement. Losses for non-revalued assets will be recognised in surplus or deficit on provision of services in the Comprehensive Income and Expenditure Statement.

The impairment review includes an annual assessment of whether there is indication that the recoverable value of any impaired assets has increased, reversing part or all of the impairment.

For property, plant and equipment and intangible assets, if there is indication that the recoverable value has increased, the Valuer will reassess the economic life of the asset for the purposes of determining depreciation. The impairment will be reversed up to the extent of the carrying value of the asset had there been no impairment. This reversal will in the first instance be used to reverse any charge made to the surplus or deficit on provision of services in the Comprehensive Income and Expenditure Statement, and then to the revaluation reserve.

4. Balance sheet – Current Assets

4.1 Inventories and Long-Term Contracts

Inventories are valued at the lower of cost and net realisable value. The Council only obtains inventories through exchange transactions.

4.2 Cash and Cash Equivalents

IAS 7 defines cash and cash equivalents as cash, bank balances, and very short-term investments used for cash management purposes. Short-term investments invested for three months or less with a known maturity value and date are included in cash and cash equivalents.

The Council uses bank overdrafts as part of its cash management strategy, as well as money market funds, both of which are disclosed as part of cash and cash equivalents in line with IAS 7.

4.3 Work in Progress (Construction Contracts)

In accordance with IFRS 15 Revenue from Contracts with Customers, where the entity has entered a contract, the Code requires revenue to be recognised in a way that reflects the pattern in which goods or services are transferred to service recipients. It requires revenue to be transferred at an amount that reflects the consideration that is expected in exchange for those goods or services.

As such the Council recognises its construction contracts by identifying performance obligations in a contract and determining the transaction price of each performance obligation, which is then allocated to each performance obligation. The Council recognises the transaction price when the relevant performance obligation has been met.

5. Balance sheet - Liabilities



5.1 Provisions, Contingent Liabilities, and Contingent Assets

The Council makes a provision in compliance with IAS 37 where there is a present obligation because of a past event where it is probable that the Council will incur expenditure to settle the obligation and where a reasonable estimate can be made of the amount involved.

In addition to the provisions listed in note 9 to the Core Financial Statements, the Council has made a provision for unrecovered debts. This has been netted off against the debtor's figure on the balance sheet (see note 2 to the Core Financial Statements).

The Code of Practice requires provisions to be split into current provisions (within a year) and long-term provisions. The current provision for insurance is estimated based on professional advice provided on the insurance fund.

The Council makes provision for the outcome of non-domestic ratepayers' appeals cases, the outcome of which is decided by the Valuation Office Agency. Appeals can be backdated by five years and so a calculation is done to estimate potential losses in each year taking in to account the relevant multiplier in that particular year and the success rate of previous appeals.

A contingent liability is disclosed in the notes to the accounts where there is either a possible obligation as a result of a past event where it is possible that the Council will incur expenditure to settle the obligation; or a present obligation as a result of a past event where it is either not probable that the Council will incur expenditure to settle the obligation, or where a reasonable estimate of the future obligation cannot be made.

A contingent asset is disclosed in the notes to the accounts where a possible asset arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council.

5.2 Employee benefits

The Council recognises a provision for the entitlement of its employees to benefits within the reported financial year. This provision is estimated based on the entitlement of the Council's employees to leave as at the 1st of April for the previous financial year.

Regulations prohibit Council tax-payers from being charged for this provision, so any movement in this provision is transferred to the Accumulated Absences Account.

The Council accounts for employee benefits in accordance with the Code which is based on IAS 19. The underlying principle of IAS 19 is that an organisation should account for employment and post-employment benefits when employees earn them and the Authority is committed to providing them, even if the actual provision might be many years into the future.

5.3 Reserves



Reserves are divided into usable and unusable reserves. Within the usable reserves there are amounts set aside for earmarked purposes out of the balances on the Council's funds.

6 Balance Sheet - Financial Instruments

6.1 Financial Assets

IFRS 9 requires three different models to be applied to the classification and measurement of financial assets, based on the business model used:

Model Number	Asset Classification	Measurement of Financial Asset
1.	Assets held to collect contractual cash flows	Held at amortised cost
2.	Assets held to collect contractual cash flows and sell	Held at Fair value through other comprehensive income
3.	Other, not 1 or 2	Held at Fair value through profit and loss

The Council currently only has significant financial assets that meet criteria 1, so these are held at amortised cost and at Fair Value Through Profit & Loss (FVPL). This means that interest receivable is recorded through profit and loss using the effective interest rate, and any impairment is also recorded through profit and loss.

Impairment of financial assets is applied based on a three-stage model:

- 1. Performing**
- 2. Under-performing**
- 3. Non-performing**

The stage used for financial assets depends upon the credit quality of the assets, which is assessed each year. For this Statement of Accounts, all financial assets have been assessed as performing. Performing financial assets are impaired based on 12 month expected losses and gross interest is applied. For trade receivables with no significant financing component, the Council uses the simplified model permitted by IFRS, which is to impair based on lifetime expected losses.

Where debtor balances for the collection fund are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the financing and investment income and expenditure line in CIES. The impairment loss as measured as the difference between the carrying amount and the revised future cash flows.



For the Council's soft loans, the interest rate at which the fair value of the soft loan has been arrived at with reference to the methodology laid out in the EU document -Communication from the Commission on the revision of the method for setting the reference and discount rates (2008/C14/02).

6.2 Fair value measurement of non-financial assets

The authority's accounting policy for fair value measurement of financial assets is set out in note 26. The authority also measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings at fair value at each reporting date. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The fair value measurement assumes that the transaction to sell the asset takes place either:

- a. in the principal market for the asset, or
- b. in the absence of a principal market, in the most advantageous market for the asset.

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

When measuring the fair value of a non-financial asset, the authority considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets for which fair value is measured or disclosed in the authority's financial statements are categorised within the fair value hierarchy, as follows:

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

6.3 Premature Redemption of Debt

The practice for the Comprehensive Income and Expenditure Statement is to amortise premia and discounts over a period which reflects the life of the loans with which they are refinanced determined as described below. This will not be followed in the following situations:

- Where it is permissible and advantageous to capitalise premia (in which case the question of amortisation will not arise)



- Where the loans redeemed are not refinanced (when premia and discounts will be taken directly to the Revenue Account)
- Where discounts and premia are amortised over a broadly similar period, for convenience they will be shown as a net figure.

The practice for the HRA is different. In this case, discounts and premia are amortised, individually, over the remaining life of the loan repaid or ten years, whichever is the shorter.

6.4 Financial Liabilities

Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year in the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the surplus or deficit on the provision of services section in the Comprehensive Income and Expenditure Statement in the year of repurchase / settlement.

However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount respectively would be deducted from or added to the amortised cost of the new or modified loan and the write down to the surplus or deficit on the provision of services section in the Comprehensive Income and Expenditure Statement spread over the life of the loan by an adjustment to the effective interest rate.

Where premia and discounts have been charged to the surplus or deficit on the provision of services section in the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund balance to be spread over future years. The Council has a policy of spreading the gain / loss over the term of the replacement loan, at present up to a maximum of thirty years.

The reconciliation of amounts charged to the surplus or deficit on the provision of services section in the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

7 Capital Financing

7.1 Capital Expenditure

Capital expenditure on building assets is added to the value of the asset and depreciated over the remaining useful life.

Capital expenditure on HRA dwellings is added to the value of fixed assets.

Revenue expenditure funded from capital under statute (REFCUS) represents expenditure that may be capitalised under statutory provisions but does not result in the creation of



tangible assets owned by the Council. Such revenue expenditure incurred during the year has been written off as expenditure to the relevant service revenue account in the year.

7.2 Leases

From 1 April 2024, Brent Council has applied IFRS 16 Leases as adopted by the CIPFA Code of Practice on Local Authority Accounting. The new accounting standard requires that the rights to use items acquired under all leases are recognised as assets on the Balance Sheet, together with a liability for the payments to be made for the acquisition. Previously this was only done for leases where the Council acquired substantially all the risks and rewards of ownership of the leased item (finance leases).

BRENT COUNCIL AS A LESSEE

At the commencement of a lease where Brent Council is the lessee, a liability is recognised for the obligation to make future payments (discounted to their present value using the interest rate implicit in the lease or (where this is not readily available, Brent has opted to use PWLB Annuity Rates with a maturity equal to the lease term as a suitable proxy). Interest costs are debited to the CIES.

The right acquired under the lease to use the leased item is recognised as an asset, measured on the commencement date at cost based on the lease liability plus any payments made before that date. Initial direct costs of the Council are added to the carrying amount of the asset

Right-of-use assets recognised under leases are accounted for using the policies applied generally to Property, Plant and Equipment assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life. The right-of-use asset is subsequently measured using the fair value model. The authority considers the cost model to be a reasonable proxy except for assets held under non-commercial leases (peppercorn leases). For peppercorn leases, the assets are held at a revalued amount based on professional revaluations.

The Council is not required to use council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Therefore, the Council's Minimum Revenue Provision arrangements, also apply to leased assets.

Where leases are for items of low value, or the lease term is less than 12 months from commencement, amounts paid under the lease are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased item. For this purpose, Brent Council has determined that items with a value of less than £10k when new are low value. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

BRENT COUNCIL AS A LESSOR

Finance leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal and replaced by a long-



term debtor in the Balance Sheet valued on the future income due under the finance lease. This value then reduces over time as rental income is received.

Brent has opted to use PWLB Annuity Rates with a maturity equal to the lease term as a suitable proxy for the discount rates where the implicit interest rate in the lease is not available. Interest income is charged to the CIES. Where the Council grants a peppercorn finance lease, the relevant asset is derecognised, and the Council recognises any unguaranteed residual value in line with the requirements of IFRS 16.

Operating leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is recognised in the Comprehensive Income and Expenditure Statement on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease).

The CIPFA LASAAC Code interprets IFRS 16 so that housing tenancies reported within the Housing Revenue Account (HRA) are deemed to be operating leases and that disclosure requirements do not apply to these tenancies.

7.2.1 Service Concessions and the Private Finance Initiative (PFI)

Contracts and other arrangements that have been determined as “service concessions” are accounted for under IFRIC 12, the Code of Practice and the additional provisions of IPSAS 32 Service Concession Arrangements: Grantor.

Under the 2024/25 Code, which incorporates IFRS 16 Lease, the following applies.

Where new assets are identified, these assets are recognised at fair value being the relevant elements of the capital cost in the PFI operators’ financial model.

The Council recognises a lease liability for its ongoing obligations under the service concessions. This liability is measured using IFRS 16 principles, which require:

- a. The inclusion of future indexed payments in the liability calculation
- b. Annual remeasurement of the liability to reflect changes in payment terms.
- c. Use of the implicit interest rate in the arrangement, or the Council’s cost of capital where this cannot be reliably determined.

The Council’s ongoing liabilities for these service concessions are recognised on the balance sheet. This has been done by recognising a finance lease liability and writing down accordingly.

The assets acquired with these service concessions will be depreciated over the useful estimated economic life of the assets; except for the assets generated by a Social Housing PFI. Legal title to most assets from the Social Housing PFI will remain with the PFI operator, so these assets will be depreciated over the life of the contract, not their useful economic life.

Lifecycle costs will be capitalised in line with the directions of the Code of Practice on capitalising expenditure for these service concessions. All lifecycle costs for the Street lighting



PFI are treated as revenue maintenance expenditure due to the nature of maintaining street lighting.

7.3 Minimum Revenue Provision

Before the start of each financial year, the council prepares a statement of its policy on making MRP and submits the statement to full Council for approval. The statement describes how it is proposed to discharge the duty to make prudent MRP during that year. The Minimum Revenue Provision (MRP) for 2024-2025 included within this year's Statement of Accounts is outlined in Appendix J to the Budget and Council Tax Report 2024-2025.

7.4 Income from the Sale of Property, Plant and Equipment

Income from the disposal of property, plant and equipment is known as capital receipts. Such income that is not reserved and has not been used to finance capital expenditure in the period is included in the balance sheet as capital receipts unapplied.

The treatment of HRA capital receipts is determined by the Local Government Act 2003 as amended from 1st April 2012 to make new provision for the pooling of housing receipts by:

- The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No. 2) Regulations 2012 (SI 2012/711); and
- The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No.3) Regulations 2012 (SI 2013/1424).

As a result of these amendments, local authorities are able to retain the receipts generated by Right to Buy sales for replacement housing provided they can sign up to an agreement with Central Government that they will limit the use of the net Right to Buy receipts to 30% of the cost of the replacement homes within a 3 year period from the point of receipt. The London Borough of Brent has elected to enter into agreement with the Government to retain the net receipts from Right-to-Buy sales.

The regulations provide that receipts from Right-to-Buy sales will in future be applied as follows:

- The Council may deduct certain costs, namely: an amount to cover the housing debt supportable from the income on the additional Right to Buy sales; transaction and administration costs; and an amount which reflects the income the Council might reasonably have expected from Right to Buy sales prior to the new scheme.
- The Council must also pay the Government an amount which reflects the income which the Treasury expected from Right to Buy sales prior to the new scheme. From 2022/23, local authorities have been permitted to retain the share previously paid to the Treasury and must submit quarterly returns to Central Government to monitor how effectively the additional resource is being used.
- Once these costs are deducted, the remaining net receipts are available to fund (and must be applied to) replacement affordable rented homes.



7.5 Borrowing Costs

The Council may borrow to meet capital costs that are attributable to the acquisition, construction or production of a qualifying asset that has a life of more than one year. It is the Council's policy to capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Borrowing costs will be deemed as interest and other costs that the Council incurs in connection with the borrowing of funds, and a qualifying asset will be that which takes more than three years to get ready for intended use and has forecast expenditure more than £100m.

Cessation of capitalisation will occur when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete.

8 Interests in companies and other entities

The authority has material interests in companies and other entities that have the nature of subsidiaries as detailed below and require it to prepare group accounts. In the authority's own single-entity accounts, the equity investments in companies and other entities are recorded as financial assets at fair value through profit and loss in line with the requirements of IFRS 9. The only material investment held by Brent Council is its equity investment in I4B Holdings Limited, where it is the 100% shareholder. The fair value of this equity instrument is calculated with reference to the value of net assets shown in I4B's accounts, which are subject to annual audit. Movements in the fair value are debited / credited to the CIES and reversed through the Capital Adjustment Account in line with statutory requirements.

9 Group Accounts

The Group Accounts have been prepared based on a full consolidation of the financial transactions of the Council, its subsidiaries I4B Holdings Limited (I4B),

First Wave Housing Limited (FWH) (formerly Brent Housing Partnership [BHP]), the Barham Park Trust and LGA Digital Services Limited.

FWH was an Arm's Length Management Organisation (ALMO), but in 2017/18 the Council took back the management of its housing stock. FWH remains as a company which owns some housing independently of the Council. The Council remains the holder of the sole share in FWH.

Barham Park Trust is a charity that is controlled by the Council because of the Council appointing all the trustees. LGA Digital Service Limited is 50% owned by the Council and 50% owned by the Local Government Association (LGA), but is controlled by the Council, which provides the company with 100% of the services it sells. The financial statements in the Group Accounts are prepared in accordance with the policies set out above.

I4B Holdings Limited records the properties it purchases as investment properties in its Statement of Accounts that are reported under FRS 102 as I4B holds these properties principally to generate a commercial return. When these properties are consolidated into the Council's accounts, they are consolidated as Plant, Property and Equipment as this reflects the fact that the Group Accounts are presented in accordance to The Code Interpretation of



IAS40, which has a slightly different definition of Investment Properties, and these properties are used to provide services on behalf of the group.



Housing Revenue Account

Income and Expenditure Statement for the Year Ended 31 March 2024/25

This statement reflects a statutory obligation to account separately for the Council's housing provision. It shows the major elements of housing expenditure and income

Housing Income in 2023/24 and 2024/25

2023/24	Income	2024/25
£m		£m
(54.2)	Dwelling rents	(58.6)
(0.2)	Non-dwelling rents	(0.2)
(3.9)	Tenants' charges for services and facilities	(4.8)
(0.6)	Contribution towards expenditure	(0.7)
(3.1)	Leaseholders' charges for services and facilities	(4.9)
(1.1)	Other income	(1.1)
(63.1)	Total Income	(70.3)

Housing Expenditure in 2023/24 and 2024/25

2023/24	Expenditure	2024/25
£m		£m
16.8	Repairs and maintenance	21.4
14.3	Supervision and management	16.9
5.8	Rents, rates, taxes and others charges	6.1
11.2	Depreciation of non-current assets	11.8
0.0	Refcus	(0.7)
(1.6)	Movement in the allowance for bad or doubtful debts	1.5
19.3	Impairments and revaluation losses to non-current assets	47.6
0.0	Granville refurbishment provision	(2.8)
65.8	Total Expenditure	101.8



2.7	Net Cost of Services included in the Council's Income and Expenditure Account	31.5
2023/24	HRA share of the operating income and expenditure included in the Council's income and expenditure	2024/25
£m		£m
(7.0)	(Gain) or loss on sale of HRA non-current assets	(2.2)
8.9	Interest payable and similar charges	10.9
(1.0)	Interest and investment income	(1.3)
3.6	(Surplus) or Deficit for the year on HRA Services	38.9

Movement on the HRA Statement for 2023/24 and 2024/25

2023/24	Movement on the HRA Statement	2024/25
£m		£m
(0.4)	Housing Revenue Account balance brought forward	(2.4)
3.6	(Surplus) or deficit on the provision of services	38.8
(6.6)	Adjustment between accounting basis and funding basis under regulations	(44.1)
(3.0)	Net (increase) or decrease before transfers to or from reserves	(5.3)
1.0	Transfer to/(from) earmarked reserves	3.2
(2.0)	(Increase) or decrease in year on the HRA	(2.1)
(2.4)	Balance as at 31 March carried forward	(4.5)

Note 1 - Housing Stock

Housing Stock

31-Mar-24

Week 53

Stock Type	Dwellings Units	Disposals	Additions	Dwellings Units
Flats	6,126	(23)	90	6193



Houses	2,085	(9)	1	2077
Total Dwellings Units	8,211	(32)	91	8,270

Note 2: Rent Arrears

The level of service charge and rent arrears after adjusting for provisions on 31st March 2025 was £6.6m. Movement on the arrears and related provisions are shown below.

	31-Mar-24	31-Mar-25
	£m	£m
Arrears from tenants	6.5	8.4
Arrears from leaseholders	6.1	7.3
Provision	(8.2)	(9.0)
Total Arrears	4.4	6.6

Note 3 Non – Current Assets

Total Non - Current Assets 2023/24	Non-Current Assets Details	Council Dwellings 2024/25	Non Council Dwellings 2024/25	Total Non - Current Assets 2024/25
		£m	£m	£m
861	Opening Net Book Value 1 April 2024	853	36	868
	*Restated			
9	Revaluations	(45.8)	1	(45.2)
(2.6)	Impairments	(10.4)	0	(10.4)
27	Capital Expenditure	29	8	37
(9.7)	Disposals	(3.1)	0	(3.1)
(11.4)	Depreciation for the Year	(32.1)	(0.2)	(32.3)
(5.1)	Reclassifications	0	(5.1)	(5.1)
1	Other Movements	62	(3.1)	59



868	Closing Net Book Value 31 March 2025	852	36	888
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Note 4 HRA RTB Capital Receipts

	2023/24	2024/25
	£m	£m
Dwellings	(6.5)	(6.7)
Total Receipts	(6.5)	(6.7)

Note 5 – Net Interest Charged to the HRA

The net interest charge to the HRA, is calculated in accordance with Government regulation.

2023/24	Detail	2024/25
£m		£m
8.9	(Gain) or loss on sale of HRA non-current assets	10.9
8.9	Total Interest	10.9

Note 6 – Major Repairs Reserve (MRR)

The MRR is a specific capital reserve held to fund the HRA capital programme or make repayments on amounts borrowed on historic HRA capital expenditure.

2023/24	Detail	2024/25
£m		£m
(2.9)	Balance at beginning of the year	(8.5)
(11.5)	Depreciation charge on HRA Assets	(11.7)
(4.5)	Other transfers to/(from) HRA	0.0
10.4	Reserve applied to fund the HRA capital programme	16.6
(8.5)	Balance at end of year	(3.6)



Note 7 - HRA Adjustments between Accounting Basis and Funding Basis under Regulations for 2023/24 and 2024/25

2023/24 £m	HRA adjustments between accounting basis and funding basis under regulations	2024/25 £m
7.0	(Gain) or loss on sale of non-current assets	2.2
0.0	Refcus	0.7
4.5	Additional voluntary contribution to the Major Repairs Reserve	0.0
(19.7)	Downward revaluation of non-current assets	(42.9)
(0.1)	Pooled capital receipts -contribution to administration costs	(0.1)
0.9	Employer's pensions contributions and direct payments to pensioners payable in the year	0.7
11.5	Transfers to major repairs reserve	11.7
(10.7)	Transfers to capital adjustment account	(16.5)
(6.6)	Total adjustments between accounting basis and funding basis under Regulations	(44.2)



Collection Fund Account for the Year ended 31 March 2025

The collection fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate collection fund. The statement shows the transactions of the

billing authority (Brent) in relation to the collection from taxpayers and distribution to Brent, the Greater London Authority and Central Government of council tax and non-domestic rates.

Collection Fund Statement

2023/24				2024/25		
Council Tax	Business Rates	Total Collection Fund		Council Tax	Business Rates	Total Collection Fund
£m	£m	£m		£m	£m	£m
			Statutory collections			
(200.2)	(127.0)	(327.2)	Income from Taxpayers	(215.8)	(133.8)	(349.6)
	(3.6)	(3.6)	Business Rates Supplement		(3.7)	(3.7)
	(11.8)	(11.8)	Transitional Protection Payments due to Collection Fund		(2.5)	(2.5)
(200.2)	(142.3)	(342.5)	Total Income	(215.8)	(140.0)	(355.8)
			Precepts, demands & shares			
150.8	41.2	192.0	LB Brent	162.1	42.7	204.8
43.9	50.8	94.7	GLA	48.8	52.8	101.6
	45.3	45.3	Central Government		47.0	47.0
	3.6	3.6	GLA - Business Rates Supplement		3.7	3.7
			Share of surplus/(deficit)			
1.8	(1.5)	0.3	LB Brent	7.6	0.4	8.0
0.6	(1.9)	(1.2)	GLA	2.3	0.4	2.7



	(1.7)	(1.7)	Central Government		0.4	0.4
			Charges to the fund			
14.7	1.6	16.4	Impairment of debts/appeals	6.8	11.4	18.3
(0.5)	(3.9)	(4.4)	Write offs/(Write backs)	0.0	(3.6)	(3.6)
	0.4	0.4	Cost of Collection Allowance		0.4	0.4
			Transitional Protection			
	0.0	0.0	Payments due from Collection Fund		0.0	0.0
211.4	134.0	345.4	Total Expenditure	227.6	155.7	383.3
11.2	(8.3)	2.8	(Surplus)/Deficit in year	11.9	15.6	27.5
			Movements on Balances			
(12.4)	(0.7)	(13.1)	(Surplus)/Deficit brought forward	(1.2)	(9.0)	(10.2)
11.2	(8.3)	2.8	(Surplus)/Deficit in year	11.9	15.6	27.5
(1.2)	(9.0)	(10.2)	(Surplus)/Deficit carried forward	10.7	6.6	17.3

Notes to the Collection Fund

Note 1 - Allocation of Collection Fund Balance for 2024/25 and 2023/24

			Allocation of Collection Fund Balances	2024/25		
2023/24						
(1.0)	(2.7)	(3.7)	LB Brent	8.2	2.0	10.2
(0.2)	(3.4)	(3.6)	GLA	2.5	2.3	4.8
	(2.9)	(2.9)	Central Government		2.3	2.3
(1.2)	(9.0)	(10.2)	Total (Surplus)/Deficit	10.7	6.6	17.3



Note 2 – Council Tax

Council Tax income derives from charges raised according to the value of residential properties, classified into 8 valuation bands estimating 1 April 1991 values.

Charges are calculated by estimating the amount of income required to be taken from the Collection Fund by the precepting authorities (for Brent this is the GLA) and the Council for the forthcoming year and dividing this by the Council Tax Base (the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent and adjusted for discounts) to produce a standard Band D charge.

For 2024/25 the standard Band D charge was £2,036.05 (£1,924.45 in 2023/24).

The standard Band D charge is multiplied by the proportion specified for each property to produce an individual amount due for every residential property.

Council Tax bills were based on the following proportions for Bands A to H, including the GLA share:

Band Name	Proportion of Band D Charge	Number of Band D Equivalent Properties
Band A	6/9	1,867
Band B	7/9	6,780
Band C	8/9	27,134
Band D	9/9	31,893
Band E	11/9	24,387
Band F	13/9	8,405
Band G	15/9	5,311
Band H	18/9	457

The total number of Band D equivalent properties is then multiplied by a percentage to allow for collection loss (97.5%) to give a tax base for budget setting purposes of 103,577. When multiplied by the Band D charge the total budgeted income is £210.9m, of which £162.1m is attributable to Brent and £48.8m to the GLA.



Note 3 – Non-Domestic Rate

The total Non-Domestic Rateable Value for 2024/25 was £374.3m (£375.6m in 2023/24). The rateable value is an estimate by the Valuation Office Agency of how much it would cost to rent a property for a year on 1 April 2021. The rateable values applied in 2024/25 have been in effect since 1 April 2023, except where amended by the Valuation Office Agency.

Since 1 April 2024, the Non-domestic rating multiplier (rateable value £51k+) and the small business non-domestic rating multiplier (rateable value less than £51k) have been calculated separately. For 2024/25, the small business multiplier was frozen and the non-domestic rating multiplier was increased by the September 2023 CPI inflation rate (6.7%).

The following business rates multipliers were applicable in 2024/25:

- Small business non-domestic rating multiplier 49.9p (49.9p 2023/24)
- Non-domestic rating multiplier 54.6p (51.2p 2023/24)

Note 4 – Collection

For Council Tax, 91.2% of the debit relating to the 2024/25 financial year had been collected by 31 March 2025. This is down from the 92.2% achieved in 2023/24. For Non-Domestic Rates the in-year collection rate increased from 93.2% to 93.4%.



Group Accounts

Local authorities are required to produce group accounts which include interests in subsidiaries, associates and joint ventures.

The group accounts consolidate the accounts of the First Wave Housing, Barham Park Trust, I4B and LGA Digital Services

- **First Wave Housing** provide housing in Brent and is wholly owned by Brent Council.
- **Barham Park Trust** is a charity that is controlled by the Council as a result of the Council appointing all the trustees.
- **I4B Holdings Limited** is a company wholly owned by Brent Council to deliver the housing options defined in the Temporary Accommodation reform plan.
- **LGA Digital Service Limited** is a company that is 50% owned by the Council and 50% owned by the Local Government Association.

The following group financial statements have been prepared:

- Group Balance Sheet
- Group Movement in Reserves Statement (Group MIRS)
- Group Comprehensive Income and Expenditure Account
- Group Cash Flow Statement

A significant amount of information in these statements is identical to Brent's accounts on the preceding pages of this document. Information has not been reproduced in the group accounts where it can be readily seen in Brent's accounting statements.

Group Accounting Policies

The group accounts have been prepared using the same accounting policies as the Brent single entity accounts shown in this document. Additional details are included in the Accounting Policies section below.

Group Statements



Group Balance Sheet

Restated 31-Mar 20xx £m	31-Mar 2024 £m	Group Accounts Detail	31-Mar 2025 £m
2,566.7	2,744.0	Property, Plant & Equipment	2,728.5
0.5	0.5	Heritage Assets	0.5
14.1	13.2	Investment Property	12.3
23.9	26.8	Intangible Assets	25.1
0.4	0.3	Long Term Investments	18.0
20.4	38.7	Long Term Debtors	44.5
2,626.0	2,823.5	Long Term Assets	2,828.9
0.3	4.8	Short Term Investments	0.0
0.0	5.0	Assets Held for Sale	5.0
205.1	173.6	Short Term Debtors	165.3
156.2	117.2	Cash and Cash Equivalents	93.1
361.6	300.6	Current Assets	263.4
(85.7)	(93.7)	Short Term Borrowing	(138.5)
(153.4)	(143.9)	Short Term Creditors	(225.6)
(1.4)	(0.5)	Grants Receipt in Advance- Revenue	(3.0)
(2.9)	(2.2)	Provisions	(13.0)
0.0	(0.1)	Cash and Cash Equivalents	(0.6)
(243.4)	(240.4)	Current Liabilities	(380.7)
0.0	0.0	Long Term Creditors	0.0
(28.8)	(25.4)	Provisions	(13.1)
(695.3)	(730.5)	Long Term Borrowing	(769.5)
(297.1)	(273.8)	Other Long Term Liabilities	(273.0)
(1,021.2)	(1,029.7)	Long Term Liabilities	(1,055.6)
1,723.0	1,854.0	Net Assets	1,656.0
(467.5)	(500.6)	Usable Reserves	(462.2)
(1,255.5)	(1,353.4)	Unusable Reserves	(1,193.8)
(1,723.0)	(1,854.0)	Total Reserves	(1,656.0)



Group Consolidated Income & Expenditure Statement for 2024/25

Income and Expenditure Detail	2024/25 Gross Expenditure £m	2024/25 Gross Income £m	2024/25 Net Expenditure £m
Community Health & Wellbeing	205.4	(44.1)	161.3
Children & Young People (GF)	137.3	(50.3)	87.0
Children & Young People (DSG)	261.3	(255.8)	5.5
Neighbourhoods & Regeneration	99.8	(67.6)	32.2
Finance and Resources	83.3	(1.1)	82.2
Law & Governance	16.0	(2.3)	13.7
Partnerships Housing & Residents Services (GF)	117.3	(69.3)	48.0
Partnerships Housing & Residents Services (HRA)	102.3	(69.7)	32.6
Central Items	196.4	(269.7)	(73.3)
Cost of Services	1,219.1	(829.9)	389.2
Other operating expenditure	-	-	47.9
Financing and investment income & expenditure	-	-	24.2
Taxation and non-specific grant income	-	-	(360.0)
(Surplus) or Deficit on Provision of Services	-	-	101.3
(Surplus) or deficit on revaluation of Property, Plant and Equipment assets	-	-	113.2
Deferred Tax Charge	-	-	(0.4)
Actuarial (gains)/losses on pension assets and liabilities	-	-	(16.5)
Other Comprehensive Income and Expenditure	-	-	96.3
Total Comprehensive Income and Expenditure	-	-	197.6



Income and Expenditure Detail	2023/24 Gross Expenditure £m	2023/24 Gross Income £m	2023/24 Net Expenditure £m
Community Health & Wellbeing	188.7	(41.9)	146.8
Children & Young People (GF)	125.9	(39.1)	86.8
Children & Young People (DSG)	242.7	(243.3)	(0.6)
Neighbourhoods & Regeneration	90.8	(61.6)	29.2
Finance and Resources	18.5	(1.3)	17.2
Law & Governance	12.8	(1.0)	11.8
Partnerships Housing & Residents Services (GF)	155.6	(73.5)	82.1
Partnerships Housing & Residents Services (HRA)	65.7	(63.0)	2.7
Central Items	230.4	(293.8)	(63.4)
Cost of Services	1,131.1	(818.5)	312.6
Other operating expenditure	-	-	6.5
Financing and investment income & expenditure	-	-	35.1
Taxation and non-specific grant income	-	-	(388.3)
(Surplus) or Deficit on Provision of Services	-	-	(34.1)
(Surplus) or deficit on revaluation of Property, Plant and Equipment assets	-	-	(82.8)
Deferred Tax Charge	-	-	(0.6)
Actuarial (gains)/losses on pension assets and liabilities	-	-	(13.6)
Other Comprehensive Income and Expenditure	-	-	(97.0)
Total Comprehensive Income and Expenditure	-	-	(131.1)

2023/24 figures have been restated due to a restructure of the council.



Group Cashflow Statement

2023/24 £m	Cash Flow Detail	2024/25 £m
34.2	Net surplus or (deficit) on the provision of services	(104.7)
98.1	Adjustments for non-cash movements	227.8
(105.4)	Adjustments for investing and financing activities	(53.0)
26.9	Net cash inflows/(outflows) from Operating Activities	70.1
(107.2)	Net cash inflows/(outflow) from Investing activities	(249.2)
41.5	Net cash inflows/(outflow) from Financing activities	155.0
(38.8)	Net increase/(decrease) in cash and cash equivalents	(24.1)
156.2	Cash and cash equivalents at the beginning of the reporting period	117.2
117.4	Cash and cash equivalents at the end of the reporting period	93.1

Group Movement In Reserves

Detail	General Fund Balance £m	School Balances £m	Earmarked Reserves General Fund £m	HRA Balance £m	Earmarked Reserves HRA £m	Capital Receipts Reserve £m	Major Repairs Reserve £m	Capital Grants Unapplied £m	Total Usable Reserves £m	Unusable Reserves £m	Total Council Reserves £m	Council's Share of Reserves of Subsidiaries, Associated and Joint Ventures £m	Total Group Reserves £m
Balance as at 1 April 2024	(19.9)	(13.1)	(134.6)	(2.3)	(2.7)	(33.1)	(8.5)	(314.3)	(528.5)	(1,297.5)	(1,826.0)	(28.0)	(1,854.0)
Movement in reserves during 2024/25 (Surplus) or deficit on the provision of services	65.5			38.8					104.3		104.3	(2.8)	101.5
Other comprehensive income & expenditure										110.4	110.4	(14.1)	96.3
Total comprehensive income & expenditure	65.5	0.0	0.0	38.8	0.0	0.0	0.0	0.0	104.3	110.4	214.7	(16.9)	197.8
Adjustments between Group Accounts and Council Accounts	(3.0)								(3.0)		(3.0)	3.0	0.0
Net Increase/Decrease before Transfers	62.5	0.0	0.0	38.8	0.0	0.0	0.0	0.0	101.3	110.4	211.7	(13.9)	197.8
Adjustments between accounting basis & funding basis under regulations	(54.5)			(44.1)		(4.4)	4.8	28.9	(69.3)	69.3	0.0		0.0
Net (increase)/decrease before transfers to earmarked reserves	8.0	0.0	0.0	(5.3)	0.0	(4.4)	4.8	28.9	32.0	179.7	211.7	(13.9)	197.8
Transfers (to)/from earmarked reserves	(8.0)	1.1	6.9	3.2	(3.2)				0.0		0.0	0.0	0.0

(Increase)/decrease in 2024/25	0.0	1.1	6.9	(2.1)	(3.2)	(4.4)	4.8	28.9	32.0	179.7	211.7	(13.9)	197.8
Balance as at 31 March 2025	(19.9)	(12.0)	(127.7)	(4.4)	(5.9)	(37.5)	(3.7)	(285.4)	(496.5)	(1,117.8)	(1,614.3)	(41.9)	(1,656.2)

Restated Detail	General Fund Balance £m	School Balances £m	Earmarked Reserves General Fund £m	HRA Balance £m	Earmarked Reserves HRA £m	Capital Receipts Reserve £m	Major Repairs Reserve £m	Capital Grants Unapplied £m	Total Usable Reserves £m	Unusable Reserves £m	Total Council Reserves £m	Council's Share of Reserves of Subsidiaries, Associated and Joint Ventures £m	Total Group Reserves £m
Balance as at 1 April 2023	(17.9)	(15.1)	(144.5)	(0.3)	(1.7)	(15.4)	(2.9)	(293.3)	(491.1)	(1,206.2)	(1,697.3)	(25.7)	(1,723.0)
Movement in reserves during 202x/2x (Surplus) or deficit on the provision of services	(29.4)			3.7					(25.7)		(25.7)	(8.4)	(34.1)
Other comprehensive income & expenditure										(97.2)	(97.2)	0.2	(97.0)
Total comprehensive income & expenditure	(29.4)	0.0	0.0	3.7	0.0	0.0	0.0	0.0	(25.7)	(97.2)	(122.9)	(8.2)	(131.1)
Adjustments between Group Accounts and Council Accounts	(5.9)								(5.9)		(5.9)	5.9	0.0
Net Increase/Decrease before Transfers	(35.3)	0.0	0.0	3.7	0.0	0.0	0.0	0.0	(31.6)	(97.2)	(128.8)	(2.3)	(131.1)
Adjustments between accounting basis & funding basis under regulations	45.2			(6.7)		(17.7)	(5.6)	(21.0)	(5.8)	5.9	0.1		0.1
Net (increase)/decrease before transfers to earmarked reserves	9.9	0.0	0.0	(3.0)	0.0	(17.7)	(5.6)	(21.0)	(37.4)	(91.3)	(128.7)	(2.3)	(131.0)

Transfers (to)/from earmarked reserves	(11.9)	2.0	9.9	1.0	(1.0)				0.0		0.0	0.0	0.0
(Increase)/decrease in 202x/2x	(2.0)	2.0	9.9	(2.0)	(1.0)	(17.7)	(5.6)	(21.0)	(37.4)	(91.3)	(128.7)	(2.3)	(131.0)
Balance as at 31 March 202x	(19.9)	(13.1)	(134.6)	(2.3)	(2.7)	(33.1)	(8.5)	(314.3)	(528.5)	(1,297.5)	(1,826.0)	(28.0)	(1,854.0)

Notes to the Group Accounts

This shows the main differences between items in Brent's single entity accounts and the group accounts. Where there are intra-group entries these are adjusted in calculating the overall group position.

2024/25 main adjustments

Adjustment Detail	Consolidated accounts £m	Brent Council £m	I4B £m	FwH £m	Barham Park £m	LGA £m	Adjustments £m
Property, Plant & Equipment	2,728.4	2,447.2	43.8	53.3	0.9	0.0	183.2
Investment Property	12.3	0.0	12.3	185.8	0.0	0.0	(185.8)
Long Term Investments	18.0	116.9	0.0	0.0	0.0	0.0	(98.9)
Long Term Debtors	44.5	197.8	0.0	0.0	0.0	0.0	(153.3)
Short Term Investments	0.0	0.0	0.0	1.9	0.0	0.0	(1.9)
Short Term Debtors	165.4	170.3	1.5	4.8	0.0	0.1	(11.3)
Cash and Cash Equivalents	93.2	76.0	7.8	8.7	0.7	0.4	(0.4)
Short Term Borrowing	(138.5)	(138.5)	(0.4)	0.0	0.0	0.0	0.4
Short Term Creditors	(225.6)	(224.8)	(1.4)	(11.9)	0.0	(0.5)	13.0
Long Term Borrowing	(769.5)	(769.5)	(33.4)	(182.4)	0.0	0.0	215.8
Usable Reserves	(460.4)	(494.6)	(1.1)	(9.8)	(1.6)	0.0	46.7
Unusable Reserves	(1,193.8)	(1,117.7)	(27.7)	(38.2)	0.0	0.0	(10.2)
GF - Partnerships Housing & Residents Services	48.0	50.9	0.3	(8.5)	0.0	0.0	5.3
Financing and investment income & expenditure	24.2	23.1	0.7	4.9	0.0	0.0	(4.5)
(Surplus) or Deficit on Provision of Services	101.5	101.3	1.0	(3.6)	(0.1)	0.0	2.9
(Surplus) or deficit on revaluation of Property, Plant and Equipment assets	113.2	126.9	(3.2)	(2.1)	0.0	0.0	(8.4)

Other Comprehensive Income and Expenditure	96.4	110.4	(3.2)	(2.4)	0.0	0.0	(8.4)
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I4B records its properties as investment properties under its accounting policies to comply with UK GAAP, whereas in the group accounts these have to be recorded as Property, Plant and Equipment to comply with the CIPFA Code. This explains the £185.8m transfer from Investment Properties to Property Plant and Equipment (PPE).

Removal of intra-group transaction relating to loans within the group, the main adjustments are £98.9m reduction in Long Term Investments and a £153.3m reduction in Long Term Debtors, combined with a £215.8m reduction in Long Term Borrowing, £41.6m of the reduction in Usable Reserves.

Current Debtors have been reduced by £11.3m and Current Creditors have been reduced by £13.0 m. These principally relate to:

- rents and housing benefit owed by the council to its subsidiaries,
- the remainder of the intra-company loan balances,
- monies owed by the subsidiaries to the council for services provided by the council,

and amounts relating to money held by the council on behalf of Barham Park.

2023/24 main adjustments

Adjustment Detail	Consolidated accounts £m	Brent Council £m	I4B £m	FwH £m	Barham Park £m	LGA £m	Adjustments £m
Property, Plant & Equipment	2,744.1	2,491.9	51.8	41.0	0.9	0.0	158.50
Investment Property	13.2	0.0	160.7	13.2	0.0	0.0	(160.7)
Long Term Investments	0.4	103.8	0.0	0.0	0.0	0.0	(103.4)
Long Term Debtors	38.8	190.7	0.0	0.0	0.6	0.0	(152.5)
Short Term Debtors	173.5	179.1	3.6	0.9	0.0	0.1	(10.2)
Short Term Investments	4.9	5.0	21.0	0.0	0.0	0.0	(21.1)
Cash and Cash Equivalents	117.3	109.1	2.7	7.1	0.0	0.4	(2.0)
Short Term Creditors	(143.8)	(166.0)	(7.2)	(1.4)	0.0	(0.5)	31.3
Long Term Creditors	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	(730.4)	(730.5)	(182.1)	(33.8)	0.0	0.0	216.0
Usable Reserves	(502.1)	(528.6)	(14.9)	(0.2)	(1.5)	0.0	43.1
Unusable Reserves	(1,353.5)	(1,297.4)	(30.7)	(25.4)	0.0	0.0	0.0
GF - Partnerships Housing & Residents Services	83.7	91.7	(10.4)	0.0	0.0	0.0	2.4
Financing and investment income & expenditure	35.2	29.6	4.1	0.7	0.0	0.0	0.8
Taxation and non-specific grant income	(388.3)	(388.3)	0.0	0.0	0.0	0.0	0.0
(Surplus) or Deficit on Provision of Services	(35.6)	(31.6)	(6.3)	0.7	0.0	0.0	1.6
(Surplus) or deficit on revaluation of Property, Plant and Equipment assets	(82.8)	(83.6)	2.0	(1.2)	0.0	0.0	0.0
Other Comprehensive Income and Expenditure	(97.1)	(97.2)	1.3	(1.2)	0.0	0.0	0.0

I4B records its properties as investment properties under its accounting policies to comply with UK GAAP, whereas in the group accounts these have to be recorded as Property, Plant and Equipment to comply with the CIPFA Code. This explains the £160.7m transfer from Investment Properties to Property Plant and Equipment (PPE).

Removal of intra-group transaction relating to loans within the group, the main adjustments are £103.4m reduction in Long Term Investments and a £152.5m reduction in Long Term Debtors, combined with a £216.0m reduction in Long Term Borrowing, £44.6m reduction in Usable Reserves and £21.1m reduction in Short Term Investments.

Current Debtors have been reduced by £10.2m and Current Creditors have been reduced by £31.3m. These principally relate to:

- rents and housing benefit owed by the council to its subsidiaries,
- the remainder of the intra-company loan balances,
- monies owed by the subsidiaries to the council for services provided by the council,
- and amounts relating to money held by the council on behalf of Barham Park.

Note 1 to the Group Accounts: Consolidated Plant Property and Equipment

Movements in Consolidated Plant, Property and Equipment for 2024/25

Movements in 2024/25	Council Dwellings £m	Land & Buildings £m	VPF&E £m	Community Assets £m	Surplus Assets £m	Asset under Construction £m	Total £m
Cost or Valuation At 1 April 2024	852.7	1,462.9	66.0	3.7	4.1	196.5	2,585.9
Additions	28.9	88.6	4.9	1.0	0.0	155.5	278.9
Depreciation written out	(2.1)	(14.3)	0.0	0.0	0.0	0.0	(16.4)
Revaluation increases (decreases) in the Revaluation Reserve	(45.8)	6.8	0.0	0.0	(0.2)	0.0	(39.2)
Revaluation increases (decreases) in the Surplus / Deficit on the Provision of Services	(48.4)	(28.8)	0.0	0.0	0.0	0.0	(77.2)
Derecognition - Disposals	(3.2)	(48.7)	(32.9)	0.0	0.0	0.0	(84.8)
Reclassifications (to/from Assets Held for Sale)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other movements in Cost or Valuations	112.2	(97.0)	0.0	0.0	0.4	(16.1)	(0.5)
At 31 March 2025	894.3	1,369.5	38.0	4.7	4.3	335.9	2,646.7
Depreciation and Impairments At 1 April 2024	(22.7)	(35.4)	(44.3)	(0.8)	0.0	(1.3)	(104.5)
Charge for 2024/25	(11.6)	(23.4)	(2.1)	(0.1)	0.0	0.0	(37.2)
Depreciation written out	2.1	14.3	0.0	0.0	0.0	0.0	16.4
Impairment losses (reversals) recognised in the Revaluation Reserve	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Impairment Losses/(Reversals)	(3.7)	(54.2)	0.0	0.0	0.0	0.0	(57.9)

recognised in the Surplus/Deficit on the Provision of Services							
Derecognition - Disposals	(4.6)	(18.8)	(1.9)	0.0	0.0	(4.9)	(30.2)
Reclassifications (to/from Assets Held for Sale)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Movements in Depreciation & Impairments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
At 31 March 2025	(40.4)	(116.6)	(22.2)	(0.9)	0.0	(6.2)	(186.3)
Balance Sheet NBV at 31 March 2025	853.9	1,252.9	15.8	3.8	4.3	329.7	2,460.4
Balance Sheet NBV at 1 April 2024	830.0	1,427.5	21.7	2.9	4.1	195.2	2,481.4

Restated Movements in 202x/2x	Council Dwellings £m	Land & Buildings £m	VPF&E £m	Community £m	Surplus Assets £m	Asset under Construction £m	Total £m
Cost or Valuation At 1 April 202x	843.9	1,373.4	65.3	3.7	1.3	208.7	2,496.3
Additions	18.9	36.9	0.7	0.1	2.6	57.1	116.2
Depreciation written out	(8.5)	(14.9)	0.0	0.0	0.0	0.0	(23.4)
Revaluation increases (decreases) in the Revaluation Reserve	25.5	43.2	0.0	0.0	0.2	2.8	71.7
Revaluation increases (decreases) in the Surplus / Deficit on the Provision of Services	(17.3)	(22.8)	0.0	0.0	0.0	0.0	(40.1)
Derecognition - Disposals	(9.9)	(9.6)	0.0	0.0	0.0	(10.5)	(30.0)
Reclassifications (to/from Assets Held for Sale)	0.0	0.0	0.0	0.0	0.0	(5.1)	(5.1)
Other movements in Cost or Valuations	0.0	56.5	0.0	0.0	0.0	(56.5)	0.0
At 31 March 202x	852.6	1,462.8	66.0	3.8	4.1	196.4	2,585.6
Depreciation and Impairments At 1 April 202x	(17.4)	(32.9)	(42.5)	(0.8)	0.0	(1.3)	(94.9)

Charge for 202x/2x	(11.2)	(18.0)	(1.8)	0.0	0.0	0.0	(31.0)
Depreciation written out	8.4	15.4	0.0	0.0	0.0	0.0	23.8
Impairment losses (reversals) recognised in the Revaluation Reserve	(2.6)	0.0	0.0	0.0	0.0	0.0	(2.6)
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Derecognition - Disposals	0.1	(0.2)	0.0	0.0	0.0	0.0	(0.1)
Reclassifications (to/from Assets Held for Sale)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Movements in Depreciation & Impairments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
At 31 March 202x	(22.6)	(35.8)	(44.2)	(0.8)	0.0	(1.3)	(104.7)
Balance Sheet NBV at 31 March 202x	830.0	1,427.0	21.8	3.0	4.1	195.1	2,480.9
Balance Sheet NBV at 1 April 202x	826.5	1,340.3	22.9	2.9	1.3	207.4	2,401.3

Note 1d Valuation of Assets

Valuation of Assets	Land & Buildings £m	Surplus £m	Council dwellings £m	Total £m
Revaluation before 20-21	15.7	0	0	15.7
Revaluation 20-21	0	0	0	0
Revaluation 21-22	47.3	0.3	781.6	829.2
Revaluation 22-23	15.4	0	0	15.4
Revaluation 23-24	267.3	0.8	41.6	309.7
Revaluation 24-25	627.8	3.2	29.2	660.2
Grand Total	973.5	4.3	852.4	1,830.2

Note 2 to the Group Accounts: Investment Property Movements in Investment Property for 2024/25, 2023/24 and 2023/22

Movements	2024/25 £m	2023/24 £m
Opening Cost or Valuation	13.3	14.2
Additions	0	0
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(1)	(0.9)
Closing Cost or Valuation	12.3	13.3

Note 3 to the Group Accounts: Detailed Cashflow

2023/24 £m	Cash Flow Detail	2024/25 £m
34.2	Net surplus or (deficit) on the provision of services	(104.7)
39.6	Depreciation	48.4
31.7	Impairment and downward valuations	100.9
4.1	Amortisation	4.3
(1.4)	Increase/(decrease) in creditors	56.3
19.2	(Increase)/decrease in debtors	(21.1)
(5.6)	Movement in pension liability	(9.4)
29.4	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	58.9
(22.1)	Other non-cash items charged to the net surplus or deficit on the provision of services	(14.2)
3.2	Current tax	3.7
(0.8)	Proceeds of sale of short- and long-term investments (net)	(6.1)
(14.4)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(8.5)
(1.5)	Tax paid	(1.0)
(88.7)	Any other items for which the cash effects are investing or financing cash flows	(37.4)
26.9	Net cash inflows/(outflows) from Operating Activities	70.1
(206.5)	Purchase of property, plant and equipment, investment property and intangible assets	(298.0)
(4.8)	Purchase of short-term and long-term investments	(3.2)

14.6	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	8.5
0.8	Proceeds of sale of short- and long-term investments	6.1
88.7	Other receipts from investing activities	37.4
(107.2)	Net cash inflows/(outflows) from Investing Activities	(249.2)
135.8	Cash receipts of short- and long-term borrowing	188.8
(3.7)	Cash inflow/(outflow) relating to Private Finance Initiative schemes	50.9
(90.6)	Repayments of short- and long-term borrowing	(84.7)
41.5	Net cash inflows/(outflows) from Financing Activities	155.0
(38.8)	Net increase/(decrease) in cash and cash equivalents	(24.1)
156.2	Cash and cash equivalents at the beginning of the reporting period	117.2
117.4	Cash and cash equivalents at the end of the reporting period	93.1

[Note 4 to the Group Accounts: Audit fees](#)

Consolidated audit fees for Group Accounts for 2024/25 and 2023/24

Audit Fee Detail	2024/25 £'000	2023/24 £'000
External audit services for in-year	679.2	596
Fees for other services provided by external auditor for year (grants)	58.1	56.1
Total	737.3	652.1

[Note 5 to the Group Accounts: Short Term Debtors](#)

Short Term Debtors	31-Mar-2025 £m	31-Mar-2024 £m
Trade receivables Outstanding	108.9	126.7
Less impairments	(33.5)	(32.1)
Net Trade receivables	75.4	94.6

Prepayments	3.5	2.7
Local Taxation receivables Outstanding	77.1	68.5
Less impairments	(38.3)	(34.6)
Net Local Taxation receivables	38.8	33.9
Other receivables amount Outstanding	86.1	80.6
Less impairments	(38.8)	(38.2)
Net Other receivable amounts	47.3	42.4
Total	165.0	173.6

Note 6 Movements on the group revaluation reserve

	2024/25 £m	2023/24 £m
Opening balance	(930.7)	(852.8)
Movements through other comprehensive income	113.2	(82.8)
Movements through (Surplus) or Deficit on Provision of Services	29.7	4.9
Closing balance	(787.8)	(930.7)

Prior Period Errors

Prior period adjustments may arise because of a change in accounting policies or to correct a material error. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Restatement of opening balances for Plant Property and Equipment

Upon review Net Book Value (NBV) of some assets has been overstated by a total of £19.0m, and some assets have been misclassified under the wrong category the overall impact of this on the balance sheet and MIRS is as follows:

Balance Sheet heading	Balance Sheet detail	Restated 31.3.23	Original 31.3.23	Change
		(£m)	(£m)	(£m)
Long Term Assets	Property Plant and Equipment (PPE)	2,327.2	2343.4	(16.2)
Total Long Term Assets		2,628.0	2,644.2	(16.2)
Current Assets	Assets Held for Sale	0.0	2.8	(2.8)
Total Current Assets		356.3	359.1	(2.8)
Net Assets		1,697.4	1,716.3	(18.9)

Reserves	Unusable Reserves	(1,206.3)	(1,225.1)	(18.8)
Total Reserves		(1,697.5)	(1,716.3)	(18.8)

This movement changes the opening balance for unusable reserves in the MIRS by the same value as the balance sheet, in the Note to the MIRS (note 39), the effect is split across the Revaluation Reserve and Capital Adjustment Account as follows:

Movement in Reserves Detail	Restated Revaluation Reserve (£m)	Restated Capital Adjustment Account (£m)	Original Revaluation Reserve (£m)	Original Capital Adjustment Account (£m)	Change Revaluation Reserve (£m)	Change Capital Adjustment Account (£m)
Opening balance 2023/24	(803.5)	(669.7)	(813.2)	(679)	(9.7)	(9.3)

The detailed impact on Plant, Property and Equipment Net Book Values is as follows:

- Infrastructure was overstated by £63.4m
- Asset under construction were overstated by £45.5m
- Surplus Assets were understated by £13m
- Community Assets were overstated by £3m
- Vehicles, Plant, Furniture and Equipment was overstated by £9.5m
- Other Land & Buildings was overstated by £3m
- Council Dwellings were understated by £2m

The impact on the NBVs of the council's assets in note 1a is as follows:

Net Book Value	Council Dwellings (£m)	Other Land & Buildings	VPF&E (£m)	Community Assets	Surplus Assets	Assets Under Construction	Total (£m)
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		(£m)		(£m)	(£m)	(£m)	
Restated 31.3.23	825.9	1,076.0	22.7	3.0	1.4	207.5	2,136.5
Original 31.3.23	827.8	1,073.00	13.1		14.4	162.1	2,090.40
Change	1.9	(3.0)	(9.6)	(3.0)	13.0	(45.4)	(46.1)

NB There was a £1m discrepancy between Note 1 and the balance sheet, which explains the difference between the numbers in the table above and the balance sheet numbers stated at the start of this section.

This has the following impact on Note 1b:

Net Book Value	Subtotal of PPE excluding Infrastructure (£m)	Infrastructure (£m)	Total (£m)
Restated 31.3.23	2,136.5	189.6	2,326.1
Original 31.3.23	2,090.40	253	2,343.4
Change	(46.1)	63.4	17.3

This has the following impacts on gross carrying amounts and accumulated depreciation for non-infrastructure assets:

Movements in 2023/24	Council Dwellings	Other Land & Buildings	VPF&E	Community Assets	Surplus Assets	Assets Under Construction	Total
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
GCA Revised 01/04/2023	842.9	1,106.40	66.8	3.8	1.4	208.8	2,230.10

GCA Original 01/04/2023	839.6	1,090.20	58.3	0	14.4	163.4	2,165.90
GCA Change	(3.3)	(16.2)	(8.5)	(3.8)	13.0	(45.4)	(64.2)

Movements in 2023/24	Council Dwellings (£m)	Other Land & Buildings (£m)	VPF&E (£m)	Community Assets (£m)	Surplus Assets (£m)	Assets Under Construction (£m)	Total (£m)
Accumulated Depreciation Revised 01/04/2023	-17	-30.4	-44.1	-0.8	0	-1.3	-93.6
Accumulated Depreciation Original 01/04/2023	-11.8	-17.2	-45.2	0	0	-1.3	-75.5
Accumulated Depreciation Change	5.2	13.2	(1.1)	0.8	0.0	0.0	18.1

Capital Commitment

A prior period restatement has been made for Alperton Bus Garage Housing Development as the £46.5m capital commitment relating to the lease payments was not included in the 23/24 figures.

Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council required to:

- decide for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Corporate Director for Finance and Resources

- manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets.
- approve the Statement of Accounts.

The Responsibilities of the Corporate Director for Finance and Resources

The Corporate Director for Finance and Resources is responsible for the preparation of the Council's statement of accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Council Accounting in Great Britain ('the Code of Practice'), is required to present fairly the financial position of the Council at the Accounting date and its income and expenditure for the year ended 31 March 2024.

In preparing this statement of accounts, the Corporate Director for Finance and Resources has:

- selected suitable accounting policies and then applied them consistently.
- made judgements and estimates that were reasonable and prudent.
- complied with the Code of Practice.
- kept proper accounting records which were up to date.
- taken reasonable steps for the prevention and detection of fraud and other irregularities.
- assessed the Authority's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.
- used the going concern basis of accounting on the assumption that the functions of the Authority (and the Group) will continue in operational existence for the near future; and
- maintained such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Authority on 31 March 2024 and of its income and expenditure for the year then ended.

Minesh Patel

Corporate Director for Finance and Resources

18th Aug 2025

Draft Brent Pension Fund Accounts

Pension Fund Accounts as at 31 March 2025

2023/24 £m		Notes	2024/25 £m
	Dealings with members, employers and others directly involved in the fund		
(68.9)	Contributions	7	(73.2)
(7.8)	Transfers in from other pension funds	8	(6.8)
(76.7)			(80.0)
52.0	Benefits	9	59.9
7.8	Payments to and on account of leavers	10	9.3
59.8			69.2
(16.9)	Net (additions)/withdrawals from dealings with members		(10.8)
4.2	Management expenses	11	5.1
(12.7)	Net (additions)/withdrawals including management expenses		(5.7)
	Returns on investments		
(10.9)	Investment income	12	(15.4)
(0.2)	Taxes on income	13	0.1
(117.1)	(Profits) and losses on disposal of investments and changes in the market value of investments	14	(30.6)
(128.2)	Net return on investments		(45.9)
	Net (increase)/decrease in the net assets available for benefits during the year		(51.6)
(1,120.3)	Opening net assets of the scheme		(1,261.2)
(1,261.2)	Closing net assets of the scheme		(1,312.8)

Net Assets Statement of the Pension Fund as at 31 March 2025

		31 March 2024	31 March 2025
	Notes	£m	£m
Investment assets	14	1,259.3	1,310.3
Total net investments		1,259.3	1,310.3
Current assets	20	3.5	5.1
Current liabilities	21	(1.6)	(2.6)
Net assets of the fund available to fund benefits at the end of the reporting period		1,261.2	1,312.8

The net asset statement includes all assets and liabilities of the Fund as at 31 March 2025 but excludes long-term liabilities to pay pensions and benefits in future years. The actuarial present value of promised retirement benefits is disclosed in Note 19.

Notes to the Brent Pension Fund accounts

1. *Description of Fund*

The Brent Pension Fund (the 'Fund') is part of the Local Government Pension Scheme (LGPS) and is administered by Brent Council. The following description of the Fund is a summary only.

a) **General**

The Fund is a contributory defined benefit pension scheme administered by Brent Council to provide pensions and other benefits for pensionable employees of Brent Council and a range of other scheduled and admitted bodies.

b) **Membership**

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme.

Organisations participating in the Brent Pension Fund include:

- Scheduled bodies whose staff are automatically entitled to be members of the Fund
- Admitted bodies which are other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

There were 44 employer organisations with active members within the Brent Pension Fund at 31 March 2025, listed below:

Scheduled bodies

London Borough of Brent
Alperton Community School
ARK Academy
ARK Elvin Academy
ARK Franklin Academy
Braintcroft Primary School
Claremont High School Academy
Compass Learning Partnership
Crest Academy
Furness Primary School
Gladstone Park Primary School
Harris Lowe Academy
(Capital City Academy)
Harris Primary Academy
(South Kenton)
Kingsbury High School
Manor School
Michaela Community School

North West London Jewish Day School
Oakington Manor Primary School
Our Lady of Grace RC Infants School
Our Lady of Grace RC Juniors School
Preston Manor High School
Queens Park Community School
Roundwood School and Community Centre
St Andrews and St Francis School
St Claudine's Catholic School for Girls
St Gregory's RC High School
St Margaret Clitherow
St Mary's RC Academy
Sudbury Primary School
The Village School
Wembley High Technology College
Woodfield School Academy

Admitted bodies

Alliance in Partnership (Gladstone Park)

Atalian Servest AMK

Barnardos

Caterlink Ltd

Continental Landscapes

Conway Aecom Ltd

DB Services

Local Employment Access Project (LEAP)

National Autistic Society (NAS)

O'Hara Bros Surfacing

Taylor Shaw

Veolia

	31-Mar-25	31-Mar-24
Brent Pension Fund		
Number of employers with active members	44	43
Number of employees in scheme		
Brent Council	4,630	4,501
Other employers	2,100	2,044
Total	6,730	6,545
Number of pensioners		
Brent Council	6,753	6,487
Other employers	932	880
Total	7,685	7,367
Deferred pensioners		
Brent Council	6,951	7,091
Other employers	1,428	1,363
Total	8,379	8,454
Total members in pension scheme	22,794	22,366

c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the LGPS (Benefits, Membership and Contributions) Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2025. Employee contributions are matched by employers' contributions which are set based on triennial actuarial funding valuations. The last such valuation was at 31 March 2022. During 2024/25, the most commonly applied employer contribution rate within the Brent Pension Fund was 32% of pensionable pay.

d) Benefits

Since April 2014, the scheme is a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate 1/49th. Accrued pension is updated annually in line with the Consumer Price index.

For a summary of the scheme before April 2014 and details of a range of other benefits provided under the scheme including early retirement, disability pensions and death benefits please refer to the LGPS website: www.lgpsmember.org

2. Basis of preparation

The Statement of Accounts summarises the Fund's transactions for the 2024/25 financial year and its position at year-end as at 31 March 2025. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present value of promised retirement benefits, valued on an International Accounting Standard (IAS) 19 basis, is disclosed at Note 19 of these accounts.

3. Summary of significant accounting policies

Fund Account – revenue recognition

a) Contribution income

Normal contributions, both from the members and from the employer, are accounted for on an accruals basis at the percentage rate recommended by the Fund actuary in the payroll period to which they relate.

Employers' augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

b) Transfers to and from other schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations (see Notes 8 and 10).

Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

Transfers in from members wishing to use the proceeds of their additional voluntary contributions (see section o below) to purchase scheme benefits are accounted for on a receipts basis and are included in Transfers In (see Note 8).

Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

c) Investment income

i) Interest income

Interest income is recognised in the Fund Account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.

ii) Dividend income

Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current financial asset.

iii) Distributions from pooled funds

Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current financial asset.

iv) Movement in the net market value of investments

Changes in the net market value of investments are recognised as income and comprise all realised and unrealised profits/losses during the year.

Fund Account – expense items

d) Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the Net Assets Statement as current liabilities.

e) Taxation

The Fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a Fund expense as it arises.

f) Management expenses

The fund discloses its management expenses in line with the CIPFA guidance accounting for local government pensions scheme management expenses, as shown below. All items of expenditure are charged to the fund on an accrual basis as follows:

- i) Administrative expenses
All staff costs for the pensions administrative team are directly charged to the fund. Council recharges for management, accommodation, and other overhead costs are accounted for as administrative expenses.
- ii) Oversight and governance
Costs associated with governance and oversight are separately identified, apportioned, and charged as expenses to the fund.
- iii) Investment management expenses: Investment fees are directly charged to the fund as management expenses and are not included in reported investment returns. If fees are netted off returns by investment managers, these expenses are adjusted to reflect their impact on the investment value. Fees charged by external investment managers and custodians are based on the market value of managed investments, increasing, or decreasing with the changes in value. Estimated fees based on market value are included if fee notes are not received by year-end. Costs of the council's in-house fund management team and officer team spent on investment management are charged to the fund.

Net Assets Statement

g) Financial assets

Financial assets are included in the Net Assets Statement on a fair value basis as at the reporting date. A financial asset is recognised in the Net Assets Statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date, any gains or losses arising from changes in the fair value of the asset are recognised by the Fund.

The values of investments as shown in the Net Assets Statement have been determined as follows:

- i) Market-quoted investments
The value of an investment for which there is a readily available market price is determined by the bid market price ruling on the final day of the accounting period.
- ii) Fixed interest securities
Fixed interest securities are recorded at net market value based on their current yields.
- iii) Unquoted investments
The fair value of investments for which market quotations are not readily available is determined as follows:
 - Valuations of delisted securities are based on the last sale price prior to delisting, or where subject to liquidation, the amount the Fund expects to receive on wind-up, less estimated realisation costs.
 - Securities subject to takeover offer – the value of the consideration offered under the offer, less estimated realisation costs.
 - Directly held investments include investments in limited partnerships, shares in unlisted companies, trusts and bonds. Other unquoted securities typically include pooled investments in property, infrastructure, debt securities and private equity. The valuation of these pools or directly held securities is undertaken by the investment manager or responsible entity and advised as a unit or security price. The valuation standards followed in these valuations adhere to industry guidelines or to standards set by the constituent documents of the pool or the management agreement.
 - Investments in unquoted property and infrastructure pooled funds are valued at the net asset value or a single price advised by the fund manager.
 - Investments in private equity/infrastructure funds and unquoted listed partnerships are valued based on the Fund's share of the net assets in the private equity/infrastructure fund or limited partnership using the latest financial statements published by the respective fund managers.
- iv) Limited partnerships
Fair value is based on the net asset value ascertained from periodic valuations provided by those controlling the partnership.
- v) Pooled investment vehicles
Pooled investment vehicles are valued at closing bid price if both bid and offer prices are published; or if single priced, at the closing single price. In the case of pooled investment vehicles that are accumulation funds, change in market value also includes income which is reinvested in the Fund, net of applicable withholding tax.

h) Contingent Assets

Admitted body employers in the Brent Pension Fund hold bonds to guard against the possibility of being unable to meet their pension obligations. These bonds are drawn in favour of the pension fund and payment will only be triggered in the event of employer default. Contingent Assets are disclosed in Note 25.

i) Foreign currency transactions

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

j) Derivatives

The Fund does not use derivative financial instruments to manage its exposure to specific risks arising from its investment activities in its own name. Neither does it hold derivatives for speculative purposes.

k) Cash and cash equivalents

Cash comprises cash in hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

l) Financial liabilities

The Fund recognises financial liabilities at fair value as at the reporting date. A financial liability is recognised in the Net Assets Statement on the date the Fund becomes party to the liability. From this date, any gains or losses arising from changes in the fair value of the liability are recognised by the Fund.

m) Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS 19 and relevant actuarial standards.

As permitted under IAS 26, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the Net Assets Statement (Note 19).

n) Additional voluntary contributions

Brent Pension Fund provides an additional voluntary contributions (AVC) scheme for its members, the assets of which are invested separately from those of the Pension Fund. The Fund has appointed Prudential as its AVC provider. AVCs are paid to the AVC provider by employers and are specifically for providing additional benefits for individual contributors. Each AVC contributor receives an annual statement showing the amount held in their account and the movements in the year.

AVCs are not included in the accounts in accordance with Section 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (SI 2016/946) but are disclosed as a note only (Note 22).

4. Critical judgements in applying accounting policies

In applying the accounting policies set out in note 3, the Pension Fund has had to make certain judgements about complex transactions or those involving uncertainty about future events.

There were no such critical judgements made during 2024/25.

5. Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits (Note 19)	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% p/a decrease in the real discount rate assumption would result in an increase in the

	rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Fund with expert advice about the assumptions to be applied.	pension liability of approximately £21m. A 0.1% increase in Pension Increase Rate (CPI) would increase the value of liabilities by approximately £20m, and a one-year increase in assumed life expectancy would increase the liability by around 4% (c. £49m).
Private equity / infrastructure / private debt	Private equity/infrastructure/private debt investments are valued based on the latest available information, updated for movements in cash where relevant. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total private equity/infrastructure/private debt investments in the financial statements are £113.9m. There is a risk that this investment may be under- or overstated in the accounts. There is a risk that this investment may be under- or overstated in the accounts up to 12% (£13.9m).

6. Events after the Reporting Date

Global investment markets have been particularly volatile during April 2025, in response to the imposition of tariffs by the United States. The announcement and subsequent implementation of these tariffs triggered substantial volatility across global investment markets, to which the Brent Pension Fund has significant exposure.

As at the date of publication of these accounts, volatility in financial markets has subsided, and, at the time of writing, global markets have largely recovered since the initial disruption. The Brent Pension Fund continues to monitor developments and the Fund will continue to hold a well-diversified portfolio maintaining a long-term perspective.

7. Contributions receivable

By Category

	2023/24	2024/25
	£m	£m
Employees' Contributions	11.1	12.0
Employers' Contributions:		
Normal contributions	36.9	39.1
Deficit recovery contributions	20.4	18.9
Augmentation contributions	0.5	3.2
Total Employers' contributions	57.8	61.2
Total contributions receivable	68.9	73.2

By authority

	2023/24	2024/25
	£m	£m
Administering Authority	53.1	57.9
Scheduled bodies	13.7	14.0
Admitted bodies	2.1	1.3
Total	68.9	73.2

8. Transfers in from other pension funds

	2023/24	2024/25
	£m	£m
Individual transfers	7.8	6.8
Total	7.8	6.8

9. Benefits payable

By Category

	2023/2024	2024/2025
	£m	£m
Pensions	45.2	49.3
Commutation and lump sum retirement benefits	6.0	10.0
Lump sum death benefits	0.8	0.6
Total	52.0	59.9

By authority

	2023/24	2024/25
	£m	£m
Administering Authority and Scheduled bodies	51.4	58.9
Admitted bodies	0.6	1.0
Total	52.0	59.9

10. Payments to and on account of leavers

	2023/24	2024/25
	£m	£m
Refunds to members leaving service	0.1	0.2
Individual transfers	7.7	9.1
Total	7.8	9.3

11. Management Expenses

	2023/24	2024/25
	£m	£m
Administration costs	1.6	2.4
Investment management expenses	2.4	2.3
Oversight and Governance costs	0.2	0.4
Total	4.2	5.1

The management fees disclosed above include all investment management fees directly incurred by the Fund including those charged on pooled fund investments. Audit fees were £105k (£86k 2023/24).

11a. Investment management expenses (see Note 11a for further details)

	2023/24	2024/25
	£m	£m
Management fees	2.4	2.3
Custody fees	0.0	0.0
Total	2.4	2.3

11a. Investment management expenses

Fund Manager	2024/25 Total	Management fees	Custody fees	One-off transaction costs
	£m	£m	£m	£m
Alinda	0.2	0.2	0.0	0.0
Capital Dynamics	0.1	0.1	0.0	0.0
Fidelity	0.1	0.1	0.0	0.0
Legal & General	0.1	0.1	0.0	0.0
LCIV MAC	0.2	0.2	0.0	0.0
LCIV JP Morgan	0.3	0.3	0.0	0.0
LCIV Baillie Gifford	0.3	0.3	0.0	0.0
LCIV Infrastructure	0.0	0.0	0.0	0.0
LCIV Private Debt	0.0	0.0	0.0	0.0
LCIV Ruffer	0.6	0.6	0.0	0.0
LCIV UK Housing Fund	0.0	0.0	0.0	0.0
London LGPS CIV LTD	0.2	0.2	0.0	0.0
Blackrock	0.0	0.0	0.0	0.0
UBS Triton	0.1	0.1	0.0	0.0
Northern Trust (Fund Custodian)	0.0	0.0	0.0	0.0
Cash	0.0	0.0	0.0	0.0
Total	2.3	2.3	0.0	0.0

Fund Manager	2023/24 Total £m	Management fees £m	Custody fees £m	One-off transaction costs £m
Alinda	0.2	0.2	0.0	0.0
Capital Dynamics	0.1	0.1	0.0	0.0
Fidelity UK Real Estate	0.1	0.1	0.0	0.0
LGIM	0.1	0.1	0.0	0.0
LCIV MAC	0.2	0.2	0.0	0.0
LCIV JP Morgan Emerging Markets	0.2	0.2	0.0	0.0
LCIV Baillie Gifford DGF	0.4	0.4	0.0	0.0
LCIV Infrastructure Fund	0.1	0.1	0.0	0.0
LCIV Private Debt	0.1	0.1	0.0	0.0
LCIV Ruffer	0.8	0.8	0.0	0.0
London LGPS CIV LTD	0.1	0.1	0.0	0.0
Blackrock	0.0	0.0	0.0	0.0
UBS Triton	0.1	0.1	0.0	0.0
Northern Trust (Fund Custodian)	0.0	0.0	0.0	0.0
Cash	0.0	0.0	0.0	0.0
Total	2.4	2.4	0.0	0.0

12. Investment income

	2023/24 £m	2024/25 £m
Pooled investments- unit trusts and other managed funds	(8.4)	(9.6)
Dividend income from private equities/infrastructure/property	(0.5)	(2.7)
Interest income from private equities/infrastructure/private debt	(0.4)	(0.4)
Interest on cash deposits	(1.6)	(2.7)
Total	(10.9)	(15.4)

13. Taxes on income

	2023/24 £m	2024/25 £m
Withholding tax	(0.2)	0.1
Total	(0.2)	0.1

14. Investments

Investments asset	Market value 31 March 2024	Market value 31 March 2025
	£m	£m
Pooled investments	1,068.4	1,091.8
Pooled property investments	24.1	41.1
Private equity/infrastructure/private debt	122.7	113.8
	1,215.2	1,246.7

14a. Investments 2024/25	Market value 1 April 2024	Purchases during the year	Sales during the year	Change in market value during the year	Market value 31 March 2025
	£m	£m	£m	£m	£m
Pooled investments	1,068.4	27.6	(34.5)	30.3	1,091.8
Pooled property investments	24.1	15.2	(0.2)	2.0	41.1
Private equity/infrastructure /private debt	122.7	7.2	(14.4)	(1.7)	113.8
	1,215.2	50.0	(49.1)	30.6	1,246.7
Other investment balances: Cash Deposit	44.1			0.0	63.6
Investment income due	0.0				0.0
Net investment assets	1,259.3				1,310.3

14a. Investments 2023/24	Market value 1 April 2023	Purchases during the year	Sales during the year	Change in market value during the year	Market value 31 March 2024
	£m	£m	£m	£m	£m
Pooled investments	947.9	82.5	(75.7)	113.7	1,068.4
Pooled property investments	25.0	0.0	(0.2)	(0.7)	24.1
Private equity/infrastructure /private debt	115.7	10.6	(7.6)	4.0	122.7
	1,088.6	93.1	(83.6)	117.1	1,215.2
Other investment balances: Cash Deposit	27.5				44.1
Investment income due	0.0				0.0
Net investment assets	1,116.1				1,259.3

14b. Analysis of investments by category

	Market value 31 March 2024 £m	Market value 31 March 2025 £m
Pooled funds - additional analysis		
UK		
Fixed income unit trust	61.8	66.6
Unit trusts	193.7	192.1
Diversified growth funds	220.4	197.8
Overseas		
Unit trusts	592.5	635.2
Total Pooled funds	1,068.4	1,091.7
Pooled property investments	24.1	41.1
Private equity/infrastructure/private debt	122.7	113.8
Total investments	1,215.2	1,246.7

14c. Analysis of investments by fund manager

	Market value 31 March 2024 £m	%	Market value 31 March 2025 £m	%
Fund manager				
Legal & General	590.6	48.6	620.4	49.7
London CIV	0.2	0	0.2	0.0
LCIV - JP Morgan	42.7	3.5	61.4	4.9
Capital Dynamics	19.7	1.6	3.6	0.3
LCIV - Baillie Gifford	127.7	10.5	101.8	8.2
LCIV - Ruffer	92.7	7.6	96.0	7.7
LCIV - CQS & PIMCO	61.8	5.1	66.6	5.4
LCIV - Stepstone	45.2	3.7		4.3
Infrastructure			54.2	
LCIV UK Housing Fund	-	-	15.2	1.2
LCIV - Private Debt	39.1	3.2	40.2	3.2
Alinda	18.7	1.5	15.9	1.3
Fidelity UK Real Estate	13.3	1.1	14.7	1.2
Blackrock	152.7	12.6	145.4	11.7
UBS Triton Property Fund	10.8	0.9	11.2	0.9
	1,215.2	100.0	1,246.7	100.0

The following investments represent over 5% of the net assets of the fund. All of these companies are registered in the United Kingdom.

Security	Market value 31 March 2024 £m	% of total fund %	Market value 31 March 2025 £m	% of total fund %
L&G - Global Equities	514.9	46.1	536.8	43.1
L&G - UK Equities	75.7	6.8	83.6	6.7
Blackrock - Over 15-Year Gilts	117.8	10.6	108.3	8.7
LCIV - Baillie Gifford DGF	127.7	11.4	101.8	8.2
LCIV - Ruffer DGF	92.7	8.3	96.0	7.7
LCIV - CQS & PIMCO MAC	61.8	5.1	66.6	5.3

14d. Stock lending

The London Borough of Brent Pension Fund does not operate a Stock Lending programme.

15. Fair Value – Basis of Valuation

The basis of the valuation of each asset class of investment asset is set out below. There has been no change in the valuation techniques used during the year. All assets have been valued using fair value techniques which represent the highest and best price available at the reporting date.

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Cash	Level 1	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not required
Market quoted investments	Level 1	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Quoted bonds	Level 1	Fixed interest securities are valued at a market value based on current yields	Not required	Not required
Pooled investments – overseas unit trusts and property funds	Level 2	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV-based pricing set on a forward pricing basis	Not required

Private Equity, Infrastructure and Private Debt	Level 3	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines (2012)	EBITDA multiple Revenue multiple Discount for lack of marketability Control premium	Valuations could be affected by material events occurring between the date of the financial statements provided and the pension fund's own reporting date, by changes to expected cash flows, and by any differences between audit and unaudited accounts
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15a. Sensitivity of assets valued at Level 3

Having analysed historical data and current market trends, and consulted with our independent investment advisor, the fund has determined that the valuation methods described above are likely to be accurate to within the following ranges and has set out below the consequent potential impact on the closing value of investments held at 31 March 2025.

	Assessed valuation range (+/-)	Value at 31 March 2025	Value on increase	Value on decrease
	%	£m	£m	£m
Private equity	26.6%	1.5	2.0	1.1
Infrastructure	14.5%	72.1	82.6	61.7
Private debt	7.6%	40.2	43.3	37.2

- a) derives from changes to the value of the financial instrument being hedged against
- b) derives from changes in the underlying profitability of component companies
- c) the potential movement of 10% represents a combination of the following factors, which could all move independently in different directions as follows: rental increases +/- 4%; vacancy levels +/- 2%; market prices +/- 3%; discount rates +/-1%

15b. Fair value hierarchy

The valuation of financial instruments had been classified into three levels, according to the quality and reliability of information used to determine fair values. Transfers between levels are recognised in the year in which they occur.

Level 1

Financial instruments at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as Level 1 comprise quoted equities, quoted fixed securities, quoted index linked securities, unit trusts and cash.

Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

Financial instruments at Level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3

Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Such instruments would include unquoted equity investments and fund of hedge funds, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The values of the investment in private equity are based on valuations provided by the general partners to the private equity funds in which Brent Pension Fund has invested.

These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which follow the valuation principles of IFRS and US GAAP. Valuations are usually undertaken annually at the end of December. Cash flow adjustments are used to roll forward the valuations to 31 March as appropriate.

Transfers between levels will be recognised when there has been a change to observable mark data (improvement or reduction) or other change in valuation technique.

The following table provides an analysis of the financial assets and liabilities of the pension fund grouped into Levels 1 to 3, based on the level at which the fair value is observable.

	Quoted market price Level 1 £m	Using observable inputs Level 2 £m	With significant unobservable inputs Level 3 £m	Total £m
Values at 31 March 2025				
Financial assets at fair value through profit and loss				
Pooled investments		1,091.8		1,091.8
Pooled property investments		41.1		41.1
Private Equity/Infrastructure/Private Debt				113.8
Subtotal Financial assets at fair value through profit and loss	0.0	1,132.9	113.8	1,246.7
Cash	63.6			63.6
Investment Income due	0.0			0.0
Subtotal Loans and receivables	63.6	0.0	0.0	63.6
Total Financial assets	63.6	1,132.9	113.8	1,310.3
Financial liabilities				
Current liabilities	(2.6)			(2.6)
Subtotal Financial liabilities at amortised cost	(2.6)	0.0	0.0	(2.6)
Total Financial liabilities	(2.6)	0.0	0.0	(2.6)
Net Financial assets	61.0	1,132.9	113.8	1,307.7

	Quoted market price Level 1 £m	Using observable inputs Level 2 £m	With significant unobservable inputs Level 3 £m	Total £m
Values at 31 March 2024				
Financial assets at fair value through profit and loss				
Pooled investments		1,068.4		1,068.4
Pooled property investments		24.1		24.1
Private Equity/Infrastructure/Private Debt			122.7	122.7
Subtotal Financial assets at fair value through profit and loss	0.0	1,092.5	122.7	1,215.2
Cash	44.1			44.1
Investment Income due	0.0			0.0
Subtotal Loans and receivables	44.1	0.0	0.0	44.1
Total Financial assets	44.1	1,092.5	122.7	1,259.3
Financial liabilities				
Current liabilities	(1.6)			(1.6)
Subtotal Financial liabilities at amortised cost	(1.6)	0.0	0.0	(1.6)
Total Financial liabilities	(1.6)	0.0	0.0	(1.6)
Net Financial assets	42.5	1,092.5	122.7	1,257.7

15c. Transfers between Levels 1 and 2

There were no transfers between levels 1 and 2 during the year.

15d. Reconciliation of Fair Value Measurements within Level 3

	£m
Value at 31 March 2024	122.7
Transfers into Level 3	0.0
Transfers out of Level 3	0.0
Purchases	7.2
Sales	(14.4)
Issues	0.0
Settlements	0.0
Unrealised gains/losses	(1.7)
Realised gains/losses	0.0
Value at 31 March 2025	113.8

16. Classification of financial instruments

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading. No financial assets were reclassified during the accounting period.

31 March 2024			31 March 2025		
Fair value through profit and loss	Assets at amortised cost	Financial liabilities at amortised cost	Fair value through profit and loss	Assets at amortised cost	Financial liabilities at amortised cost
£m	£m	£m	£m	£m	£m
Financial assets					
1,068.4			1,091.8		
24.1			41.1		
122.7			113.8		
	44.1			63.6	
	3.5			5.1	
1,215.2	47.6	0.0	1,246.7	68.7	0.0
Financial liabilities					
		(1.6)			(2.6)
0.0	0.0	(1.6)	0.0	0.0	(2.6)
1,215.2	47.6	(1.6)	1,246.7	68.7	(2.6)

16a. Net gains and losses on Financial Instruments

31 March 2024		31 March 2025
	£m	£m
	117.1	30.6
	Fair value through profit and loss	
	117.1	30.6
	Total	

17. Nature and extent of risks arising from financial instruments

Risk and risk management

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e., promised benefits payable to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk, and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. The Pension Fund manages these investment risks as part of its overall pension fund risk management programme.

Responsibility for the Fund's risk management strategy rests with the Pension Fund Sub-Committee. Risk management policies are established to identify and analyse the risks faced by the Pension Fund's operations. Policies are reviewed regularly to reflect changes in activity and in market conditions.

a) Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the Fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, whilst optimising the return on risk. In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the Pension Fund and its investment advisers undertake appropriate monitoring of market conditions and benchmark analysis.

Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The Fund is exposed to share and derivative price risk. This arises from investments held by the Fund for which the future price is uncertain. All securities investments present a risk of loss of capital. Except for shares sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from shares sold short are unlimited.

The Fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored by the Pension Fund to ensure it is within limits specified in the Fund investment strategy.

Other price risk – sensitivity analysis

Following analysis of historical data and expected investment return movement during the financial year, in consultation with the fund's investment advisors, the council has determined that the following movements in market price risk are reasonably possible for the 2024/25 reporting period. (Based on data as at 31 March 2025 using data provided by investment advisors scenario model). The sensitivities are consistent with the assumptions contained in the investment advisors' most recent review. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same.

Other price risk – sensitivity analysis

Asset Type	Value as at 31 March 2025	Potential market movements (+/-)	Value on increase	Value on decrease
	£m		£m	£m
Bonds	108.3	6.6%	115.5	101.2
Equities				
UK Equity	83.7	16.3%	97.4	70.1
Global Equity	573.8	18.6%	680.5	467.1
Emerging Market Equity	61.4	24.3%	76.3	46.5
Other Pooled investments				
Diversified Credit	66.6	6.3%	70.8	62.5
Ruffer Multi Asset	96.0	8.6%	104.3	87.8
Baillie Gifford Multi Asset	101.8	12.8%	114.8	88.8
Pooled Property investments	41.2	15.2%	47.3	34.9
Private Equity	1.5	26.6%	2.0	1.1
Infrastructure	72.1	14.5%	82.6	61.7
Private debt	40.2	7.6%	43.3	37.2
	1,246.7		1,434.8	1,058.9

Asset Type	Value as at 31 March 2024	Potential market movements (+/-)	Value on increase	Value on decrease
	£m		£m	£m
Bonds	117.8	7.2%	126.3	109.3
Equities				
UK Equity	75.9	16.0%	88.0	63.8
Global Equity	549.8	16.7%	641.6	458.0
Emerging Market Equity	42.7	23.0%	52.5	32.9
Other Pooled investments				
Diversified Credit	61.8	7.1%	66.2	57.4
LCIV Ruffer Multi Asset	92.7	7.9%	100.0	85.4
Baillie Gifford Multi Asset	127.7	11.7%	142.6	112.8
Pooled Property investments	24.1	15.6%	27.9	20.3
Private Equity	17.3	31.2%	22.7	11.9
Infrastructure	66.3	13.6%	75.3	57.3
Private debt	39.1	8.8%	42.5	35.7
	1,215.2		1,385.6	1,044.8

Interest rate risk exposure asset type

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's interest rate risk is routinely monitored by the Pension Fund in accordance with the Fund's risk management strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the relevant benchmarks.

The Fund's direct exposure to interest rate movements as at 31 March 2024 and 31 March 2025 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value:

	Asset value at 31 March 2024	Asset value at 31 March 2025
	£m	£m
Cash balances	44.1	63.6
UK Fixed income unit trust	61.8	66.6
Total	105.9	130.2

Asset type	Carrying amount as at 31 March 2025	+1%	-1%
	£m	£m	£m
Cash balances	63.6	0.6	(0.6)
UK Fixed income unit trust	66.6	0.7	(0.7)
Total	130.2	1.3	(1.3)

Asset type	Carrying amount as at 31 March 2024	+1%	-1%
	£m	£m	£m
Cash balances	44.1	0.4	(0.4)
UK Fixed income unit trust	61.8	0.6	(0.6)
Total	105.9	1.0	(1.0)

Currency risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the Fund (£UK). The Fund holds both monetary and non-monetary assets denominated in currencies other than £UK.

The Fund's currency rate risk is routinely monitored by the Pension Fund in accordance with the

Fund's risk management strategy, including monitoring the range of exposure to currency fluctuations.

The following table summarises the Fund's currency exposure as at 31 March 2025 and as at the previous period end:

Currency risk exposure - asset type	Asset value at 31 March 2024 £m	Asset value at 31 March 2025 £m
Overseas unit trusts	592.5	635.2
Overseas pooled property investments	0.0	0.0
Overseas private equity/infrastructure/private debt	122.7	113.9
Total	715.2	749.1

A 1% strengthening/weakening of the pound against the various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits as follows:

Assets exposed to currency rate risk	Asset value as at 31 March 2025 £m	+1% £m	-1% £m
Overseas unit trusts	635.2	6.4	(6.4)
Overseas private equity/infrastructure/private debt	113.9	1.1	(1.1)
Total	749.0	7.5	(7.5)

Assets exposed to currency rate risk	Asset value as at 31 March 2024 £m	+1% £m	-1% £m
Overseas unit trusts	592.5	5.9	(5.9)
Overseas private equity/infrastructure/private debt	122.7	1.2	(1.2)
Total	715.2	7.1	(7.1)

b) Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

In essence, the Fund's entire investment portfolio is exposed to some form of credit risk. However, the selection of high-quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

The Pension Fund's cash balance is held in an interest-bearing instant access deposit account with NatWest plc, which is rated independently and meets Brent Council's credit criteria.

The Pension Fund believes it has managed its exposure to credit risk and has had no experience of default or uncollectable deposits over the past five financial years. The Fund's cash holding under its treasury management arrangements at 31 March 2025 was £63.5m (31 March 2024: £44.1m). This was held with the following institutions:

Credit risk exposure

	Rating	Balances at 31 March 2024 £m	Balances at 31 March 2025 £m
Bank deposit accounts			
NatWest	A+	0.7	0.8
Northern Trust - Aviva Cash		0.1	0.1
Money Market deposits	AAA	43.3	62.6
Total		44.1	63.5

c) Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Pension Fund therefore takes steps to ensure that it has adequate cash resources to meet its pensioner payroll costs and investment commitments.

The Pension Fund has immediate access to its cash holdings.

Periodic cash flow forecasts are prepared to understand and manage the timing of the Fund's cash flows. The appropriate strategic level of cash balances to be held forms part of the Fund investment strategy.

All financial liabilities at 31 March 2025 are due within one year."

d) Refinancing risk

The key risk is that the Pension Fund will be bound to replenish a significant proportion of its financial instruments at a time of unfavourable interest rates. However, the Pension Fund does not have any financial instruments that have a refinancing risk as part of its treasury management and investment strategies.

18. Funding arrangements

In line with the LGPS Regulations 2013, the Fund's actuary undertakes a funding valuation every

three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2022. The next valuation will take place as at 31 March 2025 and results were released in March 2023.

The key elements of the funding policy are:

- to ensure the long-term solvency of the Fund, i.e., that sufficient funds are available to meet all pension liabilities as they fall due for payment
- to ensure that employer contribution rates are as stable as possible
- to minimise the long-term cost of the Scheme by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return
- to reflect the different characteristics of employing bodies in determining contribution rates where the administering authority considers it reasonable to do so
- to use reasonable measures to reduce the risk to other employers and ultimately to the council tax payer from an employer defaulting on its pension obligations.

The aim is to achieve 100% solvency over a period of 20 years from 1 April 2022 and to provide stability in employer contribution rates by spreading any increases in rates over a period of time. Solvency is achieved when the funds held, plus future expected investment returns and future contributions are sufficient to meet expected future pension benefits payable.

At the 2022 actuarial valuation the Fund was assessed as 87% funded, which is a improvement to the 78% valuation at the 2019 valuation. This corresponded to a deficit of £162m (2019 valuation: £248m) at that time. As a result, a deficit recovery plan is in place which aims to achieve 100% funding over a period of 20 years from April 2022.

Contribution increases or decreases may be phased in over the three-year period beginning 1 April 2023 for both Scheme employers and admitted bodies. The most commonly applied employer contribution rate within the Brent Pension Fund is:

Year	Employers' contribution rate
2023/24	33.5%
2024/25	32.0%
2025/26	30.5%

Individual employers' rates will vary from the common contribution rate depending on the demographic and actuarial factors particular to each employer. Full details of the contribution rates payable can be found in the 2022 actuarial valuation report and the funding strategy statement on the Fund's website.

The valuation of the Fund has been undertaken using the projected unit method under which the salary increase for each member is assumed to increase until they leave active service by death, retirement or withdrawal from service. The main actuarial assumptions used for the 2022 actuarial valuation were as follows:

Discount rate	4.3% p.a.
Pay increases	3.0% p.a.
Pension increases	2.7% p.a.

Demographic assumptions

Future life expectancy based on the Actuary's fund-specific review was:

Life expectancy at age 65	Male	Female
Current pensioners	22.1 years	24.8 years
Future Pensioners retiring in 20 years	23.4 years	26.3 years

Commutation assumption

It is assumed that 50% of future retirements will elect to exchange pension for additional tax free cash up to HMRC limits.

19. Actuarial present value of promised retirement benefits

In addition to the triennial funding valuation, the Fund's Actuary also undertakes a valuation of the pension fund liabilities, on an IAS 19 basis, every year using the same base data as the funding valuation rolled forward to the current financial year, taking account of changes in membership numbers and updating assumptions to the current year. This valuation is not carried out on the same basis as that used for setting fund contribution rates and the fund accounts do not take account of liabilities to pay pensions and other benefits in the future.

In order to assess the value of the benefits on this basis, the Actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (see Note 18). The Actuary has also used valued ill health and death benefits in line with IAS 19.

Calculated on an IAS19 basis, the actuarial present value of promised retirement benefits at 31 March 2025 was £1,220m (31 March 2024: £1,407m). This figure includes both vested and non-vested benefits, although the latter is assumed to have a negligible value. The Fund Accounts do not take account of liabilities to pay pensions and other benefits in the future.

The liabilities above are calculated on an IAS 19 basis and therefore differ from the results of the 2022 triennial funding valuation because IAS 19 stipulates a discount rate rather than a rate which reflects market rates.

Financial assumptions

Inflation/pensions increase rate	2.80%
Salary increase rate	3.10%
Discount rate	5.80%

Longevity assumption

The average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	21.7 years	24.4 years
Future pensioners*	22.7 years	25.7 years

* Future pensioners are assumed to be currently aged 45

Commutation assumption

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits.

Sensitivity Analysis

Sensitivity to the assumptions for the year ended 31 March 2024	Approximate % increase to liabilities	Approximate monetary amount (£m)
0.1% p.a. decrease in the discount rate	2%	21
1 year increase in member life expectancy	4%	49
0.1% p.a. increase in the Salary Increase Rate	0%	1
0.1% p.a. increase in the Pension Increase Rate (CPI)	2%	20

The principal demographic assumption is the longevity assumption. For sensitivity purposes, it is estimated that a 1 year increase in life expectancy would approximately increase the liabilities by around 4% (c. £49m).

20. Assets

a) Current assets

	31 March 2024 £m	31 March 2025 £m
Debtors		
- Contributions due – employees	0.2	0.2
- Contributions due – employers	1.3	1.1
- Sundry debtors	2.0	3.8
Total	3.5	5.1

Analysis of debtors

	31 March 2024 £m	31 March 2025 £m
- Central government bodies	1.0	0.0
- Other local authorities	0.7	2.7
- Other entities and individuals	1.8	2.4
Total	3.5	5.1

21. Current liabilities

	31 March 2024	31 March 2025
	£m	£m
Group transfers	0.0	0.0
Sundry creditors	1.6	2.6
Total	1.6	2.6

Analysis of creditors

	31 March 2024	31 March 2025
	£m	£m
Central government bodies	1.2	1.2
Other entities and individuals	0.4	1.4
Total	1.6	2.6

22. Additional voluntary contributions

	Market Value 31 March 2024	Market Value 31 March 2025
	£m	£m
Clerical Medical	1.2	1.2
Prudential	0.8	1.1
	2.0	2.3

	Contributions March 2024	Contributions March 2025
	£m	£m
Clerical Medical	0.0	0.0
Prudential	0.1	0.1
	0.1	0.1

For information, Prudential has since replaced Clerical Medical as the Fund's AVC provider with effect from 1 April 2014.

In accordance with Regulation 4(1)(b) of the Pension Scheme (Management and Investment of Funds) Regulations 2016, the contributions paid and the assets of these investments are not included in the Fund's Accounts.

23. Related party transactions

Brent Council

The Brent Pension Fund is administered by Brent Council. Consequently, there is a strong relationship between the Council and the Pension Fund.

The Council incurred costs of £0.98m (2023/24: £0.92m) in relation to the administration of the Fund and was subsequently reimbursed by the Fund for these expenses. The Council is also the single largest employer of members of the Pension Fund and contributed £45.2m to the Fund in 2024/25 (2023/24: £43.9m).

Governance

One member of the Pension Fund Sub-Committee (chair Cllr R Johnson) and one member of the Pension Board (C Bala) are in receipt of pension benefits from the Brent Pension Fund. Another member of the Pension Board (Cllr S Kabir) is an active member of the Pension Fund. In addition, both the Chief Executive (Kim Wright), and S.151 Officer (Minesh Patel) are active members of the Pension Fund. Each member of the Pension Fund Sub-Committee is required to declare their interests at each meeting.

Key management personnel

The key management personnel of the fund are the Chief Executive, Corporate Director of Finance and Resources (S.151 officer), Corporate Director of Governance, Deputy Director of Finance and the Head of Finance (Pensions). The proportion of the total remuneration payable to key management personnel that is charged to the Pension Fund is set out below:

	31st March 2024	31st March 2025
	£m	£m
Short Term Benefits	0.099	0.082
Post-Employment Benefits	0.033	0.026
Termination Benefits	0.000	0.000
Total Remunerations	0.132	0.108

24. Contingent liabilities and capital commitments

Outstanding capital commitments (investments) at 31 March 2025 totalled £62.1m (31 March 2024 £49.3m)

	31st March 2024	31st March 2025
	£m	£m
Capital Dynamics	12.5	11.9
Alinda Fund II	2.4	2.4
Alinda Fund III	7.6	7.1
London CIV Infrastructure Fund	10.4	4.6
London CIV Private Debt Fund	16.4	16.4
LCIV UK Housing Fund	0.0	19.7
Total	49.3	62.1

These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the private equity and infrastructure parts of the portfolio. The amounts 'called' by these funds are irregular in both size and timing over a period of between four and six years from the date of each original commitment.

25. Contingent Assets

Contingent assets

One non-associated admitted body employers in the Brent Pension Fund held insurance bonds to guard against the possibility of being unable to meet their pension obligations. These bonds are drawn in favour of the Pension Fund and payment will only be triggered in the event of employer default. No Such defaults occurred in 2024/25.

	31st March 2024 £m	31st March 2025 £m
Ricoh	0.1	0.0
Continental Landscapes	0.5	0.5
Total	0.6	0.5

26. Impairment Losses

The Fund had no Impairment Losses at 31 March 2025.

Chair of the Audit Committee

The Chair of the Audit and Standards Committee is required to approve the publication of these accounts.

Pending Final Accounts

Independent auditor's report to the members of the London Borough of Brent
Opinion on financial statements

Pending final accounts

**Independent auditor's report to the members of London Borough of Brent on
the pension fund financial statements of Brent Pension Fund**
Pending Final Accounts

Glossary

ACCRUALS

Amounts charged to the accounts for goods and services received during the year for which payments have not been made.

BALANCE SHEET

This shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority.

The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the authority may use to provide services. The second category of reserves are those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold.

CAPITAL EXPENDITURE

Expenditure on the acquisition of assets to be of value to the Council beyond the end of the financial year, e.g. purchase of land and buildings, construction of roads, etc or revenue expenditure which the Government may exceptionally permit the Council to capitalise e.g. redundancy payments.

CAPITAL RECEIPTS

Money received from the sale of land, buildings and plant. A prescribed portion of receipts received for HRA dwellings must be “pooled” and paid to central government.

CASH FLOW STATEMENT

Shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority’s future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the authority.

COMMUNITY ASSETS

A classification of fixed assets that the Council intends to hold in perpetuity that may have restrictions on their disposal. Examples of such assets are parks, historic buildings and works of art.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation or rents. Authorities raise taxation and rents to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

CONSISTENCY

The principle that the accounting treatment of like items should be treated the same from one period to the next.

CORPORATE AND DEMOCRATIC CORE

This comprises all activities which local authorities engage in specifically because they are elected multipurpose authorities. The cost of these activities is thus over and above those which would be incurred by a single purpose body managing the same service. There is no logical basis for apportioning these costs to services. It comprises of Democratic Representation and Management and Corporate Management.

COLLECTION FUND ADJUSTMENT ACCOUNT

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

CREDITORS

Amounts owed by the Council on 31 March for goods received or services rendered but not yet paid for.

DEBTORS

Amounts owed to the Council which are collectable or outstanding on 31 March.

EXPENDITURE AND FUNDING ANALYSIS

The purpose of this statement is to demonstrate to council tax and rent payers how the funding available to the authority (i.e. government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

FINANCE LEASE

A lease that transfers substantially all the risks and rewards of ownership of an asset to the lessee (the Council) and at the end of the lease term substantially all the asset value and interest payments have been made.

FIXED ASSETS

Tangible assets that yield benefits to the Council and the services it provides for a period of more than one year.

GOING CONCERN

The concept that the Council will remain in operational existence for the foreseeable future, in particular that the revenue accounts and balance sheet assume no intention to significantly curtail the scale of operations.

GOVERNMENT GRANTS - SPECIFIC

Assistance by Government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to the Council in return for past or future compliance with certain conditions relating to the activities of the Council.

INFRASTRUCTURE ASSETS

A classification of fixed assets, whose life is of indefinite length, and which are not usually capable of being sold, e.g. highways, street lighting and footpaths.

LONG TERM INVESTMENTS

A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the Council. Investments should be so classified only where an intention to hold the investment for the long term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment. Investments which do not meet the above criteria should be classified as current assets.

LEVIES

These are payments to London-wide bodies whose costs are borne by local authorities in the area concerned.

LONG-TERM CONTRACTS

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken substantially to complete the contract is such that the contract activity falls into different accounting periods. Some contracts with a shorter duration than one year should be accounted for as long-term contracts if they are sufficiently material to the activity of the period.

MINIMUM REVENUE PROVISION (MRP)

The minimum amount the Council must charge to the revenue accounts each year to repay loans as defined by Government regulation.

MOVEMENT IN RESERVE STATEMENT

Shows the movement from the start of the year to the end on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The movement in Reserves Statement shows how the movements in year of the authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax or rents for the year.

The Net Increase/Decrease line shows the statutory General Fund Balance and Housing Revenue Account Balance movements in the year following those adjustments.

NON-DOMESTIC RATE (NDR)

A flat rate in the pound set by the Central Government and levied on all non-residential premises according to their rateable value collected by the Council.

OPERATING LEASES

The lessor is paid rental for the hire of an asset for a period, which is substantially less than the useful economic life of an asset. The lessor is taking a risk on the residual value at the end of the lease.

OPERATIONAL ASSETS/NON-OPERATIONAL ASSETS

Fixed assets held and occupied, used or consumed by the Council in the direct delivery of services for which it has either a statutory or discretionary responsibility.

Non-operational assets not directly occupied or surplus to requirements pending sale or development.

PRECEPTS

A charge made by another authority on the Council to finance its net expenditure. This Council has a charge on the collection fund by the Greater London Authority.

PRIOR YEAR ADJUSTMENTS

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

PRUDENCE

The concept that revenue is not anticipated but is recognised only when realised in the form either of cash or of other assets the ultimate cash realisation of which can be assessed with reasonable certainty.

REVALUATION RESERVE

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment.

REVENUE SUPPORT GRANT

General grant paid to local councils from national taxation.

ABBREVIATIONS

ALMO	Arm's Length Management Organisation
ASC	Adult Social Care
AVC	Additional Voluntary Contribution
BHP	Brent Housing Partnership
CIL	Community Infrastructure Levy
CIPFA	Chartered Institute of Public Finance and Accountancy / Code of Practice on Local Authority Accounting in the United Kingdom
DCLG	Department for Communities and Local Government
CIES	Comprehensive Income and Expenditure Statement
DfE	Department for Education
FTE	Full Time Equivalent
GAAP	Generally Accepted Accounting Principles/ Practice
GF	General Fund
GLA	Greater London Authority
HRA	Housing Revenue Account
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
LASAAC	Local Authority (Scotland) Accounts Advisory Committee
LBB	London Borough of Brent
LGPS	Local Government Pension Scheme
MHCLG	Ministry of Housing, Communities and Local Government's
MRA	Major Repairs Allowance

MRP	Minimum Revenue Provision
NAIL	New Accommodation for Independent Living
NDR	Non-Domestic Rates (also called Business Rates)
PFI	Private Finance Initiative
PWLB	Public Works Loans Board