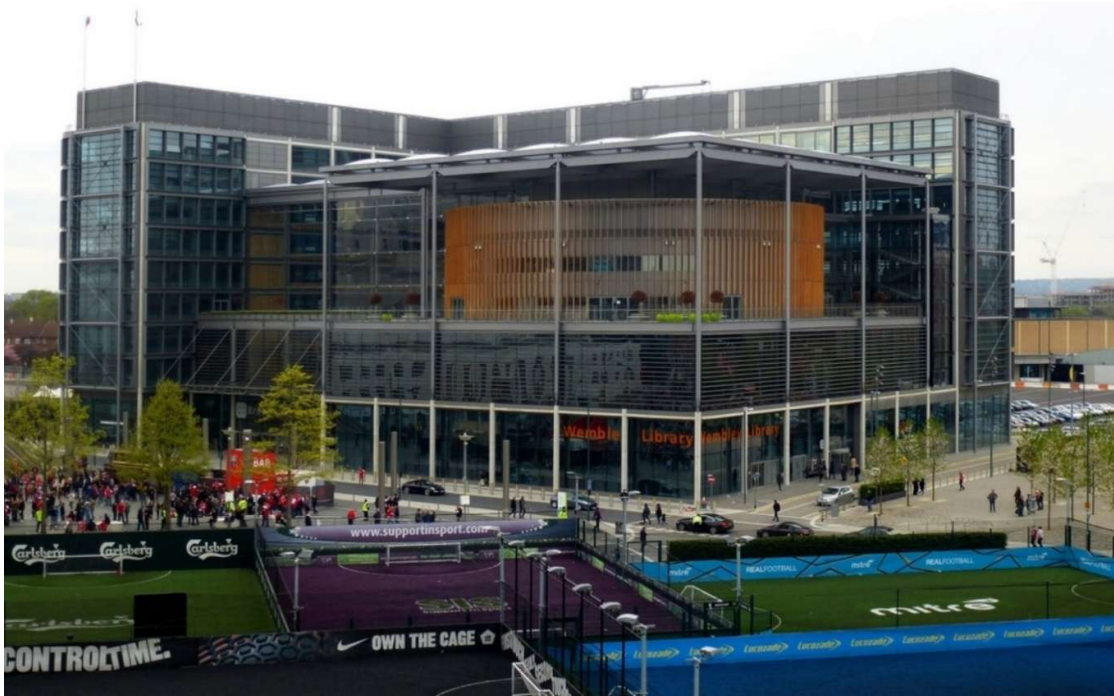




London Borough of Brent



[DRAFT] Statement of Accounts 2025/26



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Narrative Statement

Introduction

I am pleased to present Brent Council's Statement of Accounts for 2025/26. Whilst by their very nature the accounts can be backward looking, they do provide an important snapshot of Brent's financial position at the end of the financial year. They also highlight the significant and ongoing challenges facing the local government sector.

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 lies 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.

Key Risks

The following sections set out the key risks to the council's financial sustainability arising from the financial environment in which the Council operates.

Economic environment

Since the beginning of 2026, the economic outlook has weakened due to increasing volatility resulting from the conflict in the Middle East and the impact on global energy prices. The full extent of the impact of these events is uncertain and dependent on the future path of the conflict.

The immediate effect has been an increase in fuel prices, which pushed CPI inflation above 3% in March, before falling back to 2.8% in April. The inflation rate is now expected by the Bank of England to be higher later in 2026, compared to the expectation in February of an average of 2.5% for 2026 as the effects of the higher energy prices pass through to the economy. This will have a knock-on effect on the cost of providing Brent's services with a resulting risk of overspending in 2026/27 compared to the assumptions included in the 2026/27 revenue budget agreed in February 2026.

Interest rates remain high at 3.75%, having most recently been cut in December 2025. In February, the expectation was for a gradual reduction towards 3.25%, but higher inflation increases the likelihood that the rate will remain higher for longer, or even increase, which would increase the cost of borrowing to fund the Capital Programme from the assumptions included in the budget set in February.

The residents of Brent face an equally challenging economic environment. The cost-of-living crisis triggered by the previous energy price shock in 2022 is still ongoing and inflationary impacts from current events will have a further negative impact. If the economy was to slow down, Brent Council may be required to provide support to residents in addition to the support agreed in the budget set in February, which will reduce the resources available to invest in services.



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 and 2025/26 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 continue into 2026/27.

Local Government funding

In June 2025, the Government conducted a Spending Review, which set the overall funding for local government from 2026/27 to 2028/29. 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.

Following the Spending Review, the government delivered the most significant reform of local government funding (Fair Funding Review 2.0) in more than a decade. The reforms had a 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. The Local Government Finance Settlement in December 2025 was a multi-year settlement, providing much needed clarity on the funding available to support Brent Council's budget for 2026/27 to 2028/29.

The Government undertook a consultation process on the reforms until 15 August 2025 and a response was submitted by Brent officers, following a review of the proposals, utilising modelling from London Councils on the impact of the proposed reforms. The Government then provided a summary of the responses to the consultation in the autumn ahead of the provisional local government finance settlement in mid-December 2025.

The main elements of the proposed reforms included in the Fair Funding Review 2.0 consultation were as follows:

- Simplification of grants – rolling several grants into the settlement and creating a smaller number of consolidated grants.
- Relative needs assessment – Redistributing the available funding according to a revised assessment of relative need based on up-to-date data.
- Resources adjustment – Adjusting the allocation of funding to account for differences in the council tax bases between authorities.



- Reset of the business rates system – resetting the baselines that have not changed since 2013 and redistributing growth according to relative need.
- Transitional arrangements – implementing the reforms across a three year period to smooth out the changes.
- Funding floors – Most authorities will not see a reduction in core spending power, but this is funded from reductions to the allocations to authorities who are not being protected by the funding floor.

The Fair Funding Review 2.0 resulted in a positive outcome for Brent Council that has reduced the immediate pressure on the revenue budget. Brent Council has set a balanced budget for 2026/27 without the need for Exceptional Financial Support from the Government. However, the Spending Review which set the envelope of funding for local government for 2026-29 was conducted in the context of the economic environment prior to the war in the Middle East, which has put the UK economy under increasing strain and has led to increased demands for spending on areas such as defence. Therefore, funding not being sufficient to meet the challenges that are present in future years remains a key risk to the sustainability of Brent Council's Medium Term Financial Strategy.

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 2026/27 Local Government Finance Settlement provided an improved funding position for Brent across the settlement period. However, the additional pressures arising in 2025/26, as detailed in the Financial Outturn 2025/26 report, many of which are likely to continue into 2026-27, resulted in increased growth requirements.

The £10.4m of savings required for 2026/27, which were developed in collaboration with the Embrace Change Portfolio (see below), were sufficient to balance the budget for 2026/27 based on the forecasts available at that time. However, the MTFS for the next three years remains more challenging than at any time in the recent past.

The financial outlook is uncertain with potential funding reductions still possible beyond the current MTFS period. 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 and to rebuild reserves which have been depleted in recent years.

At the time of setting the 2026/27 budget, there was an additional £20m budget gap identified for 2027-29 (£10m 2027/28, £10m 2028/29), before consideration of the pressures arising in 2025/26. The overspends detailed within the Summary of Financial Performance section mean that the council will have to find significant savings to balance its budget over the medium term.



The financial position will be monitored closely throughout 2026/27 and where necessary additional measures will be implemented to ensure that financial control is maintained. These measures may include, but not be limited to, proactive vacancy management and directorate led targeted non-essential spending controls. If required, additional in-year savings may be required. Further details on the overall financial position over the medium-term is provided in the Medium Term Financial Outlook report to Cabinet in July 2026.

Embrace Change Portfolio

The Embrace Change Portfolio is strengthening the Council's ability to deliver transformation in a more strategic, coordinated, and financially sustainable way, with clearer alignment to corporate priorities.

Since February, governance arrangements have been enhanced through improved portfolio oversight and refreshed Board structures. Core funding has been secured for a permanent Corporate Programme Management Office (CPMO), providing robust assurance, reporting, and delivery support to programme leads, alongside the establishment of a new change delivery function.

The portfolio continues to drive delivery across priority programmes targeting areas of highest demand and expenditure. Key achievements include the successful completion of Phase 1 of the Harlesden Working in Neighbourhoods pilot, delivered in partnership with health and community organisations. Plans are now in place to extend this integrated neighbourhood and community support model to other priority areas, such as Willesden and South Kilburn. In parallel, the Pride in Place Programme has been launched in St Raphael's and Harlesden, supporting community-led regeneration and strengthening local partnerships.

Progress has also been made in prevention and enabling residents to live independently. Under the Resident Experience Programme, a Household Income Maximisation pilot has developed a multi-service, resident-centred approach to improving financial resilience, generating valuable insight for future delivery. The Preventing Homelessness programme has eliminated the use of bed and breakfast accommodation for families and pregnant women, improving outcomes for vulnerable households. Within Adult Social Care, work has commenced on a future reablement model and strengthened partnership working with Health. A Virtual Care pilot has also been launched to test the use of technology in home care, informing future commissioning approaches that promote independence and reduce reliance on long-term care.

Investment has also focused on building the foundations for sustained transformation. The Base, the Council's collaboration space, continues to evolve as a hub for innovation, supporting cross-organisational working and test-and-learn approaches. The Change Champions network has been expanded to enhance engagement and support the adoption of new ways of working across the organisation.

For 2026/27, the objectives of the Embrace Change Portfolio are to:

- Support the delivery and assurance of approved savings proposals, with improved mechanisms now in place to define, track, and realise benefits.



- Align transformation activity directly to the new Council Plan, with refreshed programme plans ensuring stronger line of sight between change activity and strategic priorities.
- Strengthen prevention-led approaches in areas of highest demand and spend, including Adult Social Care, Children's Services, and homelessness prevention, building on early pilots and scaling successful interventions.
- Embed community-powered approaches, with increased resident engagement and co-design activity informing service redesign across multiple programmes.
- Build a culture and workforce fit for the future, supported by enhanced organisational development activity, targeted skills development, and more consistent ways of working across services.

Council Elections

The 2026 local elections took place on 7 May 2026, resulting in Brent Council being in no overall control. At the Annual Council meeting on 20 May, a new Council was formed, with appointments made to the positions of Leader and Mayor. The Leader appointed a Cabinet, which is responsible for setting the strategic direction of the council.

Councillors also confirmed the main committee appointments, including positions on Scrutiny Committees and key decision-making committees that oversee areas such as planning and licensing. The appointments ensure the council's formal committees are in place to support transparent decision-making, robust scrutiny and the effective running of council business. In line with legislation, committee appointments are politically balanced to reflect the outcome of Brent's local elections.

Strategic Vision - Borough Plan/Council Plan

The Brent Borough Plan 2023–2027, titled Moving Brent Forward Together, set out the Council's strategic direction for the four-year period. 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.

2025-26 Strategic themes



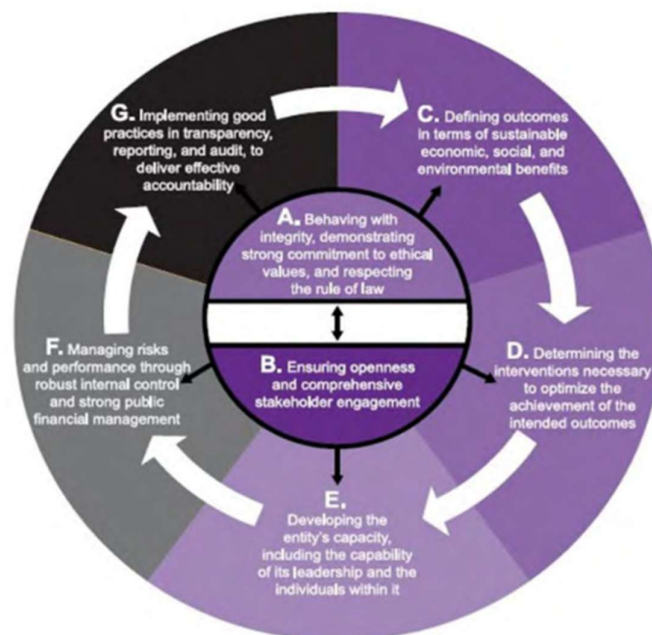
The Borough Plan is reviewed regularly to ensure it is still relevant, reflects the national policy landscape, local priorities and context. The council monitors progress against the outcomes set out in the Plan based on a suite of performance measures. These are reported to Cabinet twice a year. The new Council will also now identify the priorities for the next four years from 2027 to 2031. These priorities will be developed into a new Council Plan covering this four-year period, which will be published later in 2026/27.



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 2025/26. 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.



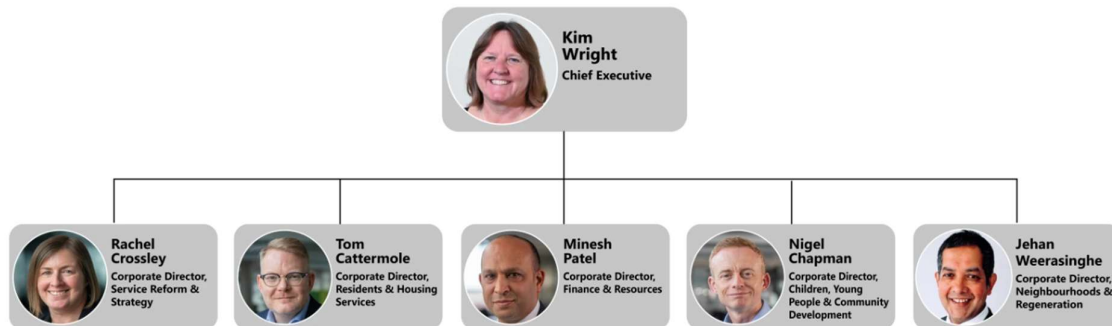
Political Structure

In 2025/26 Brent was divided into 22 electoral wards and four parliamentary constituencies: Brent East, Brent West, Harrow East and Queens Park & Maida Vale. The Harrow East parliamentary constituency also includes part of the London Borough of Harrow, and the Queens Park & Maida Vale also includes part of the City of Westminster.



Chief Officer Structure

During 2025/26 the Council had minor portfolio changes between departments. This chart shows the senior management team 31 March 2026.



Summary of Financial Performance

The Council's General Fund position is breakeven as a transfer from corporate earmarked reserves covered overspends of £11.7m in Residents and Housing Services (homelessness), £8.3m in Service Reform and Strategy (Adult Social Care) and £0.4m in Children, Young People and Community Development (Children's Social Care), while other General Fund services closed with modest underspends. The Housing Revenue Account (HRA) balance increased by £0.1m to £4.6m and the Dedicated Schools Grant (DSG) had zero overspend on the general fund, but this required utilisation of £1.6m of prior year surpluses, and £5m of spend to be transferred to the DSG adjustment account.



Revenue Expenditure

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

	Net expenditure and funding as per Note 14	Earmarked reserve movements	Total 2025/26 Actuals	Revised Budget	Over/(Under) Spend
Service Area	£m	£m	£m	£m	£m
Service Reform and Strategy	194.2	(2.5)	191.7	183.4	8.3
Children, Young People and Community Development	96.7	0.8	97.5	97.1	0.4
Neighbourhoods and Regeneration	34.0	(3.9)	30.1	31.8	(1.7)
Finance and Resources	32.8	0.5	33.3	33.7	(0.4)
Residents and Housing Services	44.4	0.1	44.5	32.8	11.7
Subtotal Service Area Budgets	402.1	(5.0)	397.1	378.8	18.3
Capital Financing	33.7	5.2	38.9	38.9	0.0
Central Budgets	9.4	(7.0)	2.4	18.6	(16.2)
Central Funding	(431.4)	(7.0)	(438.4)	(436.3)	(2.1)
Subtotal Central Items	(388.3)	(8.8)	(397.1)	(378.8)	(18.3)
DSG Funded Activity	(0.2)	0.2	0.0	0.0	0.0
General Fund Outturn	13.6	(13.6)	0.0	0.0	(0.0)
Housing Revenue Account (HRA)	(0.4)	0.4	0.0	0.0	0.0
Total (GF, HRA)	13.2	(13.2)	0.0	0.0	0.0

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



Service Revenue Expenditure

Service Reform and Strategy

The Service Reform & Strategy directorate reported an overall overspend of £8.3m at year end. This was driven primarily by pressures within Adult Social Care and Commissioning, partially offset by underspends in Communications, Insight and Innovation, the Embrace Change Programme and Integrated Care Partnerships.

Adult Social Care recorded an overspend of £7.0m. Demand continues to be heavily concentrated in Physical Support services, particularly homecare, residential and nursing care. Rising demand and complexity have driven significant cost increases, including higher homecare hours and notable uplifts in dementia placements. External pressures such as increases in National Insurance and the London Living Wage have further compounded costs. Learning Disability Support also contributed to spending pressures, with growth in high-cost supported living packages and more complex care needs. The reliance on spot purchasing has increased flexibility but exposed the Council to higher provider rates, with new placement costs rising significantly. These demand and cost pressures have made it difficult to achieve planned savings, leaving £1.3m unmet. In response, improved financial monitoring and forecasting processes are being implemented for 2026/27.

Strategic Commissioning & Capacity Building reported a £2.9m overspend, largely due to higher-than-expected Extra Care costs due to complex needs. A review of Purchase Orders revealed previously unrecorded expenditure, highlighting weaknesses in financial processes. Enhanced controls, improved reconciliation, staff training, and stricter approval procedures are being introduced, alongside a new oversight board to strengthen financial governance.

Public Health reported break even, with a closing balance of £10.4m in the ringfenced Public Health reserve. Leisure reported a £0.3m overspend due to the delayed closure of Bridge Park. Conversely, Communications, Insight and Innovation delivered a £1.2m underspend through additional income, staffing savings and budget management, the Embrace Change Programme reported an underspend of £0.4m due to delayed recruitment and Integrated Care Partnerships underspent by £0.3m due to alternative funding contributions.

Children, Young People and Community Development

The CYPD directorate closed the financial year with a pressure of £0.4m. This was driven primarily by pressures in the Social Care Placements budgets and was partially offset by reduced cost pressures across the directorate, particularly within centrally held budgets and Early Help services, which benefited from external grant funding.

Substantial underlying budget pressures remain in the CYPD directorate. The principal driver of the overspend continues to be the high cost of placements for Looked After Children (LAC), particularly residential and secure accommodation placements. The Forward Planning, Performance and Partnerships (FPPP) service reported the largest overspend of £2.4m,



reflecting an increase in the number of children requiring residential care placements, particularly during the second half of the year. Additional pressures were experienced within the Special Educational Needs and Disabilities (SEND) Inclusion service and the Schools Settings and Effectiveness service, which recorded combined overspends of £0.6m.

These pressures were partially offset by underspends in other areas, most notably within Early Help services, where staffing costs were lower than anticipated in relation to in-year grant allocations. The directorate also effectively utilised available reserves, maximised grant funding opportunities, and actively managed staffing vacancies to help mitigate financial pressures.

Overall, while the Directorate achieved a small overspend through proactive budget management and effective use of available funding sources, demand-led pressures, particularly those associated with residential placements for children, continue to present a significant financial challenge.

Neighbourhoods and Regeneration

Neighbourhoods & Regeneration has underspent by £1.7m in 2025/26.

Within the Directorate, Public Realm underspent by £2.0m. This is largely an overachievement of income within Healthy Streets and Parking. Operational improvements were implemented by the service which resulted in higher levels of compliance activity and associated parking income through PCN issuance.

Inclusive Regeneration & Climate Action are reporting an underspend of £0.1m. Pressures within the Building Control service remain, they impacted by a slowdown in major development appointments, driven by delays and cancellations linked to wider economic conditions. However, these pressures have been managed within the department in 25/26. This is largely due to additional income from Planning fees, helped by the implementation of the revised fee structure.

Property & Assets overspent by £0.4m. Pressures were experienced in Commercial Property due a reduction in income collected, which was a result of vacant properties and expired leases. There were additional pressures from Facilities Management due to additional overtime costs within cleaning and security services. These pressures were mitigated to an extent within the department, due to the Energy service reporting an underspend. The service was able to benefit from lower energy costs sue energy being purchased in advance through annual tranches.

Finance and Resources

Finance & Resources has expanded following the Senior Management restructure which was implemented from April 2025. The department now incorporates the Directorates which previously formed Law & Governance - Human Resources & Organisational Development, Legal Services, and Democratic Services.



The Directorate reports an overall underspend of £0.4m for 2025/26.

Human Resources & Organisational Development achieved an underspend of £0.1m. This underspend is largely due to a review of the service structure, and the implementation of spending controls to scrutinise spend in the service. The introduction of the new Occupational Health contract also resulted in a cost reduction for the service in 25/26.

Democratic Services are reporting an underspend of £0.3m. This underspend largely comes from a review of postage arrangements for the Council resulting in reduced costs.

The other services of Finance, Legal, Organisational Assurance & Resilience, and Shared Technology Service report a break-even position.

Residents and Housing Services

Resident and Housing Services recorded a net overspend of £11.7m for 2025/26, driven entirely by sustained pressures within Housing Needs and Support. Despite a budget uplift and increased Homelessness Prevention Grant intended to address prior pressures and rising demand, demand significantly exceeded expectations.

The Housing Needs and Support overspend increased by £7.2m since Quarter 3 from £4.5m to £11.7m. There was a marked acceleration in demand and costs between November and March. Temporary Accommodation (TA) demand, particularly Stage 1, continued to grow without stabilisation. This increase was partly linked to a rise in Section 21 evictions ahead of the Renters' Rights Act, with placement levels remaining well above historic norms.

By March 2026, homelessness support applications reached 8,795, including 5,309 single applicants and 3,486 families, an average of 169 applications per week. This represented a 40% increase compared to March 2025 (6,281 applications), demonstrating persistently high demand and associated cost pressures.

TA usage also increased, with 1,428 households in nightly paid accommodation in April 2026, up from 1,182 in April 2025 and 1,312 in December 2025. Around half of the annual rise occurred between Quarters 3 and 4. While increased spending on prevention services raised short-term costs, this investment is intended to reduce future demand rather than deliver immediate savings.

The Council continued to mitigate costs by moving households from high-cost nightly paid accommodation, such as B&Bs, into more affordable options and securing lease arrangements to reduce reliance on expensive placements.

Quality Assurance and Resident Experience, Private Housing Services, Resident Services, and the Corporate Director's budget each delivered break-even positions, consistent with Quarter 3. Increased income in some areas, such as licensing and registration services, helped offset localised pressures and supported overall financial stability outside Housing Needs and Support.



Capital Financing

Capital financing is the cost of financing the Council's capital programme including interest costs on external borrowing and minimum revenue provision. The final capital financing revenue outturn position was £38.9m against a revised £38.9m budget with nil variance. This reflects a reduction in outturn compared to 2024/25 due to the impact of one-off adjustments in 2024/25, as well as savings achieved from the delay in borrowing need as a result of slippage in the capital programme.

Central Budgets and Central Funding

Central Budgets contains the budgets for activities that are not attributable to specific service areas. This includes a central contingency held to manage in-year service pressures and provide flexibility for investment in Council priorities throughout the financial year.

Central Funding contains the budgets for the Council's core funding for the Council's services, consisting of Council Tax, Business Rates, Revenue Support Grant and specific central government grants, which includes part of the direct funding for Adult Social Care and Children's Social Care. In 2025/26, this did not include direct funding for Homelessness and Temporary Accommodation, which is included within Residents and Housing Services.

In 2025/26, Central Funding recorded a net underspend of £2.1m, as a result of an improved position on the Eight Authority Business Rates pool (which is not continuing into 2026/27 because of the Business Rates reset) and year-end adjustments on the Collection Fund. Central Budgets recorded a small underlying overspend of £0.5m due to one-off items, with the total net overspend for the Council at £16.7m.

To ensure that the Council met its statutory obligation to balance the General Fund revenue budget without adjusting the service area outturns, a drawdown of £16.7m from the Future Funding Risks reserve to Central Budgets was carried out. This generated a final net underspend of £16.2m on Central Budgets, which together with the £2.1m underspend on Central Funding offsets the £18.3m net service area overspend.

DSG Funded Activity

The 2025/26 Dedicated Schools Grant (DSG) outturn reports a breakeven position on the general fund. This is due to statutory adjustments which require that the in-year deficit of £6.6m was offset against prior year surpluses (£1.6m) and the remaining £5.0m had to be transferred to the DSG adjustment account. The use of surpluses and transfer to the DSG adjustment account have the effect that the cumulative DSG deficit has increased from £13.6m at the end of 2024/25 to £20.2m, highlighting an ongoing structural imbalance between funding and demand.

This deficit of £6.6m is against a total funding allocation of £255.3m, reflecting continued financial pressure across the DSG. The deficit is primarily driven by sustained demand and cost pressures



within the High Needs (HN) Block, which supports children and young people with special educational needs and disabilities (SEND). While underspends in the Schools Block (£0.4m), Early Years (EY) Block (£1.0m), and Central Block (£0.2m) have helped to partially offset this position, they are insufficient to counterbalance the scale of overspending in High Needs.

The HN Block overspend of £8.2m reflects both rising volumes and complexity of need, with EHCP numbers increasing by 10.6% (from 3,82 to 4,306). This has driven higher expenditure across mainstream top-up funding, special school placements, independent provision, alternative education, and post 16 support.

The Early Years Block underspend (£1.0m) is largely due to lower-than-anticipated take-up of expanded childcare entitlements, particularly for younger children. As funding is based on actual participation levels, there is a risk of clawback from the Department for Education (DfE). The expected clawback amount has been set aside ahead of final funding adjustments, expected in July 2026.

The projected growth in the High Needs deficit will be managed through a mix of government support and local actions. Although the deficit is expected to increase by £18.2m in 2026/27 and £29m in 2027/28, around 90% of this pressure is anticipated to be met by government funding, subject to an approved Brent SEND Reform plan, limiting the call on Council reserves. Alongside this, the Council is delivering its SEND reform programme to help control cost and demand. This includes slowing the growth in EHCPs, reducing the use of expensive independent placements, expanding local specialist school places, and strengthening early intervention. These actions are expected to reduce costs over time, helping limit the overall financial pressure, even though they will not fully remove the deficit.



Housing Revenue Account (HRA)

The Housing Revenue Account (HRA) is a ring-fenced account, which manages income and expenditure in relation to Council owned housing stock.

The Housing Revenue Account (HRA) outturn for 2025/26 contributes £0.1m to reserves. Income of £73.3m was £3.4m higher than the £69.9m budget, offset by a £3.3m overspend in expenditure against the agreed budget of £69.9m.

HRA gross income and expenditure				
	2024-25	2025-26	2025-26	2025-26
	Actual	Budget	Actual	Variance
	£m	£m	£m	£m
HRA				
Income	(70.3)	(69.9)	(73.3)	(3.4)
Expenditure	68.2	69.9	73.2	3.3
Total	(2.1)	0.0	(0.1)	(0.1)

Sustained inflationary pressures and elevated interest rates continued to affect both revenue and capital expenditure during the year. Higher material and labour costs increased repairs and maintenance spending, while higher borrowing costs raised the cost of financing the capital programme. The contribution to reserves of £0.1m was achieved by offsetting these pressures – most notably on repairs and interest – against additional rental income and other favourable movements described below.

Demand for repairs and maintenance services remained significantly above budgeted levels. A high volume of complex repairs, an increase in damp and mould cases, and the transition to new service contracts placed sustained pressure on the budget, alongside the new statutory obligations introduced by Awaab's Law, which came into force for the social rented sector on 27 October 2025. Outturn expenditure of £25.9m was £8.5m above the £17.4m budget (2024/25: £21.4m). The scale of the variance in 2025/26 reflects that the budget was set below the prior-year outturn, understating the level of demand experienced.



The Major Repairs Reserve increased from £3.6m to £7.2m over the year, after a £14.8m depreciation transfer and £11.2m applied to the capital programme, providing capacity to support future capital investment.

Supervision and management costs closed at £16.4m, a £0.9m underspend against the £17.3m budget. This reflects the capitalisation of officer time attributable to capital projects and in-year vacancies, partially offset by additional resourcing associated with new housing stock and backlog reduction.

Rents, rates, taxes and other charges closed at £7.0m, a £1.3m overspend against the £5.7m budget. This arose across a range of areas, including decants, council tax on void and temporary units, and insurance.

Interest payable and similar charges closed at £14.0m, £2.0m above the £12.0m budget (2024/25: £10.9m), reflecting the rising cost of financing the HRA's Capital Financing Requirement in a higher interest rate environment.

Total income of £73.3m was £3.4m above budget. This was driven principally by dwelling rents of £62.8m, £3.7m above the £59.1m budget (2024/25: £58.6m), reflecting the expanded asset base from additional properties brought into the HRA and the in-year rent uplift.

The movement on the allowance for bad or doubtful debts was a £2.6m reduction against a budgeted £1.4m charge – a £4.0m favourable variance. Tenant rent arrears nonetheless remain a risk to be managed, with performance continuously monitored against the 98% assumption adopted in the HRA 30-year Business Plan.

Looking ahead, the ten-year rent settlement (CPI+1%, equating to 4.8% for 2026/27) and the introduction of Social Rent convergence from 2027/28 provide greater income certainty to support investment in the stock. Significant cost pressures remain, including the phased expansion of Awaab's Law to further hazard categories from October 2026, continued investment to meet the Decent Homes Standard and Warm Homes commitments, and delivery of the improvement plan associated with the Council's C3 consumer standards grading and self-referral to the Regulator of Social Housing. These factors will continue to shape the HRA Business Plan and the Medium Term Financial Strategy.

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 2025/26 – 2029/30 Capital Programme budget is £782.5m, financed from a combination of capital receipts, Community Infrastructure Levy, grants, reserves and external borrowing.

For 2025/26, the Council spent £209.8m, 73% of the revised capital budget of £286.9m.

Capital Board	Revised Budget	Outturn	FY Variance		
	£m	£m	(Underspend)/ Overspend	(Slippage)/ Brought Forward	Variance Total
			£m	£m	£m
Corporate Landlord	13.4	11.8	(0.1)	(1.5)	(1.6)
Housing GF	73.9	50.1	(17.2)	(6.7)	(23.9)
Housing HRA	27.6	18.3	(0.9)	(8.4)	(9.3)
Public Realm	34.9	22.9	0.3	(12.3)	(12.0)
Regeneration	84.2	73.5	0.0	(10.8)	(10.8)
Children & Young People	25.5	20.5	0.2	(5.2)	(5.0)
South Kilburn	26.9	12.3	0.9	(15.5)	(14.6)
St. Raphael's	0.4	0.4	(0.0)	(0.0)	(0.0)
Total	286.9	209.8	(16.8)	(60.4)	(77.2)

The level of slippage across the 2025/26 Capital Programme reflects the inherent complexity of delivering a large investment programme in a challenging operating environment. Several public realm improvement schemes received Cabinet approval later in the financial year, compressing the time available and contributing to the £12.3m of slippage. The Council was also exposed to national pressures facing public sector capital delivery, including a constrained contractor market, high interest rates, elevated construction cost inflation, and the practical demands of working with multiple organisations with various governance, funding and programme requirements.

A key focus of the 2025/26 Capital Programme was delivering affordable housing to address the housing emergency facing Brent and the rest of London. The Council completed and handed over 543 units of new council homes in the financial year while negotiations have commenced



for an ambitious bid to deliver social homes under the London Social and Affordable Housing Programme (LSAHP) 2026-36. Progress was also recorded on Temporary Accommodation acquisition projects with 24 completions in 2025/26 under the Local Authority Housing Fund (LAHF).

Nevertheless, the Housing programme was responsible for the biggest budget variances. Underspends of £17.2m on the Housing General Fund are roughly equally split between LAHF acquisition costs being lower than originally estimated and the challenges of acquiring suitable properties causing 7 housing Acquisitions Programme purchases against the initial grant request of 15. Developer delays on Alperton Bus Garage were the biggest cause of the £8.4m Housing HRA slippage.

Progress continues to be made on the ambitious South Kilburn Regeneration scheme, which aims to transform the South Kilburn area and deliver 2,400 homes. In 2025/26, the Council committed to delivering a £36m district heat network in South Kilburn and launched its procurement for a Single Delivery Partner (SDP) to deliver seven sites with an appointment expected in autumn 2026. £15.5m slippage in the South Kilburn programme reflects delays in signing the heat network contract, contract negotiations on the Carlton and Granville refurbishment and rescheduling of rehousing activities on the SDP sites. The major regeneration project in Wembley Housing Zones also made progress with delivery of 281 homes (141 affordable), new community and commercial spaces and a courtyard garden expected in the latter part of 2026. £6.7m of the £10.8m slippage on the Regeneration programme is because completion on the project is now expected in November 2026 rather than September 2026.

The Children and Young People's Capital Programme recorded the completion of the replacement of the Northview Primary School Nursery as part of the council's duty to maintain its school buildings. Also, the acquisition and refurbishment of a Brent Children's Care Home was completed in 2026/27. Over 200 new SEND places were provided in 2025/26 at the new Wembley Manor SEND School and 3 Additionally Resourced Provision (ARP) at St Margaret Clitherow Catholic Primary, Newman Catholic College and Preston Park Primary. ARPs are specialist units within mainstream schools that support pupils with specific educational needs.

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.

The Brent Pension Fund's latest triennial valuation, completed during the year, confirms an improved funding position, reflecting strong investment performance over the period, an improved investment outlook and the impact of higher interest rates on the valuation of liabilities.



On an IAS 19 accounting basis, the Council's net pension liability was £121m at 31 March 2026, a reduction of £96m compared to the previous year. This represents the difference between the estimated present value of future pension obligations (£1,380m) and the fair value of pension fund assets (£1,259m). The IAS 19 valuation is calculated using prescribed accounting assumptions, which differ from the actuarial assumptions used for the triennial valuation.

The reduction in the net liability during the year was primarily driven by changes in financial assumptions and investment performance. In particular, an increase in the discount rate reduced the present value of future liabilities, while strong investment returns increased the value of the Fund's assets.

The value of Pension Fund investments increased to £1,482m during 2025/26 (2024/25: £1,313m), reflecting positive performance across equity markets, particularly in Emerging Markets and UK equities. Investment performance remains a key factor in the long-term sustainability of the Fund.

The Fund continues to operate in a positive cashflow position, with total contributions of £70m exceeding benefit payments of £62m. This allows the Fund to invest surplus cashflows, supporting future asset growth, and provides greater flexibility compared to funds that are required to sell assets to meet benefit payments.

The Fund is subject to a formal actuarial valuation every three years, undertaken by an independent actuary to assess the level of assets against future liabilities and to set employer contribution rates. The 2025 triennial valuation was completed during the year and confirmed a significant improvement in the Fund's funding position, with assets sufficient to cover 113% of accrued liabilities as at 31 March 2025.

This represents a substantial increase from the 87% funding level reported at the previous valuation in March 2022, reflecting strong investment performance and changes in market conditions over the period. As a result of this improved position, employer contribution rates have been reduced to 23% of pensionable pay for the period 2026 to 2029.

Treasury Management

Total cash balances for the Council on 31st March 2026 amounted to £43.8m compared to £47.3m on 31st March 2025, a change of 3.5%. The cash balances are held in its Money Market Funds (MMFS). The change in cash balances has been a result of the need to fund the Council's daily cashflow requirements including the funding of its capital programme in lieu of borrowing. The Council's average yield from Money Market Funds for 2025/26 is 4.06%.

Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code). The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest yield. The Council's objective when investing money is



to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

The Council's debt portfolio at 31st March 2026 totalled £1,074.1m compared to £900.0m in 31st March 2025. The increase of £174.1m is primarily due to the demands of delivering the capital programme not already funded through grants, contributions, capital receipts or reserves. The Council found best value in borrowing during the year by borrowing new loans secured from the PWLB. In addition, the council secured £65.0m from the local authority market to diversify the debt portfolio.

Financial Outlook

Despite the challenging financial situation, the Council has set a balanced budget for 2026/27. The budget includes £54.2m of growth, £26.6m of increases to service area budgets as a result of the consolidation of service area funding into Core Funding in the Fair Funding Review and £10.4m of savings, which 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 £238m 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 2026/27 to 2030/31 totalling £782.5m.

The balance sheet shows net assets of £1,675.1m on 31 March 2026 (£1,655.6m on 31 March 2025) This includes the pension liability of £121.3m on 31 March 2026 (£216.9m on 31 March 2025). 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.

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.

These organisations are modest in scale compared to the council itself: of the group's £1,703.3m in reserves at 31 March 2026: £28.1m relates to the subsidiaries and £1,675.2m to the council. The groups reserves increased by £23.9m over 2025-26 with the subsidiaries' reserves increasing by £4.4m in 2025-26, and the council's reserves increasing by £19.5m.

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 2025/26.

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 2026. 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 2025/26, 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

	<i>Notes</i>	31 March 2026 £m	31 March 2025 £m
Long Term Assets			
Property, Plant & Equipment	1	2,504.0	2,480.3
Heritage Assets		0.6	0.5
Intangible Assets	1	23.3	25.1
Long Term Investments	24	119.3	116.1
Long Term Debtors	24	177.1	189.9
Total Long Term Assets		2,816.4	2,811.9
Current assets			
Short Term Investments	24	0.0	0.8
Short Term Debtors	2	243.1	172.7
Assets Held for Sale		14.5	0.0
Inventory		0.0	7.9
Cash and Cash Equivalents	3	72.8	76.0
Total current assets		333.3	257.4
Current liabilities			
Short Term Borrowing	24	(162.3)	(138.5)
Short Term Creditors	7	(212.0)	(222.2)
Grant Receipts In Advance - Revenue	19	(0.3)	(3.0)
Grant Receipts In Advance - Capital	19	(3.4)	(0.0)
Provisions	9	(8.1)	(4.3)
Cash and Cash Equivalents - Liabilities	3	(0.2)	(0.6)
Total current liabilities		(386.3)	(368.6)
Long term liabilities			
Provisions	9	(9.5)	(10.7)
Long Term Borrowing	24	(921.9)	(769.5)
Other Long Term Liabilities	8	(161.9)	(264.9)
Total long term liabilities		(1,093.3)	(1,045.1)
Net Assets		1,675.1	1,655.6
Total Reserves			
Usable Reserves	10	(453.6)	(496.5)
Unusable Reserves		(1,221.5)	(1,159.1)
Total reserves		(1,675.1)	(1,655.6)



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).



MIRS The Movement in Reserves Statement

Movement in reserves 2025/26	General Fund Balance £m	HRA £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 2025	(160.4)	(10.4)	(36.7)	(3.7)	(285.4)	(496.6)	(1,159.1)	(1,655.7)
(Surplus) or deficit on the provision of services	19.1	82.8	0.0	0.0	0.0	101.9	0.0	101.9
Other comprehensive income & expenditure	0.0	0.0	0.0	0.0	0.0	0.0	(121.4)	(121.4)
Total comprehensive income & expenditure	19.1	82.8	0.0	0.0	0.0	101.9	(121.4)	(19.5)
Adjustments between accounting basis & funding basis under regulations	(5.5)	(83.2)	(8.7)	(3.5)	42.0	(58.9)	58.9	0.0
(Increase)/decrease in 2025/26	13.6	(0.4)	(8.7)	(3.5)	42.0	43.0	(62.5)	(19.5)
Balance as at 31 March 2026	(146.8)	(10.8)	(45.4)	(7.2)	(243.4)	(453.6)	(1,221.6)	(1,675.2)



Movement in reserves 2024/25	General Fund Balance	HRA	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Reserves
	£m	£m	£m	£m	£m	£m	£m	£m
Balance as at 31 March 2024	(167.7)	(5.1)	(33.2)	(8.5)	(314.3)	(528.8)	(1,297.4)	(1,826.2)
(Surplus) or deficit on the provision of services	68.2	34.6	0.0	0.0	0.0	102.8	0.0	102.8
Other comprehensive income & expenditure	0.0	0.0	0.0	0.0	0.0	0.0	67.7	67.7
Total comprehensive income & expenditure	68.2	34.6	0.0	0.0	0.0	102.8	67.7	170.5
Adjustments between accounting basis & funding basis under regulations	(60.9)	(39.9)	(3.5)	4.8	28.9	(70.6)	70.6	0.0
(Increase)/decrease in 2024/25	7.3	(5.3)	(3.5)	4.8	28.9	32.2	138.3	170.5
Balance as at 31 March 2025	(160.4)	(10.4)	(36.7)	(3.7)	(285.4)	(496.6)	(1,159.1)	(1,655.7)



Comprehensive Income and Expenditure Statement

Directorate	2025/26 Gross Expenditure (£m)	2025/26 Gross Income (£m)	2025/26 Net Expenditure (£m)	2024/25 Gross Expenditure (£m)	2024/25 Gross Income (£m)	2024/25 Net Expenditure (£m)	Notes
Service Reform and Strategy	241.7	(53.1)	188.6	224.0	(47.8)	176.2	-
Children & Young People (GF)	140.5	(45.1)	95.4	145.5	(60.0)	85.5	-
Children & Young People (DSG)	283.8	(285.9)	(2.1)	261.3	(255.8)	5.5	-
Neighbourhoods and Regeneration	88.9	(58.4)	30.5	100.0	(51.3)	48.7	-
Finance and Resources	104.5	(3.5)	101.0	96.9	(3.6)	93.3	-
Partnerships, Housing and Resident Services (GF)	112.7	(68.4)	44.3	92.7	(67.8)	24.9	-
Partnerships, Housing and Resident Services (HRA)	145.2	(73.3)	71.9	97.9	(70.5)	27.4	-
Central Items	173.8	(253.3)	(79.5)	200.0	(270.2)	(70.2)	-
Cost of Services	1,291.1	(841.0)	450.1	1,218.3	(827.0)	391.3	-
Other operating expenditure			22.5			48.8	11
Financing and investment income & expenditure			48.8			22.6	12
Taxation and non-specific grant income			(419.5)			(360.0)	13
(Surplus) or Deficit on Provision of Services			101.9			102.7	-
(Surplus) or deficit on revaluation of Property, Plant and Equipment assets			(39.5)			84.1	-
Actuarial (gains)/losses on pension assets and liabilities			(81.9)			(16.5)	-
Other Comprehensive Income and Expenditure			(121.4)			67.6	-
Total Comprehensive Income and Expenditure	-	-	(19.5)			170.3	-



Cash Flow Statement

Cash Flow	2025/26 £m	2024/25 (Restated) £m	Notes
Net surplus or (deficit) on the provision of services	(101.9)	(102.8)	-
Adjustment to surplus or deficit on the provision of services for non-cash movements	139.6	268.0	-
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(83.4)	(51.0)	-
Net cash inflows/(outflows) from Operating Activities	(45.7)	114.2	4
Net cash inflows/(outflow) from Investing activities	(116.4)	(219.6)	5
Net cash inflows/(outflow) from Financing activities	158.9	72.3	6
Net increase/(decrease) in cash and cash equivalents	(3.2)	(33.1)	-
Cash and cash equivalents at the beginning of the reporting period	76.0	109.1	-
Cash and cash equivalents at the end of the reporting period	72.8	76.0	

* The PY comparatives have been restated due to a material misclassification of PFI and finance lease cash outflows, which led to a £51.4m historic overstatement of net cash inflows from financing activities and understatement of net cash inflows from operating activities



Notes and Disclosures to the Core Statements

Non-Current Assets

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

Description	Council Dwellings (£m)	Other Land & Buildings (£m)	VPF&E* (£m)	Community Assets (£m)	Surplus Assets (£m)	Assets Under Construction (£m)	Total (£m)	PFI Assets Included in Property, Plant and Equipment** (£m)
Cost or Valuation (GCA)								
At 1 April 2025	900.1	1,086.4	39.1	4.9	1.5	338.3	2,370.3	113.7
Additions	11.8	34.7	6.4	1.0	0.0	116.6	170.5	1.7
Acc Dep & Imp WO to GCA	(36.2)	(42.0)	0.0	0.0	(0.0)	(0.0)	(78.2)	(12.5)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(0.9)	47.5	0.0	0.0	0.0	(0.0)	46.6	8.9
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(84.7)	(25.3)	0.0	0.0	(0.0)	(10.9)	(120.9)	(0.1)
Derecognition - Disposals	(5.5)	(5.7)	0.0	0.0	(0.0)	(15.3)	(26.4)	0.0
Derecognition - Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assets reclassified (to)/from Held for Sale						(14.5)	(14.5)	
Other movements in Cost or Valuation	148.5	39.7	0.0	0.0	7.9	(188.2)	7.9	0.0
At 31 March 2026	933.1	1,135.3	45.5	5.9	9.4	226	2,355.3	111.7



Accumulated Depreciation & Impairment								
At 1 April 2025	(17.0)	(110.1)	(23.2)	(0.9)	(0.0)	(6.2)	(157.5)	(6.9)
Depreciation Charge for 2025/26	(14.8)	(21.7)	(2.7)	(0.1)	(0.1)	(0.0)	(39.4)	(5.6)
Acc. Depreciation WO to GCA	26.7	41.6	0.0	0.0	0.0	0.0	68.3	12.5
Acc. Impairment WO to GCA	9.4	0.3	0.0	0.0	0.0	0.0	9.7	0.0
Acc Impairment WO (where no Acc balance at 1 April)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Impairment Losses/(Reversals) recognised in the Revaluation Reserve	(7.1)	0.0	0.0	0.0	0.0	0.0	(7.1)	0.0
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of Services	(2.4)	(0.1)	(0.2)	0.0	0.0	(0.7)	(3.4)	0.0
Derecognition - Disposals	0.1	0.1	0.0	0.0	0.0	0.0	0.2	0.0
Derecognition - Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other movements in Depreciation and Impairment	0.0	0.0	0.0	0.0	0.0	(0.1)	0.0	0.0
At 31 March 2026	(5.1)	(89.8)	(26.1)	(1.0)	(0.1)	(7.0)	(129.0)	0.0
Net Book Value								
At 31 March 2026	927.9	1,045.6	19.4	4.9	9.3	219.1	2,226.2	111.7
At 31 March 2025	883.1	976.2	15.9	4.0	1.5	332.0	2,212.6	106.8



*VPF&E refers to Vehicles, Plant, Furniture and Equipment.

**PFI Assets included within PP&E 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 was carried out externally as of 31st March 2026. 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 2026, these are signed off by the Council's External Valuers.



Movements in 2024/25	Council Dwellings (£m)	Other Land & Buildings (£m)	VPF&E * (£m)	Community Assets (£m)	Surplus (£m)	Assets Under Construction (AUC) (£m)	Total (£m)	PFI Assets Included in Property, Plant and Equipment (£m)
Cost or Valuation**								
1 April 2024	932.3	1,129.6	65.7	3.7	1.3	196.5	2,329.1	101.0
Additions	25.3	68.4	4.9	1.0	0.0	157.8	257.4	31.0
Acc Dep & Imp WO to GCA	(26.5)	(12.8)	0.0	(0.0)	0.0	0.0	(39.3)	(1.3)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(13.2)	0.0	0.0	(0.2)	(0.2)	0.0	(13.4)	(1.6)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(44.9)	(38.6)	0.0	0.0	(0.0)	0.0	(83.5)	(4.6)
Derecognition - Disposals	(3.2)	(44.5)	(31.4)	0.0	0.0	0.0	(79.1)	(10.8)
Other movements in Cost or Valuation	30.3	(15.7)	(0.1)	0.4	0.4	(16.0)	(0.7)	0.0
At 31 March 2025	900.1	1,086.4	39.1	4.9	1.5	338.3	2,370.3	113.7



*VPF&E refers to Vehicles, Plant, Furniture and Equipment.

**The cost at 1 April 2024 was restated – see Note 44 – Prior Period Errors for more detail.

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	(24.2)	(31.3)	(43.9)	(0.8)	0.0	(1.3)	(101.5)	(8.6)
Depreciation Charge for 2024/25	(12.3)	(19.1)	(2.1)	(0.1)	(0.0)	(0.0)	(33.6)	(6.1)
Acc. Depreciation WO to GCA	16.0	12.8	0.0	0.0	0.0	0.0	28.8	1.3
Acc. Impairment WO to GCA	10.4	0.1	0.0	0.0	0.0	0.0	10.5	0
Acc Impairment WO (where no Acc balance at 1 April)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
Impairment Losses/(Reversals) recognised in the Revaluation Reserve	(9.2)	(61.8)	0.0	0.0	0.0	0.0	(71.0)	0
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of Services	2.1	(11.1)	(1.9)	0.0	0.0	(4.9)	(15.8)	0
Derecognition - Disposals	0.1	0.5	24.6	0.0	0.0	0.0	25.2	6.5
Other movements in Depreciation and Impairment	0.1	(0.2)	0.0	(0.0)	(0.0)	0.0	(0.1)	0
At 31 March 2025	(17.0)	(110.1)	(23.2)	(0.9)	0.0	(6.2)	(157.5)	(6.9)
Net Book Value								
31 March 2025	883.1	976.2	15.9	4.0	1.5	332.1	2,212.8	106.8
31 March 2024	908.3	1,098.2	21.8	2.9	1.3	195.2	2,227.6	92.4



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.

Infrastructure Assets	2025/26 £m	2024/25 £m
Opening Net Book Value	267.7	262.4
Additions	21.4	15.2
Derecognition	(0.2)	0.0
Depreciation	(11.2)	(10.4)
Impairment	0.0	0.0
Other Movements in Cost	0.0	0.5
Closing Net Book Value	277.7	267.7

Infrastructure reconciliation	31-Mar-26 £m	31-Mar-25 £m	31-Mar-24 £m
Infrastructure Assets	277.7	267.7	262.4
Other PPE Assets	2,226.3.4	2,212.6	2,227.6
Total PPE Assets	2,504.1	2,480.3	2,489.0



Note 1c – Capital Commitment

As at 31/03/2026 the Council has entered into a number of contracts for the construction or enhancement of property, plant and equipment with future years budgeted to cost £44.7m. The major commitments are outlined below:

	31/03/2026	31/03/2025
Capital Commitment	£m	£m
Wembley Housing Zone	24.7	94.2
Church End Regen	0.3	24.0
Fulton Road	-	2.9
Claire Court and Watling Gardens (TMO)	-	2.7
Clock Cottages	-	1.4
New Bridge Park Centre	1.0	1.4
Carlton & Granville	9.4	8.4
London Road SEND School	-	6.0
Neville Winterleys & Carlton House	1.0	5.3
Preston Park Primary School	-	2.0
Newman Catholic College	-	1.5
Waste Vehicles Purchase	4.4	-
Other	3.9	1.4
Total	44.7	151.2



Note 1d – Valuation breakdown

Financial year of valuation	Council Dwellings	Land & Buildings	Surplus	Grand Total
Before 2020-21	0.0	0.8	0.0	0.8
2020-21	0.0	0.0	0.0	0.0
2021-22	799.6	0.7	0.3	800.6
2022-23	0.0	50.2	0.0	50.2
2023-24	0.0	208.1	0.7	208.8
2024-25	67.0	616.1	0.5	683.6
2025-26	61.3	110.7	0.0	172
Additions	0.0	58.7	7.9	66.6
Totals	927.9	1045.4	9.4	1982.6



Note 1e – Intangible Assets

	Internally generated assets £m	Other assets £m	Total £m
Cost			
At 31 March 2024	0.2	43.5	43.7
Additions	0.0	3.9	3.9
Disposals	0.0	(4.9)	(4.9)
At 31 March 2025	0.2	42.5	42.7
Additions	0.7	3.8	4.5
Disposals	0.0	(3.1)	(3.1)
At 31 March 2026	0.9	43.2	44.1
Accumulated Amortisation and Impairments			
At 31 March 2024	0.0	(16.9)	(16.9)
Charge for the year	0.0	(4.3)	(4.3)
Disposals	0.0	3.6	3.6
At 31 March 2025	0.0	(17.6)	(17.6)
Charge for the year	0.0	(4.1)	(4.1)
Disposals	0.0	0.9	0.9
At 31 March 2026	0.0	(20.8)	(20.8)
Net carrying value			
At 31 March 2025	0.2	24.9	25.1
At 31 March 2026	0.9	22.4	23.3



Current Assets

Note 2 – Debtors

Short Term Debtors	31-Mar-2026 £m	31-Mar-2025 £m
Trade receivables Outstanding	149.6	106.0
Less impairments	(27.6)	(34.4)
Net Trade receivables	122.0	71.6
Prepayments	5.0	3.5
Local Taxation receivables Outstanding	84.8	77.2
Less impairments	(42.3)	(38.3)
Net Local Taxation receivables	42.5	38.9
Other receivables amount Outstanding	110.4	96.6
Less impairments	(36.8)	(37.9)
Net Other receivable amounts	73.6	58.7
Total	243.1	172.7

Breakdown of net local taxation receivables

Local Taxation receivable amounts Outstanding	31-Mar-2026 £m	31-Mar-2025 £m
Less than one year	15.1	14.6
More than one year	27.4	24.3
Total	42.5	38.9



Note 3 – Cash and Cash Equivalents

Cash and Cash Equivalents	31-Mar-2026 £m	31-Mar-2025 £m
Bank current accounts	12.0	12.0
School bank accounts	17.0	16.7
Short-term deposits	43.8	47.3
<i>Subtotal Cash and Cash Equivalents within Current Assets</i>	72.8	76.0
Schools cash equivalents liabilities	(0.2)	(0.6)
Total	72.6	75.4



Cash Flow Notes

Note 4 – Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

Cash Flow Item	2025/26 £m	2024/25 £m
Interest received - cash inflow	11.7	8.4
Interest paid - cash (outflow)	0.0	(37.4)

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

Cash Flow Item	2025/26 £m	2024/25 (Restated) £m
Depreciation	50.5	43.9
Impairment and downward valuations	124.3	99.4
Amortisation	4.1	4.3
Increase/(decrease) in creditors*	(0.1)	87.3
(Increase)/decrease in debtors	(97.2)	4.0
(Increase)/decrease in impairment for bad debts	40.6	(8.0)
Movement in pension liability	(13.7)	(9.4)
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	28.6	52.8
Other non-cash items charged to the net surplus or deficit on the provision of services	2.5	(6.3)
Total:	139.6	268.0

* The PY comparatives for increase/(decrease) in creditors have been restated due to a material misclassification of PFI and finance lease cash outflows, which led to a £51.4m historic understatement in the increase in debtors



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	2025/26 £m	2024/25 £m
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	(4.2)	(6.1)
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(9.9)	(7.5)
Any other items for which the cash effects are investing or financing cash flows	(69.3)	(37.4)
Total:	(83.4)	(51.0)



Note 5 – Cash Flow Statement – Investing Activities

Cash Flow Item	2025/26 £m	2024/25 £m
Purchase of property, plant and equipment, investment property and intangible assets	(196.5)	(267.4)
Purchase of short-term and long-term investments	(7.5)	(3.2)
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	9.9	7.5
Proceeds of sale of short-term and long-term investments	8.3	6.1
Other receipts from investing activities	69.4	37.4
Net cash flows from investing activities	(116.4)	(219.6)

Note 6 – Cash Flow Statement – Financing Activities

Cash Flow Item	2025/26 £m	2024/25 (Restated) £m
Cash receipts of short-term and long-term borrowing	295.0	170.0
Cash inflow/(outflow) relating to the repayment of Private Finance Initiative schemes and Finance Leases	(15.1)	(13.5)
Repayments of short-term and long-term borrowing	(121.0)	(84.2)
Total	158.9	72.3

* The PY comparatives for cash inflow/(outflow) relating to the repayment of Private Finance Initiative schemes and Finance Leases have been restated due to a £51.4m material understatement of PFI and finance lease financing cash outflows



Note 6a – Reconciliation of Liabilities Arising from Financing Activities

2025/26

Liabilities Arising from Financing Activities	Balance at 1 April 2025 £m	Financing Cash Flows £m	Non-Financing Cash Flows £m	Balance at 31 March 2026 £m
Short-term Borrowings	(138.5)	5.0	(28.8)	(162.3)
Long-term Borrowings	(769.5)	(179.0)	26.6	(921.9)
Short-term PFIs	(10.1)	10.0	(9.0)	(9.1)
Long-term PFIs	(41.9)	0.0	7.3	(34.6)
Short-term leases	(12.5)	5.1	(4.5)	(11.9)
Long-term leases	(6.1)	0.0	0.0	(6.1)
Total:	(978.6)	(158.9)	(8.4)	(1,145.9)

2024/25

Liabilities Arising from Financing Activities	Balance at 1 April 2024 (Restated)* £m	Financing Cash Flows (Restated) £m	Non-Financing Cash Flows (Restated) £m	Balance at 31 March 2025 (Restated) £m
Short-term Borrowings	(93.7)	0.0	(44.8)	(138.5)
Long-term Borrowings	(730.5)	(85.8)	46.8	(769.5)
Short-term PFIs	(2.0)	10.3	(18.4)	(10.1)
Long-term PFIs	(16.8)	0.0	(25.1)	(41.9)
Short-term leases	0.0	3.2	(15.7)	(12.5)
Long-term leases	(7.7)	0.0	1.6	(6.1)
Total:	(850.7)	(72.3)	(55.6)	(978.6)

* The PY comparatives have been restated due to a material misclassification of PFI and finance lease cash outflows, which led to a £13.5m historic overstatement of financing cash flows arising financing activities.



Liabilities

Note 7 - Short Term Creditors

Short Term Creditors	31-Mar-2026 £m	31-Mar-2025 £m
Trade payables	(129.3)	(114.1)
Other payables	(82.7)	(108.1)
Total	(212.0)	(222.2)



Note 8 – Long-Term Liabilities

Long Term Liabilities	31-Mar-2026 £m	31-Mar-2025 £m
Pension Fund Liability	(121.3)	(216.9)
Deferred Income	0.2	0.2
PFI Liability	(34.7)	(41.9)
Finance Leases	(6.1)	(6.1)
Other Liabilities	(0.0)	(0.1)
Total	(161.9)	(264.9)



Note 9 – Provisions

Short Term Provisions Detail:

Short Term Provisions	Compensation Claims £m	Housing Provisions £m	ASC provision £m	Total £m
Balance 1 April 2025*	(2.2)	(1.3)	(0.8)	(4.3)
Net (additions) reductions to provisions made in 2025/26	(0.4)	(3.4)	(1.1)	(3.8)
Balance 31 March 2026	(2.6)	(4.7)	(1.9)	(8.1)

*Balances for Balance 1 April 2025 have been split to clarify their nature

Long Term Provisions Detail:

Long Term Provisions	Compensation Claims £m	Housing provisions £m	Collection Fund Provision £m	Total £m
Balance 1 April 2025*	(3.7)	(3.3)	(3.7)	(10.7)
Net(additions) reductions to provisions made in 2025/26	(2.1)	3.3	0.0	1.2
Balance 31 March 2026	(5.8)	0.0	(3.7)	(9.5)

*Balances for Balance 1 April 2025 have been split to clarify their nature

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

- Compensation claims for uninsured losses that are reviewed annually;
- The ASC provision is an estimation against client contributions;
- provisions for retrospective losses to business rates income where occupiers of commercial premise successfully appeal the valuation of their premises, and
- Housing provisions relating to potential issues with housing rents, heating charges and responsive repairs.



The £3.8m increase in short term provisions includes:

- Under Housing Provisions:
 - A new provision of £2m has been created for Housing rents,
 - a £1.3m provision for Housing Responsive Repairs
 - and a further £0.1m provision has been established for Housing heating charges.
- Under Compensation Claims:
 - The short-term insurance provision was increased by £0.8m as a result of a review of the self-insurance fund in 2025/26.
 - The short-term insurance provision for the HRA was decreased by £0.5m as a result of a review in 2025/26.

The £1.2m decrease in long term provisions consists of:

- A £3.3m reversal in the estimate of the costs to rectify the problems with Granville New Homes following contribution from the developer
- The long-term insurance provision was increased by £2.1m as a result of a review of the self-insurance fund in 2025/26.



Note 10 – Transfers to/from Earmarked Reserves

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

2025/26

Reserve Type:	Balance at 31-03-2025	(Increase)/decrease in reserves	Balance at 31-03-2026
	£m	£m	£m
General Fund Balance	(20.6)	(0.1)	(20.7)
School Balances	(12.1)	(1.5)	(13.6)
Earmarked General Fund Reserves	(127.7)	15.2	(112.5)
HRA	(4.5)	0.0	(4.5)
Earmarked HRA Reserves	(5.9)	(0.4)	(6.3)
Capital Receipts Reserve	(36.7)	(8.7)	(45.4)
Major Repairs Reserve	(3.7)	(3.6)	(7.3)
Capital Grants Unapplied	(285.4)	42.0	(243.4)
Total:	(496.6)	42.9	(453.7)

Earmarked General Fund Reserves consist of the following:

Reserve Type:	Balance at 31-03-2025	(Increase)/decrease in reserves	Balance at 31-03-2026
	£m	£m	£m
Future spend	(63.4)	(4.1)	(67.5)
Exceptional spend	(7.2)	2.7	(4.5)
PFI and long term liability payments	(3.6)	0.7	(2.9)
Specific risks	(16.2)	(0.6)	(16.8)
DSG	(1.6)	1.6	0.0
Stabilisation	(19.5)	15.9	(3.6)
Contractual commitments	(5.8)	0.7	(5.1)
Public Health	(10.4)	(1.7)	(12.1)
Third parties for specific projects	0.0	0.0	0.0
Total:	(127.7)	15.2	(112.5)



2024/25

Reserve Type:	Balance at 31-03-2024	Transfer (to)/from reserves	Balance at 31-03-2025
	£m	£m	£m
General Fund Balance	(19.9)	(0.7)	(20.6)
School Balances	(13.2)	1.1	(12.1)
Earmarked General Fund Reserves	(134.6)	6.9	(127.7)
HRA	(2.4)	(2.1)	(4.5)
Earmarked HRA Reserves	(2.7)	(3.2)	(5.9)
Capital Receipts Reserve	(33.2)	(3.5)	(36.7)
Major Repairs Reserve	(8.5)	4.8	(3.7)
Capital Grants Unapplied	(314.3)	28.9	(285.4)
Total:	(528.8)	32.2	(496.6)

Earmarked General Fund Reserves consist of the following:

Reserve Type:	Balance at 31-03-2024	Transfer (to)/from reserves	Balance at 31-03-2025
	£m	£m	£m
Future spend	(86.0)	22.6	(63.4)
Exceptional spend	(8.8)	1.6	(7.2)
PFI and long term liability payments	(4.2)	0.6	(3.6)
Specific risks	(10.1)	(6.1)	(16.2)
DSG	(1.9)	0.3	(1.6)
Stabilisation	(7.9)	(11.6)	(19.5)
Contractual commitments	(5.7)	(0.1)	(5.8)
Public Health	(10.0)	(0.4)	(10.4)
Third parties for specific projects	0.0	0.0	0.0
Total:	(134.6)	6.9	(127.7)



Comprehensive Income and Expenditure Notes

Note 11 – Other Operating Expenditure

Other Operating Expenditure	2025/26 £m	2024/25 £m
Levies	3.8	3.5
Payments to the Government Housing Capital Receipts Pool	0.0	0.0
(Gains)/losses on the disposal of non-current assets	18.7	45.3
Total	22.5	48.8



Note 12 – Financing and Investment Income and Expenditure

Financing and Investment Income and Expenditure	2025/26 £m	2024/25 £m
Interest payable and similar charges	48.7	19.8
Interest receivable and similar income Pensions interest cost and expected return on pensions assets	(11.7)	(8.4)
Pensions interest cost and expected return on pensions assets Interest receivable and similar income	11.8	11.2
Total	48.8	22.6



Note 13 – Taxation and Non-Specific Grant Incomes

Taxation and non- Specific Grant Incomes	2025/26 £m	2024/25 £m
Council tax income	(178.4)	(162.2)
Business Rates	(101.3)	(93.3)
Other government grants & taxation	(70.4)	(67.1)
Capital grants and contributions	(69.4)	(37.4)
Total	(419.5)	(360.0)



Expenditure and Funding Analysis Notes

Note 14 – Expenditure and Funding Analysis

Expenditure and Funding Analysis for 2025-26

Directorate	Total expenditure	Total income	Below cost of services on CIES	(Surplus) or Deficit on Provision of Services	Adjustments for capital purposes	Net change for Pension Adjustments	Other Statutory Adjustments	Net (increase)/decrease
	£m	£m	£m	£m	£m	£m	£m	£m
Service Reform and Strategy	241.7	(53.1)	0.2	188.8	0.6	4.8	0.0	194.2
Children & Young People (GF)	140.5	(45.1)	0.0	95.4	(4.0)	5.6	0.0	97.0
Children & Young People (DSG)	283.8	(285.9)	0.8	(1.3)	0.0	5.7	(4.6)	(0.2)
Neighbourhoods and Regeneration	88.9	(58.4)	(30.6)	(0.1)	30.1	4.0	0.0	34.0
Finance and Resources	104.5	(3.5)	23.1	124.1	(95.7)	4.1	0.0	32.5
Partnerships, Housing and Resident Services (GF)	112.7	(68.4)	3.0	47.3	(6.6)	3.7	0.0	44.4
Central Items	173.8	(253.3)	(355.6)	(435.1)	58.3	(15.2)	3.7	(388.3)
Subtotal adjustments to the General Fund	1,145.9	(767.7)	(359.1)	19.1	(17.3)	12.7	(0.9)	13.6
Partnerships, Housing and Resident Services (HRA)	145.2	(73.3)	10.9	82.8	(84.2)	1.0	0.0	(0.4)
Total	1,291.1	(841.0)	(348.2)	101.9	(101.5)	13.7	(0.9)	13.2



Expenditure and Funding Analysis for 2024-25

Directorate	Total expenditure	Total income	Below cost of services on CIES	(Surplus) or Deficit on Provision of Services	Adjustments for capital purposes	Net change for Pension Adjustments	Other Statutory Adjustments	Net (increase)/decrease
	£m	£m	£m	£m	£m	£m	£m	£m
Service Reform and Strategy	224.0	(47.8)	(0.9)	175.3	(0.2)	2.3	0.0	177.4
Children & Young People (GF)	145.5	(60.0)	0.0	85.5	0.1	3.9	0.0	89.5
Children & Young People (DSG)	261.3	(255.8)	44.7	50.2	(53.6)	5.0	(0.1)	1.5
Neighbourhoods and Regeneration	100.0	(51.3)	(2.4)	46.3	(16.0)	3.2	0.0	33.5
Finance and Resources	96.9	(3.6)	6.6	99.9	(71.8)	2.6	0.0	30.7
Partnerships, Housing and Resident Services (GF)	92.7	(67.8)	3.2	28.1	0.5	4.1	0.0	32.7
Central Items	200.0	(270.2)	(347.0)	(417.2)	66.7	(12.3)	4.8	(358.0)
Subtotal adjustments to the General Fund	1,120.4	(756.5)	(295.8)	68.1	(74.3)	8.8	4.7	7.3
Partnerships, Housing and Resident Services (HRA)	97.9	(70.5)	7.2	34.6	(40.7)	0.7	0.0	(5.3)
Total	1,218.3	(827.0)	(288.6)	102.7	(115.0)	9.5	4.7	2.0



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

Opening Balance 2025-26	(Increase)/decrease on HRA and General Fund Balances	Closing Balance 2025-26	Balance	Opening Balance 2024-25	(Increase)/decrease on HRA and General Fund Balances	Closing Balance 2024-25
£m	£m	£m	£m	£m	£m	£m
(10.4)	(0.4)	(10.8)	Housing Revenue Account	(5.1)	(5.3)	(10.4)
(160.4)	13.6	(146.8)	General Fund	(167.7)	7.3	(160.4)
(170.8)	13.2	(157.6)	TOTAL HRA and General Fund	(172.8)	2.0	(170.8)



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 (BCF) 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 2025/26 is £56.1m. Of which £2.05m of the ICB's BCF allocation contributes to the ICES and the Council contributes £0.839m from the general fund budgets and £0.260m from its BCF allocation. The pooled fund income and expenditure for 2025/26 is shown in the table below:



	2025/26		2024/25	
Funding	*Integrated Community Equipment Service (ICES)	Better Care Fund	Integrated Community Equipment Service (ICES)	Better Care Fund
	£m	£m	£m	£m
London Borough of Brent	(1.1)	(37.8)	(1.1)	(22.0)
NHS NWL ICB	(2.1)	(18.8)	(2.0)	(31.2)
Total Funding	(3.2)	(56.6)	(3.1)	(53.2)
Expenditure	5.2	57.8	3.6	53.2
Net - Overspend / (Underspend)	2.1	1.3	0.5	0.0

*£0.260m of the ICES budget for the Council and £2.055m from the ICB is included in the overall BCF allocation of £56.6m, in 2024/25 it was £2.0m from the ICB.

For 2025/26 for ICES, the share of overspend attributed to NHS NWL ICB is £0.128m (£0.242m in 2024/25) and £0.784m to Brent Council (£0.148m in 2024/25).



Note 16 – Members’ Allowances

Members’ Allowances Total payments including National Insurance costs in 2025/26 were £1.3m (£1.2m in 2024/25).

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



Note 17 – External Audit Costs

External Audit Costs	2025/26 £000	2024/25 £000
External audit services for in-year	560.5	545.2
Certification of grant claims and returns for in-year	45.0	57.5
Total	605.5	602.7



Note 18 – Contingent Liabilities

The best estimate of the liability for all the issues is in the region of zero in 2025/26 (estimated at zero in 2024/25), 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

- a) The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2025/26:

Ring-fenced government grants credited to Services:	2025/26 £m	2024/25 £m
Dedicated Schools Grant	(255.3)	(232.4)
Mandatory Rent Allowances: subsidy	(107.9)	(140.1)
Adults Social Care Support Grant	(34.4)	(29.2)
Public Health	(26.2)	(24.7)
Mandatory Rent Rebates outside HRA	(22.1)	(19.2)
Better Care	(16.5)	0.0
Rent Rebates Granted to HRA Tenants	(13.8)	(18.5)
Preventing Homelessness	(13.1)	0.0
Net grant income received by schools	(7.7)	(3.4)
Pupil Premium Grant	(7.3)	(6.8)
Packaging Extended Producer Responsibility	(6.5)	0.0
Market Sustainability and Fair Cost of Care Fund	(5.9)	0.0
Household Support Fund	(4.9)	(5.6)
Sixth Form Funding	(4.8)	(4.0)
Core Schools Budget Grant	(3.9)	(3.3)
Universal Infant School Meal	(2.7)	(3.0)
Asylum Leaving Care (Post 18) Grant	(2.5)	(3.3)
National Insurance Contributions (NICs) - Mainstream	(2.3)	0.0
Supporting Families	(1.8)	(1.8)
Discretionary Housing Payments	(1.6)	(1.6)
Rough Sleeping Initiative Grant	(1.6)	(1.5)
Housing Benefit Administration	(1.4)	(1.4)
Flexible Homeless Grant	(0.5)	(9.4)
Teachers Pension Employer Contribution Grant	(0.3)	(3.5)
Adult Education	0.0	(3.7)
Universal Free School Meals	0.0	(5.6)
Market Sustainability and Improvement Fund	0.0	(5.9)
Other government grants	(17.3)	(16.8)
Total ring-fenced government grants:	(562.3)	(544.7)



Non-specific government grants credited to taxation and non-specific grant income:	2025/26 £m	2024/25 £m
Revenue Support Grant	(31.5)	(30.9)
Section 31 Grant	(27.8)	(28.9)
Recovery Grant	(5.8)	0.0
Employer National Insurance Contributions Grant	(2.9)	0.0
New Homes Bonus	(1.9)	(2.9)
Other non-specific Grants	(0.5)	(4.4)
Total non-specific government grants	(70.4)	(67.1)

Capital Grants and Contributions credited to taxation and non-specific grant income:	2025/26 £m	2024/25 £m
Section 106 & Community Infrastructure Levy	(30.2)	(2.0)
Greater London Authority - Outer London Fund	(14.4)	(2.4)
Disabled Facilities	(7.1)	(6.6)
Local Authority Housing Fund	(4.2)	(6.3)
Education Funding - includes High and Basic Needs Grant	(4.0)	(2.7)
School Condition Grant	(2.6)	(2.4)
Transport for London	(1.9)	(1.6)
Department for Energy Security & Net Zero	(0.3)	(0.3)
South Kilburn Housing Infrastructure Fund	0.0	(5.5)
Other Capital Grants	(4.7)	(7.0)
Other Capital Contributions	0.0	(0.6)
Total Capital Grants and Contributions:	(69.4)	(37.4)

PFI credits, non-government grants, contributions and donations credited to Services:	2025/26 £m	2024/25 £m
Non-government grants	(14.7)	(0.2)
PFI credits	(5.6)	(5.5)
Contributions and Donations	(2.1)	(5.1)
Total:	(22.4)	(10.8)



b) Revenue Grants – receipts in advance:

Revenue Grants Received in Advance	2025/26 £m	2024/25 £m
MHCLG - Section 31	0.0	(2.8)
Mayor of London - Universal Free School Meals	0.0	(0.1)
DEFRA - Simpler Recycling Food Waste Collection	0.0	(0.1)
MHCLG - Local Plan grant	(0.1)	0.0
Environment Agency grant for flood management	(0.1)	0.0
Other grants	(0.1)	0.0
Total:	(0.3)	(3.0)

c) Capital Grants – receipts in advance:

Capital Grants Received in Advance	2025/26 £m	2024/25 £m
Education Funding - includes High and Basic Needs Grant	(2.3)	0.0
Other grants	(1.1)	0.0
Total	(3.4)	0.0



Note 20 – Capital Grants Unapplied

Capital Grants Unapplied	2025/26 £m	2024/25 £m
Adult Personal Social Services	(0.0)	(3.6)
Section 106 & Community Infrastructure Levy	(195.4)	(194.6)
Department for Business Energy and Industrial Strategy	0.0	0.0
Department for Energy Security & Net Zero	(0.1)	0.0
Disabled Facilities	0.0	0.0
Greater London Authority - Outer London Fund	(7.0)	(12.3)
Other Education grant	(0.4)	(7.3)
Other Grant	(10.3)	(23.2)
School Condition Grant	(1.9)	(2.5)
Transport for London	(0.8)	(0.6)
Education Funding - includes High and Basic Needs Grant	(27.5)	(40.1)
Department for Energy Security & Net Zero	0.0	0.0
Local Authority Housing Fund	0.0	(1.2)
Total	(243.4)	(285.4)

The categories included in this note have been re-presented compared to last year's statement of accounts, but the value of capital grants unapplied for 2024/25 has not been restated.



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).

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 2025/26, 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 2025/26 are as follows:

Dedicated Schools Grant (DSG)	Central Expenditure £m	Schools Budget £m	Total £m
Final DSG for 2025/26 before academy and high needs recoupmnt			435.7
Academy and high needs figure recouped for 2025/26			(178.8)
Total DSG after academy and high needs recoupmnt for 2025/26			256.9
Plus: Brought forward from 2024/25			1.6
Less: Carry-forward to 2026/27 agreed in advance			
Agreed initial budgeted distribution in 2025/26	87.2	171.1	258.3
In-year adjustments		(1.0)	(1.0)
Final budget distribution for 2025/26	87.2	170.1	257.3
Less: Actual central expenditure	(92.2)		(92.2)
Less: Actual ISB deployed to schools		(170.2)	(170.2)
Plus: Local authority contribution for 2025/26	0.0	0.0	0.0
In-year carry-forward to 2026/27	(5.0)	(0.1)	(5.1)
Plus: Carry-forward to 2026/27 agreed in advance			0.0
Carry-forward to 2026/27			0.0
DSG unusable reserve at the end of 2024/25			(15.1)
Addition to DSG unusable reserve at the end of 2025/26			(5.1)
Total of DSG unusable reserve at the end of 2025/26			(20.2)
Net DSG position at the end of 2025/26			(20.2)



At the end of 2025/26, the DSG has a deficit of £20.2 million, which will be carried forward into 2026/27, 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 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.



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 2025/26 have Brent Members serving as Directors, Trustees, or employees. No material transactions were disclosed in the Declarations of Related Party Transactions for 2025/26 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 £0.9m for administration in 2025/26 (£1.0m in 2024/25).

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 2025/26 financial year were £1.8m, of which £1.1m relates to interest for loans to FWH (£1.1m in 2024/25). As of 31st March 2026, there were outstanding loans from Brent Council totalling £33.4m (£33.8m in 2024/25), which are secured against the company's properties. The board of directors for FWH includes 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 2025/26 financial year amounted to £6.6m, of which £5.3m related to the interest charge for loans to I4B (£5.3m in 2024/25). As of 31st March 2026, Brent Council had provided loans totalling £179.2m to I4B (£182.4m in 2024/25), which are secured against the company's properties. The board of directors for I4B includes 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 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 £0.8m 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.



Note 23 - Capital Expenditure and Capital Financing

The tables below outline the capital investment, capital financing, sources of finance and movement of capital financing requirement between 2024/25 and 2025/26.

The split between HRA and GF property, plant and equipment and closing capital financing requirement has been restated for 2024/25, but the overall values remain the same.

2024/25 £m HRA	2024/25 £m GF	2024/25 £m Total	Capital Investment	2025/26 £m HRA	2025/26 £m GF	2025/26 £m Total
32.3	196.1	228.4	Property, Plant & Equipment	11.8	184.7	196.4
0.0	11.4	11.4	REFCUS	(0.1)	20.7	20.7
0.0	0.0	0.0	Loans to Third Parties	0.0	0.0	0.0
0.4	15.3	15.7	IFRS 16 Transition Additions: Leases	0.0	0.0	0.0
0.0	31.0	31.0	IFRS 16 Transition Additions: PFI	0.0	0.0	0.0
32.7	253.8	286.5	Total	11.7	205.4	217.1

2024/25 £m HRA	2024/25 £m GF	2024/25 £m Total	Capital Financing	2025/26 £m HRA	2025/26 £m GF	2025/26 £m Total
0.0	(29.2)	(29.2)	Minimum Revenue Provision	0.0	(31.9)	(31.9)
0.0	(29.2)	(29.2)	Total Debt Repayments	0.0	(31.9)	(31.9)



2024/25 £m HRA	2024/25 £m GF	2024/25 £m Total	Sources of Finance	2025/26 £m HRA	2025/26 £m GF	2025/26 £m Total
(0.1)	(17.2)	(17.3)	Capital Receipts	0.0	(1.2)	(1.2)
(0.4)	(51.6)	(52.0)	Grants	(5.5)	(60.1)	(65.6)
(0.9)	(10.9)	(11.8)	S106 & CIL	0.0	(29.2)	(29.2)
0.0	(11.4)	(11.4)	Direct Revenue Contribution	0.0	(0.5)	(0.5)
(16.6)	0.0	(16.6)	Major Repairs Reserve	(11.2)	0.0	(11.2)
0.0	(1.4)	(1.4)	Earmarked Reserves	0.0	(1.1)	(1.1)
0.0	0.0	0.0	Capital Grants Unapplied Adjustments	0.0	(16.2)	(16.2)
(18.0)	(92.5)	(110.5)	Total Capital Financing	(16.7)	(108.3)	(125.0)

2024/25 £m HRA	2024/25 £m GF	2024/25 £m Total	Explanation for Movements	2025/26 £m HRA	2025/26 £m GF	2025/26 £m Total
300.6	953.9	1,254.5	Opening Capital Financing Requirement	343.3	1,010.5	1,353.8
(0.4)	(46.4)	(46.8)	IFRS 16 Transition - PFI & Leases Adjustment	0	0	0
29.9	(29.9)	0.0	Appropriation between General Fund and HRA	30.0	(30.0)	0
(1.4)	0.7	(0.7)	Other Balance Sheet Movements and Adjustments	0	(1.7)	(1.7)
14.6	132.2	146.8	(Decrease) / Increase in the Underlying Need to Borrow	(5.0)	65.2	60.2
343.3	1,010.5	1,353.8	Closing Capital Financing Requirement	368.3	1,044.1	1,412.3



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 market 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:

FINANCIAL LIABILITIES	Non-current				Current				Total	
	Borrowings		Creditors		Borrowings		Creditors			
	31-Mar-26 £m	31-Mar-25 £m	31-Mar-26 £m	31-Mar-25 £m	31-Mar-26 £m	31-Mar-25 £m	31-Mar-26 £m	31-Mar-25 £m	31-Mar-26 £m	31-Mar-25 £m
Fair Value Through Profit or loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortised cost	921.9	769.5	40.7	48.2	162.3	138.6	169.1	158.1	1,294.0	1,114.4
Total Financial Liabilities	921.9	769.5	40.7	48.2	162.3	138.6	169.1	158.1	1,294.0	1,114.4
Liabilities not defined as financial instruments	0.0	0.0	121.1	216.7	0.0	0.00	43.1	64.1	164.3	280.8
Total	921.9	769.56	161.9	264.9	162.3	138.7	212.3	222.2	1,458.3	1,395.3



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

FINANCIAL ASSETS	Non-current				Current				Total	
	Investments		Debtors		Investments		Debtors		31-Mar-26	31-Mar-25
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25		
Fair Value Through Profit or loss	57.7	54.3	0.0	0.0	43.8	47.3	0.0	0.0	101.5	101.6
Amortised cost - Soft loans	61.7	61.4	150.7	150.8	0.0	0.0	0.4	0.4	212.8	212.7
Amortised cost - other	0.1	0.1	26.5	40.6	0.0	0.8	171.6	111.2	198.1	152.6
Fair Value through other comprehensive income - designated equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fair Value through other comprehensive income — other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Financial Assets	119.5	115.8	177.1	191.4	43.8	48.0	172.0	111.6	512.5	466.9
Assets not defined as financial instruments	0.0	0.3	0.0	0.0	0.0	0.0	71.1	61.1	71.1	61.4
Total	119.5	116.1	177.1	191.4	43.8	48.0	243.1	172.7	583.6	528.3



Note 25 - Material Soft Loans made by the Council

The Council lends to two wholly owned 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:

2024/25 FWH £m	2024/25 i4B £m	Company Loan Accounting	2025/26 FWH £m	2025/26 i4B £m
21.3	132.4	Opening Balance	21.2	132.4
0.0	0.3	Nominal value of new loans granted in the year	0.0	0.0
0.0	(0.1)	Soft loan accounting recognition	0.0	0.0
(0.4)	0.0	Loans repaid	(0.5)	0.0
0.0	0.0	Working capital facility repaid	0.0	(2.3)
0.3	(0.0)	Other changes	0.3	0.0
21.2	132.4	Closing balance at end of year	21.0	130.1
33.8	182.4	Nominal value at 31 March	33.4	179.2

Formerly known as Brent Housing Partnership (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 provide affordable homes to help reduce homelessness in the borough. Loans to i4B enable the company to acquire properties to support the Council's homelessness agenda.

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, £3.2m working capital facility was converted into shares issued by i4B to Brent, of which £2.4m was capital related and included in the soft loan accounting. An additional £4.3m shares were issued by i4B to Brent in the year.

As at 31st March 2026, Brent Council had provided nominal funding of £223.1m to i4B (£218.7m in 2024/25) and comprised of a number of soft loans and equity transactions.

Funding to FWH and I4B can be analysed as follows:

2024/25 FWH £m	2024/25 I4B £m	Company Funding Type	2025/26 FWH £m	2025/26 I4B £m
21.2	132.5	Soft Loan	21.0	130.1
12.7	49.8	Soft Loan Investment	12.4	49.1
33.9	182.3	Total Soft Loan	33.4	179.2
0.0	36.4	Cash Equity	0.0	43.9
0.0	17.9	Equity Investment Fair Value Adjustment	0.0	13.8
0.0	54.3	Total Company Equity	0.0	57.7
33.9	236.6	Overall Total	33.4	236.9

The Council holds an equity investment in i4B that consists of £1 ordinary shares that were purchased between 2019 and 2025. The nominal value of shares 31 March 2026 was £43.9m and the fair value of the shares was £57.7m. i4B's net assets were valued at £57.7m, giving a gain of £13.8m. This gain of £13.8m is less than the gain recognised in 24/25 of £17.9m, so a reduction in the fair value of the equity investment of £4.1m was recognised at 31st March 2026. 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 2026, using the following methods and assumptions:

- Public Works Loan Board (PWLB) loans borrowed by the Council have been valued via Fair Values provided by the council's Treasury Advisors Arlingclose.
- 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:

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 debt Fair Values have been calculated and provided by the Council's Treasury Advisors Arlingclose.

Balance Sheet	Fair Value	FINANCIAL LIABILITIES	Fair Value Level	Balance Sheet	Fair Value
31-Mar-25	31-Mar-25			31-Mar-26	31-Mar-26
£m	£m			£m	£m
0.0	0.0	Fair Value Through Profit or loss		0.0	0.0
Financial Liabilities held at amortised cost:					
681.3	587.2	Loans from the PWLB	2	882.8	781.5
60.4	66.5	LOBO loans	2	39.9	44.1
95.3	78.8	Other loans	2	95.2	59.4
71.2	50.9	Loans from Local Authorities	2	66.4	66.2
0.6	0.6	Cash and Cash Equivalents	2	0.2	0.2
52.0	52.0	PFI	N/A	43.7	43.7
18.6	18.6	Finance Leases liabilities	N/A	18.0	18.0
114.1	114.1	Trade Payables	N/A	129.3	129.3
20.8	20.8	Other Payables	N/A	18.7	18.7
1,114.3	989.5	Total liabilities defined as financial instruments		1,294.1	1,161.1
280.8	280.8	Liabilities not defined as financial instruments		164.3	164.3
1,395.1	1,270.3	Total		1,458.4	1,325.3



Fair Value of Financial Assets:

Balance Sheet	Fair Value	FINANCIAL ASSETS	Fair Value Level	Balance Sheet	Fair Value
31-Mar-25	31-Mar-25			31-Mar-26	31-Mar-26
£m	£m			£m	£m
Financial Assets held at Fair Value through profit or loss					
47.3	47.3	Money Market Funds	1	43.8	43.8
54.3	54.3	Long-term Investment- Equity	3	57.7	57.7
101.6	101.6	Total Financial Assets held at Fair Value through profit or loss		101.5	101.5
Financial Assets held at amortised cost:					
61.8	44.2	Long-term investments	2	61.4	43.9
191.4	149.8	Long-term debtors	2	177.2	171.8
0.0	0.0	Short-term deposits with Local Authorities	2	0.0	0.0
83.7	83.7	Short-term debtors	3	143.0	143.0
28.7	28.7	Cash and Cash Equivalents	2	29.0	29.0
0.0	0.0	Fair Value through other comprehensive income - designated equity instruments	N/A	0.0	0.0
0.0	0.0	Fair Value through other comprehensive income - other	N/A	0.0	0.0
467.2	408.0	Total assets defined as financial instruments		512.2	489.2
61.4	61.4	Assets not defined as financial instruments		71.1	71.1
528.6	469.4	Total		583.3	560.3

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 in 2025/26.

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 2026, 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 increased by approximately £10.6m 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 £0.7m 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 decisions 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, interest received on leases lessors interest) increased by £4. 0m.



2024/25 Financial Liabilities: Amortised Cost	2024/25 Financial Assets: Amortised Cost	2024/25 Financial Assets: FVTP&L	2024/25 Total	FI Gains & Losses	2025/26 Financial Liabilities: Amortised Cost	2025/26 Financial Assets: Amortised Cost	2025/26 Financial Assets: FVTP&L	2025/26 Total
£m	£m	£m	£m		£m	£m	£m	£m
37.3	0.0	0.0	37.3	Interest Expense	47.9	0.0	0.0	47.9
37.3	0.0	0.0	37.3	Interest payable and similar charges	47.9	0.0	0.0	47.9
0.0	(5.3)	0.0	(5.3)	Interest income	0.0	(9.3)	0.0	(9.3)
0.0	0.0	(3.1)	(3.1)	Dividend income	0.0	0.0	(2.4)	(2.4)
0.0	0.0	(17.9)	(17.9)	Gains from Change in Fair Value of Investment	0.0	0.0	4.1	4.1
0.0	(5.3)	(21.0)	(26.3)	Interest & Investment Income	0.0	(9.3)	1.7	(7.6)
37.3	(5.3)	(21.0)	11.0	Net Impact on surplus/deficit on provision on services	47.9	(9.3)	1.7	40.4
0.0	0.0	0.0	0.0	Impact on other comprehensive income	0.0	0.0	0.0	0.0
37.3	(5.3)	(21.0)	11.0	Net (Gain)/loss for the year	47.9	(9.3)	1.7	40.4



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 2025/26 Treasury Management Strategy was approved at the Council's meeting on the 10 February 2025. 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 2026 that this was likely to crystallise. The Council's direct exposure to banks and building societies on 31 March 2026 was limited to a marginal net amount with the National Westminster (NatWest) Bank.
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There is more detail published in the Treasury Management Strategy 2025/26 published on the 10th February 2025.

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-Mar-25	Credit Rating	31-Mar-26	Change
£m		£m	£m
0.0	AAA	0.0	0.0
0.0	AA-	0.0	0.0
47.3	A+	43.8	(3.5)
0.0	A	0.0	0.0
0.0	Unrated Local Authorities	0.0	0.0
47.3	Total Investments	43.8	(3.5)

As at 31 March 2026, 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 £43.8m including accrued interest. In the prior year, £43.8m of the balance was classified under Cash & Cash Equivalents. 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 £3.5m 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 2025	Estimated loss through non-recovery	Estimated loss through non-recovery	Type	Amount at 31 March 2026	Impairment for Doubtful Debts	Estimated loss through non-recovery
£m	%	£m		£m	%	£m
106.0	32.5%	34.4	Trade receivables	149.7	18.5%	27.6
106.0	32.5%	34.4	Total	149.7	18.5%	27.6

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 £43.8m 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 2026 (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	162.3	114.8	106.7	191.1	133.8	270.6	105.0	1084.3
Trade Payables	129.3	0.0	0.0	0.0	0.0	0.0	0.0	129.3
Other Payables	18.7	0.0	0.0	0.0	0.0	0.0	0.0	18.7
PFI Payables	9.1	25.5	5.0	4.1	0.0	0.0	0.0	43.7
Lease Payables	11.9	3.2	2.9	0.0	0.0	0.0	0.0	18.0
Cash and cash equivalents	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Total Financial Liabilities	331.5	143.5	114.6	195.2	133.8	270.6	105.0	1,294.1
Less Liquid Financial Assets	43.8	0.0	0.0	0.0	0.0	0.0	0.0	43.8
Net Liquidity Risk	287.7	143.5	114.6	195.2	133.8	270.6	105.0	1,250.3



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	114.1	0.0	0.0	0.0	0.0	0.0	0.0	114.1
Other Payables	22.1	0.0	0.0	0.0	0.0	0.0	0.0	22.1
PFI Payables	10.1	18.2	17.6	4.4	1.7	0.0	0.0	52.0
Lease Payables	12.6	2.3	3.6	0.2	0.0	0.0	0.0	18.7
Cash and cash equivalents	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.6
Total Financial Liabilities	298.0	82.5	82.2	101.9	135.4	310.6	105.0	1,115.6
Less Liquid Financial Assets	47.3	0.0	0.0	0.0	0.0	0.0	0.0	47.3
Net Liquidity Risk	250.7	82.5	82.2	101.9	135.4	310.6	105.0	1,068.3



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 2026 is as follows:

31-Mar-25			Maturity Analysis of Debt	31-Mar-26		
Principal £m	Interest £m	Portion %		Principal £m	Interest £m	Portion %
Short-term						
130.5	36.0	5.2%	<1 Year	152.1	39.8	10.8%
8.0	0.0	0.0%	Accrued Interest	10.2	0.0	0.6%
138.5	36	5.2%	Total Short-term	162.3	39.8	11.4%
Long-term						
62.0	30.2	4.4%	1-2 Years	114.8	74.5	10.6%
61.0	53.5	7.8%	3-5 years	106.7	63.5	9.6%
97.3	117.9	17.2%	5-10 Years	191.1	124.8	17.8%
71.7	101.9	14.8%	10-15 Years	46.8	99.2	8.2%
62.0	93.9	13.6%	15-20 Years	47.0	90.5	7.7%
91.9	86.0	12.5%	20-25 Years	96.9	80.6	10.0%
41.6	72.8	10.6%	25-30 Years	101.4	69.2	9.6%
171	43.4	6.3%	30-35 Years	112.3	27.2	7.8%
6.1	19.3	2.8%	35-40 Years	0.0	0.0	0.0%
5.0	19	2.8%	40-45 Years	5.0	18.6	1.3%
100.0	13.9	2.0%	45+ Years	100.0	7.3	6.0%
769.6	651.8	94.8%	Total Long-term	922.0	655.4	88.6%
908.1	687.8	100.0%	Grand Total	1084.3	695.1	100.0%

The total principal on all outstanding borrowing as at 31 March 2026 is £1,084.3m. The total interest commitment on all outstanding borrowing as at 31 March 2026 (as shown in the table above) if all borrowing is held to maturity is £695.1m.

During 2025/26 the Council serviced its debts in a timely manner and there was no breach of any loan covenants or default on loan repayments. The PWLB loans consisted of Equal Instalment Principal (EIP) loans whilst the local authority loans were temporary loans held for cashflow purposes.

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 Councils 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 2025	31 Mar 2026
Share of overall impact debited to the HRA	(0.3)	0.0
Impact of 1% rise in interest rate of fair value of fixed rate investment assets	0.0	0.0
Impact on Comprehensive Income and Expenditure	(0.3)	0.0
Decrease in fair value of fixed rate borrowings / liabilities*	116.7	122.9

*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 £39.5m (2024/25: £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 2026, the Council held cash balances across seven Sterling money market investment funds with a balance of £43.8m. There was a £3.5m reduction in fund balances over the course of the financial year from £47.3m to £43.8m 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-25		Money Market Funds held at Fair Value through Profit & Loss- Credit Rating	31-Mar-26	
Carrying Value	Fair Value		Carrying Value	Fair Value
£m	£m		£m	£m
47.3	47.3	A+	43.8	43.8
0.0	0.0	A	0.0	0.0
47.3	47.3	Total	43.8	43.8
3.1	3.1	Dividends distributed by Money Market Funds	2.4	2.4
7		Total number of funds in operation	7	

The Council received monthly dividends equating to £2.4m during 2025/26 (2024/25: £3.1m) 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 slight reduction reflects the change in fund interest rates driven by the decisions in Bank of England Bank Rate throughout 2025/26. Cash balances held in Money Market Funds decreased during the financial year by £3.5m to finance the Council's daily cashflow requirement.

The table below shows the i4B fair value of the movement between 2024/25 and 2025/26.

i4B Fair Value	2025/26	2024/25
	(£m)	(£m)
Opening Balance	54.3	36.4
Gain or (loss) in fair value (before additional investment)	(4.1)	17.9
Additional investment	7.5	0
Closing Balance	57.7	54.3



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 GF £m	Vehicles, Plant, Furniture & Equipment £m	Total PPE £m
Balance at 1 April 2024	0.0	0.0	0.0	0.0
Additions	0.4	14.5	0.8	15.7
Depreciation & Amortisation	(0.1)	(2.4)	(0.1)	(2.6)
Balance at 1 April 2025	0.3	12.1	0.7	13.1
Additions	0.0	5.8	0.0	5.8
Revaluations	0.2	4.8	0.0	5.0
Depreciation & Amortisation	(0.1)	(4.7)	(0.1)	(4.9)
Balance at 31 March 2026	0.4	18.0	0.6	19.0

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 liabilities/Creditors	31-Mar-26 £m	31-Mar-25 £m
Less than one year	12.6	12.7
One to five years	13.5	12.3
More than five years	0.6	0.5
Total undiscounted liabilities	26.7	25.5

In 2022/23, Brent entered into the Alperton Bus Garage lease agreement, which included a cash incentive. The value of the cash incentive at 31st March 2026 is £6.5m and is recognised as a non-current lease creditor.



The Council incurred interest expenses on lessees of £0.8m in 2025/26 (£0.7m in 2024/25).

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.

31-Mar-25 £m	Finance Lease Debtor Detail	31-Mar-26 £m
0.7	Current	13.5
23.1	Non-Current	11.3
23.8	Discounted lease debtor	24.8

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).

Finance leases	31-Mar-26 £m	31-Mar-25 £m
Profit or (loss) on disposal	0.0	2.4
Finance income on net investment in the lease	1.4	1.3
Total lease income	1.4	3.7

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).

Maturity Analysis of lease debtors	Finance leases		Operating leases	
	31-Mar-26 £m	31-Mar-25 £m	31-Mar-26 £m	31-Mar-25 £m
Less than one year	14.0	0.4	1.6	1.3
One to five years	6.6	19.5	5.5	4.0
More than five years	88.9	114.5	29.8	10.1
Total undiscounted lease debtors	109.5	134.4	36.8	15.4



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

The Council has entered three 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:

2025/26 Accounts		
	2024/25	2025/26
	£m	£m
Opening Balance	18.8	52.0
Additional liabilities under IFRS 16	42.9	0.0
Lease Change for inflation	0.6	1.7
Liability in year	0.0	0.0
Payments in year	(10.3)	(10.0)
Closing Balance	52.0	43.7

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

2025/26 Accounts - Housing PFI				
	Liability	Interest	Service Charges	Total
	£m	£m	£m	£m
Payable within 1 year	7.7	1.4	2.0	11.1
Payable within 1 to 2 years	22.5	1.5	0.5	24.5
Payable within 2 to 5 years	0.0	0.0	0.0	0.0
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
Total Payable	30.2	2.9	2.5	35.6



2025/26 Accounts - Stonebridge PPP				
	Liability	Interest	Service Charges	Total
	£m	£m	£m	£m
Payable within 1 year	0.6	0.4	1.6	2.6
Payable within 1 to 2 years	1.2	0.6	3.3	5.1
Payable within 2 to 5 years	2.1	0.8	4.9	7.8
Payable within 6 to 10 years	4.1	0.6	8.1	12.8
Payable within 11 to 15 years	(0.0)	0.0	0.0	0.0
Total Payable	8.0	2.4	17.9	28.3

2025/26 Accounts - Willesden Leisure Centre PFI				
	Liability	Interest	Service Charges	Total
	£m	£m	£m	£m
Payable within 1 year	0.8	0.4	1.8	3.0
Payable within 1 to 2 years	1.9	0.6	3.6	6.1
Payable within 2 to 5 years	2.9	0.3	4.8	8.0
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
Total Payable	5.6	1.3	10.2	17.1



2025/26 Accounts - Stonebridge PPP				
	Liability	Interest	Service Charges	Total
	£m	£m	£m	£m
Payable within 1 year	0.6	0.4	1.6	2.6
Payable within 1 to 2 years	1.2	0.6	3.3	5.1
Payable within 2 to 5 years	2.1	0.8	4.9	7.8
Payable within 6 to 10 years	4.1	0.6	8.1	12.8
Payable within 11 to 15 years	(0.0)	0.0	0.0	0.0
	8.0	2.5	17.9	28.3

2025/26 Accounts - Willesden Leisure Centre PFI				
	Liability	Interest	Service Charges	Total
	£m	£m	£m	£m
Payable within 1 year	0.8	0.4	1.8	3.0
Payable within 1 to 2 years	1.9	0.6	3.6	6.1
Payable within 2 to 5 years	2.9	0.3	4.8	8.0
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
	5.6	1.3	10.2	17.1



Employee Benefits

Note 29 – Senior Employees' Remuneration

Senior employees disclosed in Note 29 include the Council Chief Executive and direct reports (excluding administrative staff), together with statutory chief officers. Other employees with remuneration of £150,000 or more, including school staff, have been considered in line with the guidance and disclosure requirements.

No bonuses were awarded during 2025/26



Salary and Pension Contributions for Senior Employees for 2025/26

Employee	Salary (including fees and allowances)	Employers pension contributions	Compensation for Loss of Office	Total remuneration including pension contributions
	£	£	£	£
Chief Executive - Kim Wright	237,642	73,902		311,545
Director Public Health - Melanie Smith	79,612	22,869		102,481
Director Public Health - Ruth du Plessis	123,106	-		123,106
Corporate Director Partnerships Housing and Resident Services - Peter Gadsdon	3,603	1,099	129,927	134,629
Corporate Director Children Young People and Community Development - Nigel Chapman	191,230	58,329		249,559
Corporate Director Finance and Resources S151 - Minesh Patel	189,982	58,329		248,311
Corporate Director Service Reform and Strategy - Rachel Crossley	190,506	58,329		248,835
Corporate Director Neighbourhoods and Regeneration - Alice Lester	109,796	33,976		143,772
Corporate Director Neighbourhoods and Regeneration - Jehan Weerasinghe	111,558	34,025		145,583
Corporate Director Law and Governance - Debra Norman	3,226	984	27,268	31,478
Corporate Director Residents and Housing Services - Thomas Cattermole	164,517	50,155		214,672
Director Property and Assets - Tanveer Ghani	155,071	47,297		202,368
Headteacher - JFS School - Dr David Moody	187,199	53,539		240,738
Executive Head Teacher - The Wembley Schools Federation - Mr Rob Fenton	174,955	50,177		225,132
Total	1,922,003	543,009	157,195	2,622,207



Salary and Pension Contributions for Senior Employees for 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	58,432	-	241,023
Corporate Director Finance and Resources S151 - Minesh Patel	181,342	58,432	-	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
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
Total	1,572,377	503,799	-	2,076,176



Note 30 – Officers' Remuneration

The table below sets out the number of school staff and Council officers whose remuneration was £50,000 or more during 2025/26, analysed in £5,000 bands. Remuneration excludes employer pension contributions and senior employees disclosed in Note 29 are excluded from this analysis

2024/25			Remuneration band £	2025/26		
Schools staff	Officers	Total		Schools staff	Officers	Total
137	263	400	50,000 - 54,999	136	275	411
122	139	261	55,000 - 59,999	100	228	328
140	100	240	60,000 - 64,999	137	96	233
56	83	139	65,000 - 69,999	106	123	229
49	31	80	70,000 - 74,999	54	31	85
41	13	54	75,000 - 79,999	53	27	80
15	11	26	80,000 - 84,999	22	15	37
19	13	32	85,000 - 89,999	19	10	29
11	11	22	90,000 - 94,999	12	8	20
6	9	15	95,000 - 99,999	10	8	18
7	3	10	100,000 - 104,999	8	4	12
5	18	23	105,000 - 109,999	4	5	9
3	4	7	110,000 - 114,999	4	21	25
5	2	7	115,000 - 119,999	7	1	8
0	2	2	120,000 - 124,999	2	7	9
1	1	2	125,000 - 129,999	0	1	1
1	0	1	130,000 - 134,999	4	1	5
1	1	2	135,000 - 139,999	0	0	0
0	0	0	140,000 - 144,999	1	0	1
1	5	6	145,000 - 149,999	0	2	2
0	0	0	150,000 - 154,999	0	0	0
0	0	0	155,000 - 159,999	0	0	0
1	0	1	160,000 - 164,999	0	0	0
0	0	0	165,000 - 169,999	0	0	0
0	0	0	170,000 - 174,999	0	0	0
1	0	1	175,000 - 179,999	0	0	0
622	709	1331	Total	679	863	1542

This note reports the number of school staff and Council officers paid over £50,000 in 2025/26.



During the year, the number of school staff and Council officers paid over £50,000 increased by 206 compared to 2024/25. The increase is mainly attributable to annual incremental progression and the implementation of the pay award.



Note 31 – Exit Packages

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:

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	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
£0 - £20,000	8	28	22	11	30	39	303	257
£20,001 - £40,000	0	4	19	5	19	9	508	252
£40,001 - £60,000	1	3	9	3	10	6	498	300
£60,001 - £80,000	2	1	4	3	6	4	451	286
£80,001 - £100,000	0	1	5	1	5	2	416	179
£100,001 - £150,000	1	0	5	0	6	0	784	0
£150,001 - £200,000	1	0	5	0	6	0	1043	0
£200,001 - £250,000	0	0	1	1	1	1	232	245
£250,001 - £300,000	0	0	1	0	1	0	269	0
£300,001 - £350,000	0	0	1	0	1	0	302	0
Total cost included in bandings	13	37	72	24	85	61	£4,806	£1,519
ADD: amounts provided for in CIES not included in bandings							£0	£0
TOTAL cost included in CIES							£4,806	£1,519
Average cost of exit packages							£57	£25

The number of exit packages decreased from 85 in 2024/25 to 61 in 2025/26. Total exit package costs also decreased from £4.806m in 2024/25 to £1.519m in 2025/26.

The average cost of exit packages decreased from £57k in 2024/25 to £25k in 2025/26, mainly due to fewer exit packages falling within the higher cost bands in 2025/26, alongside a reduction in the overall number of exit packages.



Pension Notes

Note 32 - Pension Schemes Accounted for as Defined Contribution Schemes

In 2025/26, the Council paid £17.1m to Teachers' Pensions (£15.5m - 2024/25) in respect of teachers' retirement benefits, representing 28.68% in 2024/25 (28.68% - 2025/26) 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 x final pensionable pay	Each year worked is worth 1/60 x final pensionable pay
Lump sum	Automatic lump sum of 3 x pension	No automatic lump sum

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.



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
2025	Comprehensive Income and Expenditure Statement	2026
£m		£m
	Cost of Services:	
29.1	Current service cost	21.8
1.1	Past service costs (including curtailments)	3.3
(0.7)	Effects of business combinations and disposals	-
	Financing and investment Income and Expenditure:	
60.1	Interest cost	63.0
3.6	Interest effect of asset ceiling	14.8
(52.6)	Expected return on scheme assets	(65.9)
40.6	Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	37.0
	Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	
(2.2)	Changes in demographic assumptions	(22.7)
(193.2)	Changes in financial assumptions	(33.7)
(14.7)	Other experience	132.9
17.9	Return on assets excluding amounts in net interest	(77.8)
175.7	Change in effect of the asset ceiling	(80.7)
24.1	Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(45.0)



31 March 2025	Movement in Reserves Statement	31 March 2026
£m		£m
46.0	Employers' contributions payable to the scheme	47.0
4.0	Contributions in respect of unfunded benefits	3.7
50.0	<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>	50.7
(40.6)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	(36.9)
9.4		13.8

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 2025		31 March 2026
£m		£m
(1,096.8)	Present value of the defined benefit obligation	(1,191.1)
1,134.7	Fair value of plan assets	1,258.7
(254.8)	Change in the effect of the asset ceiling	(188.9)
(216.9)	Net liability arising from defined benefit obligation	(121.3)



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

2024/25				2025/26		
Scheme Assets £m	Pensions Obligations £m	Net Pensions Liability £m		Scheme Assets £m	Pensions Obligations £m	Net Pensions Liability £m
1,094.7	1,262.1	(242.8)	Opening Balance at 1 April	1,134.7	1,096.9	(216.9)
			Service Costs			
0.0	29.1	(29.1)	Current Service Cost	0.0	21.8	(21.8)
0.0	1.1	(1.1)	Past Service cost and gains/losses on curtailments	0.0	3.3	(3.3)
(1.4)	(2.1)	0.7	Effect of settlements	0.0	0.0	0.0
52.6	60.2	(11.2)	Interest Income and Expense	65.9	63.0	(11.8)
			Re-measurements			
(17.9)	0.0	(17.9)	Return on Plan Assets	77.8	0.0	77.8
0.0	(2.2)	2.2	Actuarial Gains and Losses arising from changes in demographic assumptions	0.0	(22.7)	22.7
0.0	(193.2)	193.2	Actuarial Gains and Losses from changes in Financial Assumptions	0.0	(33.7)	33.7
		(175.7)	Changes in the effect of the Asset Ceiling	0.0	0.0	80.7
	(14.8)	14.8	Other Experience	(23.4)	109.5	(132.9)
			Contributions			
50.0		50.0	The Council	50.7	0.0	50.7
9.6	9.6	0.0	Employees	10.0	10.0	0.0
			Payments			
(52.9)	(52.9)	0.0	Retirement Grants and Pensions	(56.9)	(56.9)	0.0
0.0		0.0	Effects of business combinations and disposals	0.0		0.0
1,134.7	1,096.9	(216.9)	Closing Balance at 31 March	1,258.8	1,191.2	(121.1)



Note 35 – Sensitivity Analysis

Change in assumptions at 31 March 2026	Approximate increase in Defined Benefit obligation	Approximate monetary amount
	%	£m
0.1% decrease in Real Discount Rate	1%	16.4
1 year increase in member life expectancy	4%	47.6
0.1% increase in the Salary Increase Rate	0%	0.5
0.1% increase in the Pension Increase Rate (CPI)	1%	15.9

Note 36 - Explanation of Change in Net Pension Liability

The Net Pension Liability has decreased by £95.7m (decreased by £25.9m in 2024/25).

The discount rate has increased from 5.80% to 6.20% 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 49.7% of the liability related to pensioners.

Following the 2025 Triennial valuation, Employer's contributions for the period to 31 March 2027 are estimated to be approximately £33.6m. The deficit recovery period is 20 years. Contributions will decrease by 7.5% to 23.0% of pensionable pay for the majority of employers in 2026/27.

	Liability split (£'000s) as at 31 March 2026	Liability split (%) as at 31 March 2026
Active Members	311,326	26.74%
Deferred Members	274,749	23.60%
Pensioner Members	578,254	49.66%
Total Members	1,164,329	100.00%



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 2025. 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:

2024-25		2025-26
	Actuarial Assumptions	
	Longevity at 65 for current pensioners	
21.8	Men	22.4
24.5	Women	24.9
	Longevity at 65 for future pensioners	
22.8	Men	23.2
25.8	Women	26.1
3.10%	Rate of increase in salaries	3.30%
2.80%	Rate of increase in pensions	3.00%
5.80%	Rate for discounting scheme liabilities	6.20%
80.00%	Take-up of option to convert annual pension into retirement lump sum (pre-April 2008 service)	80.00%
80.00%	Take-up of option to convert annual pension into retirement lump sum (post-April 2008 service)	80.00%

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 11 years	Ultra short
Between 11 and 17 years	Short
Between 17 and 23 years	Medium
Between 23 and 29 years	Long
More than 29 years	Ultra 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 (basis points) pre-2030 and a post2030 IRP of 30bps, giving an average IRP of 20bps over ultra short durations and 25bps over all other 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 deep 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 ultra short durations, 0.25% over short and medium durations, and 0.20% over long and ultra long durations.

The above gives a CPI assumption of 3.05% over ultra short and short durations, and 3.00% over medium, long and ultra long durations.

We have then adjusted the CPI assumption to reflect 5 months of observed CPI experience from September 2025 to February 2026 of 0.55%. Following adjustment, our final standard CPI assumption is 3.00% p.a. over all durations.

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				
	Ultra short	Short	Medium	Long	Ultra long
	%p.a.	%p.a.	%p.a.	%p.a.	%p.a.
Discount Rate	6.10%	6.20%	6.30%	6.30%	6.35%
Retail Price Inflation (RPI)	3.40%	3.30%	3.25%	3.20%	3.20%
Consumer Price Inflation (CPI) – Pension Increase Rate	3.00%	3.00%	3.00%	3.00%	3.00%



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 2025 model, with core parameterisation except an initial adjustment of 0.25%, and a long-term rate of improvement of 1.5% p.a. for both males and females.

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 2025. 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 £42.8m (main scheme) employer contributions in 2026/27. 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 38 – Fair value of employers assets (bid value)

Brent's share of the Pension Fund Assets as estimated within the statutory IAS19 report is shown below:

31-Mar-25					31-Mar-26			
Quoted prices in active markets £m	Quoted prices not in active markets £m	Total £m	Percentage of Total Assets	Asset Category	Quoted prices in active markets £m	Quoted prices not in active markets £m	Total £m	Percentage of Total Assets
				Private Equity				
0.0	7.9	7.9	0.7%	All	0.0	8.8	8.8	0.7%
				Real Estate				
30.7	0.0	30.7	2.7%	UK Property	34.0	0.0	34.0	2.7%
				Investment Funds & Unit Trusts				
632.6	0.0	632.6	55.8%	Equities	701.7	0.0	701.7	55.7%
148.5	0.0	148.56	13.0%	Bonds	164.8	0.0	164.8	13.1%
0.0	62.4	62.4	5.5%	Infrastructure	0.0	69.2	69.2	5.5%
163.2	34.2	197.3	17.4%	Other	181.0	37.9	218.9	17.4%
				Cash and cash equivalents				
55.2	0.0	55.2	4.9%	All	61.3	0.0	61.3	4.9%
1,030.2	104.5	1,134.7	100.0%	Totals	1,142.8	115.9	1,258.7	100%



Note 39 - Note to Movement in Reserves Statement

2025-26 Summary

Movement in Reserves Detail	General Fund (£m)	HRA (£m)	Capital Receipts Reserve (£m)	Capital Grants Unapplied (£m)	Major Repairs Reserve (£m)	Revaluation Reserve (£m)	Capital Adjustment Account (£m)	Deferred Capital (£m)	Financial Instruments ADJ A/C (£m)	Pensions Reserve (£m)	Short Term Accumulating Compensated Absences Reserve (£m)	Collection Fund ADJ A/C (£m)	Dedicated Schools Grant Adjustment Account
Total Comprehensive Income	19.1	82.8											
Adjustments for capital purposes (£m)	(17.3)	(84.2)	(8.7)	42.0	(3.6)	12.9	58.6	0.3	0.0	0.0	0.0	0.0	0.0
Net change for Pension Adjustments (£m)	12.7	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(13.7)	0.0	0.0	0.0
Other Statutory Adjustments (£m)	(0.9)	0.0	0.0	0.0	0.0	0.0	4.1	0.0	(0.8)	0.0	(0.4)	(7.0)	5.0
Total	13.6	(0.4)	(8.7)	42.0	(3.6)	12.9	62.7	0.3	(0.8)	(13.7)	(0.4)	(7.0)	5.0



2025-26 Adjustments for capital purposes

Adjustments between accounting basis & funding basis under regulations	General Fund (£m)	HRA (£m)	Capital Receipts Reserve (£m)	Capital Grants Unapplied (£m)	Major Repairs Reserve (£m)	Revaluation Reserve (£m)	Capital Adjustment Account (£m)	Deferred Capital (£m)
Charges for Depreciation and Impairment of Non - Current Assets	(37.0)	(17.2)	0.0	0.0	0.0	7.3	46.9	0.0
Revaluation Losses On Property Plant and Equipment	(36.1)	(84.8)	0.0	0.0	0.0	0.0	120.9	0.0
Amortisation of Intangible Assets	(4.1)	0.0	0.0	0.0	0.0	0.0	4.1	0.0
Revenue Expenditure Funded From Capital Under Statute	(20.7)	0.1	0.0	0.0	0.0	0.0	20.6	0.0
Amounts of Nca Written Off As Part of Gain/Loss On Disposal To Cies	(23.1)	(5.4)	0.0	0.0	0.0	5.6	22.9	0.0
Statutory Provision for The Financing of Capital Investment	31.9	0.0	0.0	0.0	0.0	0.0	(31.9)	0.0
Capital Expenditure Charged Against The General Fund and HRA Balances	1.6	0.0	0.0	0.0	0.0	0.0	(1.6)	0.0
Capital Grants and Contributions Unapplied Credited To The Cies	34.9	0.0	0.0	(34.9)	0.0	0.0	0.0	0.0
Application of Grants To Capital Financing Transferred To The Caa	34.1	0.0	0.0	76.9	0.0	0.0	(111.0)	0.0
Transfer of Cash Sale Proceeds Credited As Part of Gain/Loss On Disposal To Cies	1.4	8.5	(9.9)	0.0	0.0	0.0	0.0	0.0
Use of The Capital Receipts Reserve To Finance New Capital Expenditure	0.0	0.0	1.2	0.0	0.0	0.0	(1.2)	0.0
Cont From Capital Receipts Reserve Towards Admin Costs of Nca Disposals	(0.1)	(0.2)	0.3	0.0	0.0	0.0	0.0	0.0
Cont From Capital Receipts Reserve To Finance Govt Capital Receipts Pool Payment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer From Deferred Capital Receipts Reserve Upon Receipt of Cash	0.0	0.0	(0.3)	0.0	0.0	0.0	0.0	0.3
Trfr of Deferred Sale Proceeds Credited As Part of Gain/Loss On Disposal To Cies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reversal of Major Repairs Allowance Credited To The HRA	0.0	14.8	0.0	0.0	(14.8)	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	11.2	0.0	(11.2)	0.0
Total	(17.3)	(84.2)	(8.7)	42.0	(3.6)	12.9	58.6	0.3



2025-26 Net change for Pension Adjustments

Adjustments between accounting basis & funding basis under regulations	General Fund (£m)	HRA (£m)	Pensions Reserve (£m)
Reversal of Items Relating To Retirement Benefits Debited Or Credited To Cies	(36.3)	(0.7)	37.0
Eers Pensions Conts and Direct Payments To Pensioners Payable In The Year	49.0	1.7	(50.7)
Total	12.7	1.0	(13.7)

2025-26 Other Statutory Adjustments

Adjustments between accounting basis & funding basis under regulations	General Fund (£m)	HRA (£m)	Financial Instruments ADJ A/C (£m)	Short Term Accumulating Compensated Absences Reserve (£m)	Collection Fund ADJ A/C (£m)	Dedicated Schools Grant Adjustment Account (£m)	Capital Adjustment Account (£m)
Difference Between Finance Costs Charged To Cies and Those Chargeable By Statute	(3.3)	0.0	(0.8)	0.0	0.0	0.0	4.1
Diff Between Officer Remuneration Charged To Cies and That Chargeable By Statute	0.4	0.0	0.0	(0.4)	0.0	0.0	0.0
Diff Between Ct and NNDR Income Credited To Cies and That Collectable By Statute	7.0	0.0	0.0	0.0	(7.0)	0.0	0.0
Statutory Transfer of Dedicated Schools Grant Deficit To Dedicated Schools Grant	(5.0)	0.0	0.0	0.0	0.0	5.0	0.0
Total	(0.9)	0.0	(0.8)	(0.4)	(7.0)	5.0	4.1



2024-25 Summary

Movement in Reserves Detail	General Fund (£m)	HRA (£m)	Capital Receipts Reserve (£m)	Capital Grants Unapplied (£m)	Major Repairs Reserve (£m)	Revaluation Reserve (£m)	Capital Adjustment Account (£m)	Deferred Capital (£m)	Financial Instruments ADJ A/C (£m)	Pensions Reserve (£m)	Short Term Accumulating Absences Reserve (£m)	Collection Fund ADJ A/C (£m)	Dedicated Schools Grant Adjustment Account
Total Comprehensive Income	68.2	34.6											
Adjustments for capital purposes (£m)	(74.3)	(40.7)	(1.7)	28.9	4.8	31.7	42.8	8.5	0.0	0.0	0.0	0.0	0.0
Net change for Pension Adjustments (£m)	8.7	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(9.4)	0.0	0.0	0.0
Other Statutory Adjustments (£m)	4.7	0.0	(1.8)	0.0	0.0	0.0	(16.1)	0.0	(0.8)	0.0	0.1	13.9	0.0
Total	7.3	(5.4)	(3.5)	28.9	4.8	31.7	26.7	8.5	(0.8)	(9.4)	0.1	13.9	0.0



2024-25 Adjustments for capital purposes

Adjustments between accounting basis & funding basis under regulations	General Fund (£m)	HRA (£m)	Capital Receipts Reserve (£m)	Capital Grants Unapplied (£m)	Major Repairs Reserve (£m)	Revaluation Reserve	Capital Adjustment Account	Deferred Capital
Charges for Depreciation and Impairment of Non - Current Assets	(57.0)	(15.9)	0.0	0.0	0.0	7.6	65.4	0.0
Revaluation Losses On Property Plant and Equipment	(30.9)	(39.5)	0.0	0.0	0.0	0.0	70.3	0.0
Amortisation of Intangible Assets	(4.2)	(0.1)	0.0	0.0	0.0	0.0	4.3	0.0
Revenue Expenditure Funded From Capital Under Statute	(12.1)	0.7	0.0	0.0	0.0	0.0	11.4	0.0
Amounts of Nca Written Off As Part of Gain/Loss On Disposal To Cies	(50.6)	(4.6)	0.0	0.0	0.0	24.1	31.0	0.0
Statutory Provision for The Financing of Capital Investment	29.2	0.0	0.0	0.0	0.0	0.0	(29.2)	0.0
Capital Expenditure Charged Against The General Fund and HRA Balances	12.8	0.0	0.0	0.0	0.0	0.0	(12.8)	0.0
Capital Grants and Contributions Unapplied Credited To The Cies	37.5	0.0	0.0	(37.5)	0.0	0.0	0.0	0.0
Application of Grants To Capital Financing Transferred To The Caa	(2.5)	0.0	0.0	66.3	0.0	0.0	(63.8)	0.0
Transfer of Cash Sale Proceeds Credited As Part of Gain/Loss On Disposal To Cies	0.2	7.0	(7.2)	0.0	0.0	0.0	0.0	0.0
Use of The Capital Receipts Reserve To Finance New Capital Expenditure	0.0	0.0	17.3	0.0	0.0	0.0	(17.3)	0.0
Cont From Capital Receipts Reserve Towards Admin Costs of Nca Disposals	0.0	(0.1)	0.1	0.0	0.0	0.0	0.0	0.0
Transfer From Deferred Capital Receipts Reserve Upon Receipt of Cash	0.0	0.0	(11.9)	0.0	0.0	0.0	0.0	11.9
Trfr of Deferred Sale Proceeds Credited As Part of Gain/Loss On Disposal To Cies	3.4	0.0	0.0	0.0	0.0	0.0	0.0	(3.4)
Reversal of Major Repairs Allowance Credited To The HRA	0.0	11.8	0.0	0.0	(11.8)	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	16.6	0.0	(16.6)	0.0
Total	(74.2)	(40.7)	(1.7)	28.8	4.8	31.7	42.7	8.5



2024-25 Net change for Pension Adjustments

Adjustments between accounting basis & funding basis under regulations	General Fund (£m)	HRA (£m)	Pensions Reserve (£m)
Reversal of Items Relating To Retirement Benefits Debited Or Credited To Cies	(39.6)	(1.0)	40.6
Eers Pensions Conts and Direct Payments To Pensioners Payable In The Year	48.3	1.7	(50.0)
Total	8.7	0.7	(9.4)

2024-25 Other Statutory Adjustments

Adjustments between accounting basis & funding basis under regulations	General Fund (£m)	HRA (£m)	Financial Instruments ADJ A/C (£m)	Short Term Accumulating Compensated Absences Reserve (£m)	Collection Fund ADJ A/C (£m)	Dedicated Schools Grant Adjustment Account (£m)	Capital Adjustment Account (£m)	Capital Receipts Reserve (£m)
Difference Between Finance Costs Charged To Cies and Those Chargeable By Statute	18.7	0.0	(0.8)	0.0	0.0	0.0	(16.2)	(1.8)
Diff Between Officer Remuneration Charged To Cies and That Chargeable By Statute	(0.1)	0.0	0.0	0.1	0.0	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	13.9	0.0	0.0	0.0
Total	4.7	0.0	(0.8)	0.1	13.9	0.0	(16.2)	(1.8)



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 was previously measured under IAS 17 up to 2023/24 and is measured under IFRS 16 from 2024/25 in accordance with lease accounting principles.

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 was signed in 2010-11 with Brent Co-Efficient Ltd, leaving the Council with a long-term liability of £35m in 2025/26 across all PFI contracts.

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 (£927.9m) and Land and Buildings (£1,045.6m) 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

£746.8m 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 replace 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 a 3.4% increase over the 12 months up to March 2026. 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 2025/26 financial year, and their estimated impact are as follows:



Changes in Key Assumptions Regarding Rates in 2025/26 compared to 2024/25

Key Assumptions - Rates	Change in 2025/26	Estimated impact on the pension liability (£m)
Inflation/pensions increase rate	0.2%	31.7
Salary increases rate	0.2%	1.0
Discount rate	0.4%	(65.6)

Changes in Key Assumptions Regarding Longevity in 2025/26 compared to 2024/25

Key Assumptions - Longevity	Change in 2024/25	Estimated impact on the pension liability (£m)
Current pensioners (Male)	0.6 years	28.6
Current pensioners (Female)	0.4 years	19.1
Future pensioners (Male)	0.4 years	19.1
Future pensioners (Female)	0.3 years	14.3



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 31.03.2026, the following new standards have 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, 2026/27. None of these are anticipated to have a material impact on the council's Statement of Accounts.

- a) **Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets)** issued in March 2024
- b) **Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)** issued in May 2024
- c) **Annual improvements to IFRS accounting standards – Volume 11** issued in July 2024
- d) **Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)** issued in December 2024.



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

The 2025/26 CIPFA LASAAC Code 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 do not 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:

- 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 material.
- 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 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.

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

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

Income and Expenditure Detail	2025/26 £m	2024/25 £m
Depreciation & Impairment Losses	178.9	146.2
Employee Expenses	329.8	326.7
Premises Related Expenditure	134.7	105.0
Supplies and Services	204.6	171.3
Third Party Payments	267.6	255.1
Transfer Payments	152.3	196.7
Transport Related Expenditure	23.2	15.3
Total Gross Expenditure	1,291.1	1,216.3
Customer and Client Receipts	(231.4)	(230.9)
Government Grants	(562.3)	(564.7)
Other Grants, Reimbursements & Contributions	(47.3)	(30.5)
Total Gross Income	(841.0)	(826.1)
Net Cost of Services	450.1	390.2
Financing and Investment Income & Expenditure	48.8	23.1
Other Operating Expenditure	22.5	47.9
Taxation & non-specific grant income	(419.5)	(360.0)
Total Other Income & Expenditure	(348.2)	(289.0)
(Surplus) / Deficit on Provision of Services	101.9	101.2



Note 42 - Prior Period Errors

There are three prior period errors to disclose:

1. Cash flow statement
2. Note 23 – HRA CFR
3. HRA Note 3 – HRA PPE

Cash Flow Statement:

A prior period disclosure restatement for the Cash Flow Statement has been made due to a prior year material misclassification between operating cash flows and financing cash flows.

The impact on the cash flow statement and accompanying notes is as follows:

Cash Flow Statement:

Cash Flow Item	2024/25 (Restated) £m	2024/25 (Original) £m	Change £m
Adjustment to surplus or deficit on the provision of services for non-cash movements	268.2	216.8	51.4
Net cash inflows/(outflows) from Operating Activities	114.2	63.0	51.2
Net cash inflows/(outflow) from Financing activities	72.3	123.7	(51.4)
Net increase/(decrease) in cash and cash equivalents	(32.9)	(33.0)	0.1

Note 4 – Cash Flow Statement - Operating Activities

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

Cash Flow Item	2024/25 (Restated) £m	2024/25 (Original) £m	Change £m
Increase/(decrease) in creditors	87.3	35.9	51.4
(Increase)/decrease in debtors	4.0	4.1	(0.1)
Other non-cash items charged to the net surplus or deficit on the provision of services	(6.3)	(6.2)	(0.1)
Total:	268.2	216.8	51.2



Note 6 – Cash Flow Statement - Financing Activities

Cash Flow Item	2024/25 (Restated) £m	2024/25 (Original) £m	Change £m
Cash inflow/(outflow) relating to the repayment of Private Finance Initiative schemes and Finance Leases	(13.5)	37.9	(51.4)
Total	72.3	123.7	(51.4)

Note 6a – Reconciliation of Liabilities Arising from Financing Activities

Liabilities Arising from Financing Activities	Balance at 1 April 2024 (Restated) £m	Balance at 1 April 2024 (Original) £m	Change £m
Long-term PFIs	(16.8)	0.0	(16.8)
Long-term leases	(7.7)	0.0	(7.7)
Other Long-term Liabilities: Other	0.0	(0.5)	0.5
Total:	(850.7)	(826.7)	(24.0)

2024/25	Financing Cash Flows (Restated) £m	Financing Cash Flows (Original) £m	Change £m
Short-term PFIs	10.3	0.0	10.3
Short-term leases	3.2	0.0	3.2
Other Long-term Liabilities: Other	0.0	(0.5)	0.5
Total:	(72.3)	(86.3)	14.0

2024/25	Non- financing Cash Flows (Restated) £m	Non-financing Cash Flows (Original) £m	Change £m
Short-term PFIs	(18.4)	0.0	(18.4)
Long-term PFIs	(25.1)	(18.9)	(6.2)
Short-term leases	(15.8)	(12.5)	(3.2)
Long-term leases	1.6	1.5	0.1
Total:	(55.6)	(27.9)	(27.7)



Liabilities Arising from Financing Activities	Balance at 31 March 2025 (Restated) £m	Balance at 31 March 2025 (Original) £m	Change £m
Short-term PFIs	(10.1)	0.0	(10.1)
Long-term PFIs	(41.9)	(41.7)	(0.2)
Other Long-term Liabilities: Other	0.0	(0.1)	0.1
Total:	(978.6)	(968.5)	(10.1)

Note 23 – HRA CFR

In the 2024/25 Statement of Accounts, the split between the HRA and General Fund PPE was incorrect as £27.3m capital expenditure related to a GF scheme was misattributed to HRA. This meant that the HRA closing capital financing requirement was overstated.

The impact is as follows:

Split	2024/25 (Restated) £m	2024/25 (Original) £m	Change £m
HRA	343.3	370.6	(27.3)
GF	1,010.5	983.2	27.3

HRA Note 3 – HRA PPE

In the 2024/25 Statement of Accounts, HRA Note 3 was not correctly updated to reflect changes made to PPE between the draft and final accounts, the necessary changes are shown below:

Non-Current Assets	Council Dwellings 2024/25 (Restated) £m	Council Dwellings 2024/25 (Original) £m	Council Dwellings Change £m
Opening Net Book Value 1 April 2024 *Restated	908.3	853.0	55.3
Revaluations	(58.3)	(45.8)	(12.5)
Impairments	(7.1)	(10.4)	3.3
Capital Expenditure	25.3	29.0	(3.7)
Disposals	(3.2)	(3.1)	(0.1)
Depreciation for the Year	(12.3)	(32.1)	19.8
Reclassifications		0.0	0.0
Other Movements	30.2	62.0	(31.8)
Closing Net Book Value 31 March 2025	883.0	852.6	30.4



Non-Current Assets	Non Council Dwellings	Non Council Dwellings	Non Council Dwellings
	2024/25 (Restated)	2024/25 (Original)	Change
	£m	£m	£m
Opening Net Book Value 1 April 2024 *Restated	34.8	36.0	(1.2)
Revaluations	6.1	1.0	5.1
Impairments	(3.4)	0.0	(3.4)
Capital Expenditure	7.8	8.0	(0.2)
Disposals	(1.4)	0.0	(1.4)
Depreciation for the Year	(0.3)	(0.2)	(0.1)
Reclassifications	2.8	(5.1)	7.9
Other Movements	0.3	(3.1)	3.4
Closing Net Book Value 31 March 2025	46.8	36.6	10.2



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

The council is holding some shared ownership housing under inventories as it purchased these with the intent of selling these within 12 months. These inventories are included in the Balance Sheet at the lower of cost and net realisable value.

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

Housing Revenue Account Statements

Income and Expenditure Statement for the Year Ended 31 March 2026

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 2024/25 and 2025/26

2024/25 £m	Income	2025/26 £m
(58.6)	Dwelling rents	(62.8)
(0.2)	Non-dwelling rents	(0.2)
(4.8)	Tenants charges for services and facilities	(4.5)
(0.7)	Contribution towards expenditure	(0.8)
(4.9)	Leaseholders charges for services and facilities	(4.8)
(1.1)	Other income	(0.2)
(70.3)	Total Income	(73.3)



Housing Expenditure in 2024/25 and 2025/26

2024/25 £m	Expenditure	2025/26 £m
21.4	Repairs and maintenance	25.9
16.9	Supervision and management	16.4
6.1	Rents, rates, taxes and others charges	7.0
11.8	Depreciation of non-current assets	14.8
(0.7)	Refcus	(0.1)
1.5	Movement in the allowance for bad or doubtful debts	(2.6)
47.6	Impairments and revaluation losses to non-current assets	87.1
(2.8)	Granville refurbishment provision	(3.3)
101.8	Total Expenditure	145.2

31.5	Net Cost of Services included in the Council's Income and Expenditure Account	71.9
2024/25 £m	HRA share of the operating income and expenditure included in the Council's income and expenditure	2025/26 £m
(2.2)	(Gain) or loss on sale of HRA non-current assets	(3.1)
10.9	Interest payable and similar charges	14.0
(1.3)	Interest and investment income	0.0
38.9	(Surplus) or Deficit for the year on HRA Services	82.8



Movement on the HRA Statement for 2024/25 and 2025/26

2024/25 £m	Movement on the HRA Statement	2025/26 £m
(2.4)	Housing Revenue Account balance brought forward	(4.5)
38.8	Surplus) or deficit on the provision of services	82.8
(44.1)	Adjustment between accounting basis and funding basis under regulations	(83.2)
(5.3)	Net (increase) or decrease before transfers to or from reserves	(0.4)
3.2	Transfer to/(from) earmarked reserves	0.4
(2.1)	(Increase) or decrease in year on the HRA	(0.1)
(4.5)	Balance as at 31 March carried forward	(4.5)



HRA - Note 1 - Housing Stock

	31-Mar-25			Week 52
Stock Type	Dwelling Units	Disposals	Additions	Dwellings Units
Flats	6,285	(21)	498	6762
Houses	2,077	(5)	0	2072
Total Dwellings Units	8,362	(26)	498	8,834



HRA - Note 2 - Rent Arrears

The level of service charge and rent arrears after adjusting for provisions at 31st March 2026 was £9.3m. Movement on the arrears and related provisions are shown below.

	31-Mar-25 £m	31-Mar-26 £m
Arrears from tenants	8.4	9.6
Arrears from leaseholders	7.3	5.1
Provision	(9.0)	(5.4)
Total Arrears	6.7	9.3



HRA - Note 3 - Non-Current Assets

Total Non - Current Assets	Non-Current Assets	Council Dwellings	Non Council Dwellings	Total Non - Current Assets
2024/25*		2025/26	2025/26	2025/26
£m		£m	£m	£m
943.1	Opening Net Book Value 1 April 2025	883.1	46.6	929.7
(52.1)	Revaluations	(85.6)	(0.4)	(86.0)
(10.5)	Impairments	(9.5)		(9.5)
33.1	Capital Expenditure	11.8	0.1	11.9
(4.6)	Disposals	(5.4)	(0.1)	(5.5)
(12.6)	Depreciation for the Year	(14.8)	(0.4)	(15.2)
2.8	Reclassifications			
30.5	Other Movements	148.5	7.9	156.4
929.7	Closing Net Book Value 31 March 2026	928.0	53.7	981.8

Please see Note 42 for details of the restatement

The revaluation losses charged to the Housing Revenue Account are principally attributable to movements in property valuations reported by the council's external valuers. Impairment charges recognised during the year relate to insured damage to HRA housing assets.

The Vacant Possession Value as at 1st April 2025 is £3,556m. This represents the estimated open market value of the housing stock if sold with vacant possession. The carrying amount of Council Dwellings in the HRA is measured on the basis of Existing Use Value – Social Housing, which reflects their continued use as social housing rather than their market value. The difference between the vacant possession and the balance sheet carrying amount illustrates the cost to the council of providing housing at rents below open market levels.



HRA - Note 4 - HRA RTB Capital Receipts

	31-Mar-25 £m	31-Mar-26 £m
Dwellings	(6.7)	(7.7)
Non RTB disposals (lease extensions & premiums, I4B purchase etc)	0.0	(0.9)
Total Receipts	(6.7)	(8.6)



HRA - Note 5 – Net Interest Charged to the HRA

The net interest charge to the HRA, is calculated in accordance with Government regulation.

2024/25 £m	Detail	2025/26 £m
10.9	Interest on HRA mid-year Capital Financing Requirement	14.0
10.9	Total Interest	14.0



HRA - 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.

2024/25 £m	Detail	2025/26 £m
(8.5)	Balance at beginning of the year	(3.6)
(11.7)	Depreciation charge on HRA Assets	(14.8)
0.0	Other transfers to/(from) HRA	0.0
16.6	Reserve applied to fund the HRA capital programme	11.2
(3.6)	Balance at end of year	(7.2)



HRA - Note 7 - HRA Adjustments between Accounting Basis and Funding Basis
under Regulations

2024/25 £m	HRA adjustments between accounting basis and funding basis under regulations	2025/26 £m
2.2	(Gain) or loss on sale of non-current assets	3.1
0.7	REFCUS	0.1
0.0	Additional voluntary contribution to the Major Repairs Reserve	0.0
(42.9)	Downward revaluation of non-current assets	(84.7)
(0.1)	Pooled capital receipts -contribution to administration costs	(0.2)
0.7	Employer's pensions contributions and direct payments to pensioners payable in the year	1.0
11.7	Transfers to major repairs reserve	14.8
(16.5)	Transfers to capital adjustment account	(17.3)
(44.2)	Total adjustments between accounting basis and funding basis under Regulations	(83.2)



Collection Fund Account

Collection Fund Statement

2024/25				2025/26		
Council Tax £m	Business Rates £m	Total Collection Fund £m		Council Tax £m	Business Rates £m	Total Collection Fund £m
			Statutory collections			
(215.8)	(133.8)	(349.6)	Income from Taxpayers	(238.4)	(147.9)	(386.3)
	(3.7)	(3.7)	Business Rates Supplement		(3.4)	(3.4)
	(2.5)	(2.5)	Transitional Protection Payments due to Collection Fund		(0.3)	(0.3)
(215.8)	(140.0)	(355.8)	Total Income	(238.4)	(151.6)	(390.0)
			Precepts, demands & shares			
162.1	42.7	204.8	LB Brent	178.4	45.0	223.4
48.8	52.8	101.6	GLA	53.3	55.4	108.7
	47.0	47.0	Central Government		49.4	49.4
	3.7	3.7	GLA - Business Rates Supplement		3.4	3.4
			Share of surplus/(deficit)			
7.6	0.4	8.0	LB Brent	(6.9)	(0.6)	(7.5)
2.3	0.4	2.7	GLA	(2.1)	(0.8)	(2.9)
	0.4	0.4	Central Government		(0.7)	(0.7)
			Charges to the fund			
6.8	11.4	18.3	Impairment of debts/appeals	7.2	8.3	15.5
0.0	(3.6)	(3.6)	Write offs/(Write backs)	0.0	(9.7)	(9.7)
	0.4	0.4	Cost of Collection Allowance		0.4	0.4
	0.0	0.0	Transitional Protection Payments due from Collection Fund		0.0	0.0



227.6	155.7	383.3	Total Expenditure	229.9	150.1	380.0
11.9	15.6	27.5	(Surplus)/Deficit in year	(8.6)	(1.5)	(10.1)
			Movements on Balances			
(1.2)	(9.0)	(10.2)	(Surplus)/Deficit brought forward	10.7	6.6	17.3
11.9	15.6	27.5	(Surplus)/Deficit in year	(8.6)	(1.5)	(10.1)
10.7	6.6	17.3	(Surplus)/Deficit carried forward	2.1	5.1	7.2



Notes to the Collection Fund

Note 1 - Allocation of Collection Fund Balance

2024/25			Allocation of Collection Fund Balances	2025/26		
8.2	2.0	10.2	LB Brent	1.6	1.5	3.1
2.5	2.3	4.8	GLA	0.5	1.8	2.3
	2.3	2.3	Central Government		1.8	1.8
10.7	6.6	17.3	Total (Surplus)/Deficit	2.1	5.1	7.2

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 2025/26 the standard Band D charge was £2,133.15 (£2,036.05 in 2024/25).

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	1,945
Band B	7/9	7,151
Band C	8/9	28,830
Band D	9/9	33,624
Band E	11/9	25,608
Band F	13/9	8,805
Band G	15/9	5,535
Band H	18/9	479



The total number of Band D equivalent properties is then multiplied by a percentage to allow for collection loss (97%) to give a tax base for budget setting purposes of 108,617. When multiplied by the Band D charge the total budgeted income is £231.7m, of which £178.4m is attributable to Brent and £53.3m to the GLA.

Note 3 – Non-Domestic Rate

The total Non-Domestic Rateable Value for 2025/26 was £379.6m (£374.3m in 2024/25). 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 2025/26 have been in effect since 1 April 2023, except where amended by the Valuation Office Agency.

Since 1 April 2025, 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 2025/26, the small business multiplier was frozen and the non-domestic rating multiplier was increased by the September 2024 CPI inflation rate (1.7%).

The following business rates multipliers were applicable in 2025/26:

- Small business non-domestic rating multiplier 49.9p (49.9p 2024/25)
- Non-domestic rating multiplier 55.5p (54.6p 2024/25)

Note 4 – Collection

For Council Tax, 91.6% of the debt relating to the 2025/26 financial year had been collected by 31 March 2026. This is up from the 91.2% achieved in 2024/25. For Non-Domestic Rates the in-year collection rate increased from 93.4% to 94.1%.



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 Account 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.



Group Statements

Group Balance Sheet

31-Mar-25 £m	Group Accounts Detail	31-Mar-26 £m
2,761.5	Property, Plant & Equipment	2,789.4
0.5	Heritage Assets	0.6
12.3	Investment Property	12.2
25.1	Intangible Assets	23.3
0.1	Long Term Investments	0.1
39.1	Long Term Debtors	26.5
2,838.6	Long Term Assets	2,852.1
0.0	Short Term Investments	0.1
0.0	Assets Held for Sale	14.5
162.1	Short Term Debtors	237.8
7.9	Inventories	0.0
93.1	Cash and Cash Equivalents	87.0
263.1	Current Assets	339.4
(138.5)	Short Term Borrowing	(162.3)
(222.4)	Short Term Creditors	(212.6)
(3.0)	Grants Receipt in Advance - Revenue	(0.3)
0.0	Grants Receipt in Advance - Capital	(3.4)
(12.3)	Provisions	(16.1)
(0.6)	Cash and Cash Equivalents	(0.2)
(376.8)	Current Liabilities	(394.9)
0.0	Long Term Creditors	0.0
(10.7)	Provisions	(9.5)
(769.9)	Long Term Borrowing	(921.9)
(264.9)	Other Long Term Liabilities	(161.9)
(1,045.5)	Long Term Liabilities	(1,093.3)
1,679.4	Net Assets	1,703.3
(496.6)	Usable Reserves	(453.7)
(1,159.1)	Unusable Reserves	(1,221.5)
(23.7)	Share of Subsidiary Usable Reserves	(28.1)
(1,679.4)	Total Reserves	(1,703.3)

*The 2024/25 comparatives have been restated to split out the Council's share of subsidiary usable reserves.



Group Cashflow Statement

2024/25 £m	Cash Flow Detail	2025/26 £m
(103.2)	Net surplus or (deficit) on the provision of services	(100.4)
246.9	Adjustments for non-cash movements	132.7
(51.3)	Adjustments for investing and financing activities	(83.6)
92.4	Net cash inflows/(outflows) from Operating Activities	(51.3)
(259.4)	Net cash inflows/(outflow) from Investing activities	(122.2)
142.0	Net cash inflows/(outflow) from Financing activities	168.3
(25.0)	Net increase/(decrease) in cash and cash equivalents	(5.2)
117.2	Cash and cash equivalents at the beginning of the reporting period	92.2
92.2	Cash and cash equivalents at the end of the reporting period	87.0



Group Movement in Reserves

Movement in reserves 2025/26	General Fund Balance £m	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 31 March 2025	(160.4)	(10.4)	(36.7)	(3.7)	(285.4)	(496.6)	(1,159.1)	(1,655.7)	(23.7)	(1,679.4)
(Surplus) or deficit on the provision of services	23.0	82.8	0.0	0.0	0.0	105.8	0.0	105.8	(5.4)	100.4
Other comprehensive income & expenditure	0.0	0.0	0.0	0.0	0.0	0.0	(121.4)	(121.4)	(2.9)	(124.3)
Total comprehensive income & expenditure	23.0	82.8	0.0	0.0	0.0	105.8	(121.4)	(15.6)	(8.3)	(23.9)
Adjustments between group accounts and authority accounts	(3.9)	0.0				(3.9)		(3.9)	3.9	0.0
Adjustments between accounting basis & funding basis under regulations	(5.5)	(83.2)	(8.7)	(3.6)	42.0	(59.0)	59.0			0.0
(Increase)/decrease in 2025/26	13.6	(0.4)	(8.7)	(3.6)	42.0	42.9	(62.4)	(19.5)	(4.4)	(23.9)
Balance as at 31 March 2026	(146.8)	(10.8)	(45.4)	(7.3)	(243.4)	(453.7)	(1,221.5)	(1,675.2)	(28.1)	(1,703.3)



Movement in reserves 2024/25	General Fund Balance £m	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 31 March 2024	(167.7)	(5.1)	(33.2)	(8.5)	(314.3)	(528.8)	(1,297.4)	1,826.2	(28.0)	(1,854.2)
(Surplus) or deficit on the provision of services	89.2	34.6				123.8		123.8	(2.6)	121.2
Other comprehensive income & expenditure							67.7	67.7	(14.1)	53.6
Total comprehensive income & expenditure	89.2	34.6	0.0	0.0	0.0	123.8	67.7	191.5	(16.7)	174.8
Adjustments between group accounts and authority accounts	(21.0)	0.0				(21.0)		(21.0)	21.0	0.0
Adjustments between accounting basis & funding basis under regulations	(60.9)	(39.9)	(3.5)	4.8	28.9	(70.6)	70.6			0.0
(Increase)/decrease in 2024/25	7.3	(5.3)	(3.5)	4.8	28.9	32.2	138.3	170.5	4.3	174.8
Balance as at 31 March 2025	(160.4)	(10.4)	(36.7)	(3.7)	(285.4)	(496.6)	(1,159.1)	(1,655.7)	(23.7)	(1,679.4)

*The 2024/25 Group MIRS figures have been restated to align with the 2025/26 organisational structure for comparative purposes following the recent restructure.



Group Consolidated Income & Expenditure Statement

Group Consolidated Income & Expenditure Statement for 2025/26

Directorate	2025/26 Gross Expenditure (£m)	2025/26 Gross Income (£m)	2025/26 Net Expenditure (£m)
Service Reform and Strategy	241.7	(53.1)	188.6
Children & Young People (GF)	140.5	(45.1)	95.4
Children & Young People (DSG)	283.8	(285.9)	(2.1)
Neighbourhoods and Regeneration	89.0	(58.5)	30.5
Finance and Resources	104.6	(3.5)	101.1
Partnerships, Housing and Resident Services (GF)	122.1	(83.2)	38.9
Partnerships, Housing and Resident Services (HRA)	145.7	(72.3)	73.4
Central Items	173.8	(252.8)	(79.0)
Cost of Services	1,301.2	(854.4)	446.8
Other operating expenditure			22.5
Financing and investment income & expenditure			50.6
Taxation and non-specific grant income			(419.5)
(Surplus) or Deficit on Provision of Services			100.4
(Surplus) or deficit on revaluation of Property, Plant and Equipment assets			(42.5)
Deferred Tax Charge			0.0
Actuarial (gains)/losses on pension assets and liabilities			(81.9)
Other Comprehensive Income and Expenditure			(124.4)
Total Comprehensive Income and Expenditure	-	-	(24.0)



Group Consolidated Income & Expenditure Statement for 2024/25

Directorate	2024/25 Gross Expenditure (£m)	2024/25 Gross Income (£m)	2024/25 Net Expenditure (£m)
Service Reform and Strategy	224.0	(47.8)	176.2
Children & Young People (GF)	145.5	(60.0)	85.5
Children & Young People (DSG)	261.3	(255.8)	5.5
Neighbourhoods and Regeneration	100.0	(51.3)	48.7
Finance and Resources	96.9	(3.6)	93.3
Partnerships, Housing and Resident Services (GF)	92.7	(67.8)	24.9
Partnerships, Housing and Resident Services (HRA)	97.9	(70.5)	27.4
Central Items	200.0	(270.2)	(70.2)
Cost of Services	1,218.3	(827.0)	391.3
Other operating expenditure			48.8
Financing and investment income & expenditure			22.6
Taxation and non-specific grant income			(360.0)
(Surplus) or Deficit on Provision of Services			102.7
(Surplus) or deficit on revaluation of Property, Plant and Equipment assets			84.1
Deferred Tax Charge			-
Actuarial (gains)/losses on pension assets and liabilities			(16.5)
Other Comprehensive Income and Expenditure			67.6
Total Comprehensive Income and Expenditure			170.3

*The 2024/25 Group CIES figures have been restated to align with the 2025/26 organisational structure for comparative purposes following the recent restructure.



Notes to the Group Accounts

Note 1 to the Group Accounts: Consolidated Plant Property and Equipment

Movements in 2025/26	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 2025	900.1	1,369.9	39.5	4.9	1.5	338.3	2,654.2
Additions	11.8	40.4	6.4	1.0	0.0	116.6	176.2
Depreciation written out	(36.1)	(45.2)	0.0	0.0	0.0	0.0	(81.3)
Revaluation increases (decreases) in the Revaluation Reserve	(0.9)	48.5	0.0	0.0	0.0	0.0	47.6
Revaluation increases (decreases) in the Surplus / Deficit on the Provision of Services	(84.7)	(24.4)	0.0	0.0	0.0	(10.9)	(120.0)
Derecognition - Disposals	(5.5)	(5.6)	0.0	0.0	0.0	(15.3)	(26.4)
Reclassifications (to/from Assets Held for Sale)	0.0	0.0	0.0	0.0	0.0	(14.5)	(14.5)
Other movements in Cost or Valuations	148.5	39.7	0.0	0.0	7.9	(188.2)	7.9
At 31 March 2026	933.2	1,423.3	45.9	5.9	9.4	226.0	2,643.7
Depreciation and Impairments							
At 1 April 2025	(16.9)	(112.8)	(23.7)	(0.9)	0.0	(6.2)	(160.5)
Charge for 2025/26	(14.8)	(25.0)	(2.7)	(0.1)	(0.1)	0.0	(42.7)
Depreciation written out	36.2	45.2	0.0	0.0	0.0	0.0	81.4
Impairment losses (reversals) recognised in the Revaluation Reserve	(7.1)	0.0	0.0	0.0	0.0	0.0	(7.1)
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of Services	(2.4)	(0.1)	(0.2)	0.0	0.0	(0.7)	(3.4)
Derecognition – Disposals	0.1	0.1	0.0	0.0	0.0	0.0	0.2
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 2026	(4.9)	(92.6)	(26.6)	(1.0)	(0.1)	(6.9)	(132.1)
Balance Sheet Net Book Values (NBV)							
Balance Sheet NBV at 31 March 2026	928.3	1,330.7	19.3	4.9	9.3	219.1	2,511.6
Balance Sheet NBV at 1 April 2025	883.2	1,257.1	15.8	4.0	1.5	332.1	2,493.7



Movements in 2024/25	Council Dwellings	Land & Buildings	VPF&E	Community Assets	Surplus Assets	Asset under Construction	***Total
	£m	£m	£m	£m	£m	£m	£m
Cost or Valuation At 1 April 2024	932.3	1,383.9	66.1	3.7	1.3	196.5	2,583.8
Additions	25.3	87.5	4.9	1.0	0.0	157.8	276.5
Depreciation written out	(26.4)	(15.8)	0.0	0.0	0.0	0.0	(42.2)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(13.3)	9.9	0.0	(0.2)	(0.2)	0.0	(3.8)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(45.0)	(35.4)	0.0	0.0	0.0	0.0	(80.4)
Derecognition - Disposals	(3.2)	(44.5)	(31.4)	0.0	0.0	0.0	(79.1)
Other movements in Cost or Valuation	30.4	(15.7)	(0.1)	0.4	0.4	(16.0)	(0.6)
Cost or Valuation At 31 March 2025	900.1	1,369.9	39.5	4.9	1.5	338.3	2,654.2
Accumulated Depreciation & Impairment At 1 April 2024	(24.2)	(33.8)	(44.3)	(0.8)	0.0	(1.3)	(104.4)
Depreciation Charge for 2024/25	(12.3)	(22.3)	(2.1)	(0.1)	0.0	0.0	(36.8)
Acc. Depreciation WO to GCA	26.5	15.9	0.0	0.0	0.0	0.0	42.4
	(9.2)	(61.8)	0.0	0.0	0.0	0.0	(71.0)
Impairment Losses/(Reversals) recognised in the Revaluation Reserve	(9.2)	(61.8)	0.0	0.0	0.0	0.0	(71.0)
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of Services	2.1	(11.1)	(1.9)	0.0	0.0	(4.9)	(15.8)
Derecognition - Disposals	0.1	0.5	24.6	0.0	0.0	0.0	25.2
Other movements in Depreciation and Impairment	0.1	(0.2)	0.0	0.0	0.0	0.0	(0.1)
Accumulated Depreciation & Impairment At 31 March 2025	(16.9)	(112.8)	(23.7)	(0.9)	0.0	(6.2)	(160.5)
Balance NBV At 31 March 2025	883.2	1,257.1	15.8	4.0	1.5	332.1	2,493.7
Balance NBV At 31 March 2024	908.1	1,350.1	21.8	2.9	1.3	195.2	2,479.4



Note 1d: Valuation Breakdown

Financial year of valuation	Council Dwellings	Land & Buildings	Surplus	Grand Total
Before 2020-21	0.0	1.7	0.0	1.7
2020-21	0.0	0.0	0.0	
2021-22	799.6	0.7	0.3	800.6
2022-23	0.0	50.2	0.0	50.2
2023-24	0.0	208.1	0.7	208.8
2024-25	67.0	900.7	0.5	683.6
2025-26	61.3	110.7	0.0	172
Additions	0.0	58.7	7.9	66.6
Totals	927.9	1330.8	9.4	2268.1



Note 2 to the Group Accounts: Investment Property

Movements in Investment Property for 2025/26 and 2024/25

Movements	2025/26	2024/25
	£m	£m
Cost or Valuation At 1 April	12.3	13.3
Additions	0.0	0.0
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(0.1)	(1.0)
At 31 March	12.2	12.3



Note 3 to the Group Accounts: Detailed Cashflow

2024/25 £m	Cash Flow	2025/26 £m
(103.2)	Net surplus or (deficit) on the provision of services	(100.4)
42.5	Depreciation	48.3
102.8	Impairment and downward valuations	118.5
4.3	Amortisations	4.1
58.3	Increase/decrease in creditors	4.6
7.4	Increase/decrease in debtors	(102.8)
(9.4)	Movement in Pension liability	(13.8)
52.8	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	28.6
(14.2)	Other non-cash items charged to the net surplus or deficit on the provision of services	43.1
2.4	Current Tax	2.1
(6.1)	Proceeds of sale of short and long term investments (net)	(4.2)
(7.5)	Proceeds of sale of property plant and equipment, investment property and intangibles	(9.9)
(0.3)	Tax Paid	(0.1)
(37.4)	Any other items for which the cash effects are investing or financing cash flows	(69.4)
92.4	Net cash inflow/(outflows) from operating activities	(51.3)
(286.5)	Purchase of property plant and equipment, investment property and intangibles	(202.1)
(27.0)	Purchase of short and long term investments	(6.4)
7.5	Proceeds of sale of property plant and equipment, investment property and intangibles	9.9
6.1	Proceeds of sale of short and long term investments	8.3
40.5	Other receipts from investing activities	68.1
(259.4)	Net cash inflow/(outflows) from investing activities	(122.2)
185.4	Cash receipts of short and long term borrowing	303.9
37.9	Repayment of finance lease and on-balance sheet PFI contracts	(15.1)
(81.3)	Repayment of short and long term borrowing	(120.5)
142.0	Net cash inflow/(outflows) from financing activities	168.3
(25.0)	Net increase/(decrease) in cash and cash equivalents	(5.2)
117.2	Cash and Cash equivalents at the beginning of the reporting period	92.2
92.2	Cash and Cash equivalents at the end of the reporting period	87.0



Note 4 to the Group Accounts: Audit fees

Consolidated audit fees of the Group for 2025/26 and 2024/25

External Audit Costs	2025/26 £'000	2024/25 £'000
External audit services for in-year	688.3	679.2
Certification of grant claims and returns for in-year	45.0	58.1
Total	733.3	737.3



Note 5 to the Group Accounts: Short Term Debtors

Short Term Debtors	2025/26 £m	2024/25 £m
Trade receivables Outstanding	167.3	109.2
Less impairments	(32.4)	(38.1)
Net Trade receivables	134.9	71.1
Prepayments	5.0	3.5
Local Taxation receivables Outstanding	84.8	77.1
Less impairments	(42.3)	(38.3)
Net Local Taxation receivables	42.5	38.8
Other receivables amounts Outstanding	92.2	86.3
Less impairments	(36.8)	(37.9)
Net Other receivable amounts	55.4	48.4
Total	237.8	161.8



Note 6 to the Group Accounts: Movements on the group revaluation reserve

Group Revaluation Reserve	2025/26 £m	2024/25 £m
Opening balance	(833.1)	(930.7)
Movements through other comprehensive income	(42.4)	70.5
Movements through (Surplus) or Deficit on Provision of Services	26.8	27.1
Closing balance	(848.7)	(833.1)



Note 7 to the Group Accounts: Group Financial Instruments

The financial instrument disclosure notes associated with the fair value assets and liabilities; financial gains and losses and financial risks for the Group are materially the same as the Single Entity accounts and are disclosed under Notes 24 to 26 of the Statement of Accounts.

For the financial asset and liabilities relating to the Group the position is set out below:

FINANCIAL LIABILITIES	Non-current				Current				Total	
	Borrowings		Creditors		Borrowings		Creditors			
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
Fair Value Through Profit or loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortised cost	921.9	769.6	40.7	48.2	162.3	138.6	169.1	158.1	1,294.0	1,114.6
Total Financial Liabilities	921.9	769.6	40.7	48.2	162.3	138.6	169.1	158.1	1,294.0	1,114.6
Liabilities not defined as financial instruments	0.0	0.0	121.1	216.7	0.0	0.0	43.1	64.1	164.3	280.8
Total single entity financial liabilities	921.9	769.6	161.9	264.9	162.3	138.6	212.3	222.2	1,458.3	1,395.4
Adjustments (Group Financial Liabilities Inclusions)	0.0	0.3	0.0	0.0	0.0	0.0	0.3	0.2	0.4	0.5
Adjustments (Group Financial Liabilities Exclusions)	0.0	0.0	(161.9)	(264.9)	0.0	(0.1)	0.0	0.0	(161.9)	(265.1)
Total Financial liabilities for the Group	921.9	769.9	0.0	0.0	162.3	138.5	212.6	222.4	1,296.8	1,130.8



FINANCIAL ASSETS	Non-current				Current				Total	
	Investments		Debtors		Investments		Debtors			
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
Fair Value Through Profit or loss	57.7	54.3	0.0	0.0	43.8	47.3	0.0	0.0	101.5	101.6
Amortised cost - Soft loans	61.7	61.4	150.7	150.8	0.0	0.0	0.4	0.4	212.8	212.7
Amortised cost - other	0.1	0.1	26.5	40.6	0.0	0.8	171.6	111.2	198.1	152.6
Fair Value through other comprehensive income - designated equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fair Value through other comprehensive income - other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Financial Assets	119.5	115.8	177.1	191.4	43.8	48.0	172.0	111.6	512.5	466.9
Assets not defined as financial instruments	0.0	0.3	0.0	0.0	0.0	0.0	71.1	61.1	71.1	61.4
Total single entity financial assets	119.5	116.1	177.1	191.4	43.8	48.0	243.1	172.7	583.6	528.3
Adjustments (Group Financial Assets Inclusions)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjustments (Group Financial Assets Exclusions)	(119.4)	(116.0)	(150.6)	(152.3)	(43.7)	(48.0)	(5.3)	(10.6)	(319.1)	(327.0)
Total Financial Assets for group	0.1	0.1	26.5	39.1	0.1	0.0	237.8	162.1	264.5	201.3



Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is 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 2026.

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 2026 and of its income and expenditure for the year then ended.

Minesh Patel

Corporate Director for Finance and Resources

30th June 2026



Brent Pension Fund Accounts

Pension Fund Statements

Pension Fund Accounts as at 31 March 2026

		31-Mar-25	31-Mar-26
	Notes	£m	£m
Investment assets	14	1,310.3	1,481.9
Total net investments		1,310.3	1,481.9
Current assets	20	5.1	3.1
Current liabilities	21	(2.6)	(2.6)
Net assets of the fund available to fund benefits at the end of the reporting period		1,312.8	1,482.4



Net Assets Statement of the Pension Fund as at 31 March 2026

2024/25 £m	Dealings with members, employers and others directly involved in the fund	Notes	2025/26 £m
(73.2)	Contributions	7	(69.7)
(6.8)	Transfers in from other pension funds	8	(9.1)
(80.0)			(78.8)
59.9	Benefits	9	61.6
9.3	Payments to and on account of leavers	10	12.9
69.2			74.5
(10.8)	Net (additions)/withdrawals from dealings with members		(4.3)
5.1	Management expenses	11	4.2
(5.7)	Net (additions)/withdrawals including management expenses		(0.1)
	Returns on investments		
(15.4)	Investment income	12	(20.2)
0.1	Taxes on income	13	(0.1)
(30.6)	(Profits) and losses on disposal of investments and changes in the market value of investments	14	(149.2)
(45.9)	Net return on investments		(169.5)
	Net (increase)/decrease in the net assets available for benefits during the year		(169.6)
(1,261.2)	Opening net assets of the scheme		(1,312.8)
(1,312.8)	Closing net assets of the scheme		(1,482.4)

The net asset statement includes all assets and liabilities of the Fund as at 31 March 2026 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 43 employer organisations with active members within the Brent Pension Fund at 31 March 2026, listed below:

Scheduled bodies

London Borough of Brent	North West London Jewish Day School (Academy)
Alperton Community School	Oakington Manor Primary School
ARK Academy	Our Lady of Grace RC Infants School
ARK Elvin Academy	Our Lady of Grace RC Juniors School
Ark Franklin Primary School	Preston Manor High School
Braintcroft Primary School	Queens Park Community School
Byron Court	Roundwood School and Community Centre
Claremont High School Academy	St Andrew & St Francis (Acad)
Compass Learning Partnership	St Claudine's Catholic School for Girls
Crest Academy	St Gregory's RC High School
Furness Primary School (Academy)	St Margarets Clitheroe School
Gladstone Park Primary School	St Mary's RC Academy
Harris Lowe Acad. Willsden BR	Sudbury Primary School
Harris Primary Academy (South Kenton)	The Village School
Kingsbury High School	Wembley High Technology College
Manor School	Woodfield School Academy
Michaela Community School Academy	



Admitted bodies

Alliance in Partnership (Gladstone Park Primary)

Atalian Servest AMK

Barnardos

Veolia (Ground Maintenance)

Continental Landscapes Limited

Local Employment Access Project (LEAP)

O'Hara Bros Surfacing

Prospects Services (BR)

Taylor Shaw

Veolia



Brent Pension Fund	31-Mar-25	31-Mar-26
Number of employers with active members	44	43
Number of employees in scheme		
Brent Council	4,630	4,508
Other employers	2,100	2,071
Total	6,730	6,579
Number of pensioners		
Brent Council	6,753	6,785
Other employers	932	1,437
Total	7,685	8,222
Deferred pensioners		
Brent Council	6,951	6,861
Other employers	1,428	1,528
Total	8,379	8,389
Total members in pension scheme	22,794	23,190

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 2026. Employee contributions are matched by employers' contributions which are set based on triennial actuarial funding valuations. The last such valuation was at 31 March 2025. During 2025/26, the most commonly applied employer contribution rate within the Brent Pension Fund was 30.5% 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 2025/26 financial year and its position at year-end as at 31 March 2026. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 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 2025/26.



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 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.	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 pension liability of approximately £20.0m. A 0.1% increase in Pension Increase Rate (CPI) would increase the value of liabilities by approximately £20.0m, and a one-year increase in assumed life expectancy would increase the liability by around 4% (c. £53.0m).
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 £133.4m. 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% (£16.6m).



6. *Events after the Reporting Date*

There have been no events since 31 March 2026, and up to the date when these accounts were authorised that require any adjustments to these accounts.



7. Contributions receivable

By Category	2024/25	2025/26
	£m	£m
Employees' Contributions	12.0	12.5
Employers' Contributions:		
Normal contributions	39.1	40.5
Deficit recovery contributions	18.9	15.9
Augmentation contributions	3.2	0.8
Total Employers' contributions	61.2	57.2
Total contributions receivable	73.2	69.7
By authority	2024/25	2025/26
	£m	£m
Administering Authority	57.9	55.3
Scheduled bodies	14.0	14.1
Admitted bodies	1.3	0.3
Total	73.2	69.7

8. Transfers in from other pension funds

	2024/25	2025/26
	£m	£m
Individual transfers	6.8	9.1
Total	6.8	9.1



9. Benefits payable

By Category

	2024/25	2025/26
	£m	£m
Pensions	49.3	50.5
Commutation and lump sum retirement benefits	10.0	9.1
Lump sum death benefits	0.6	2.0
Total	59.9	61.6

By authority

	2024/25	2025/26
	£m	£m
Administering Authority and Scheduled bodies	58.9	57.8
Admitted bodies	1.0	3.8
Total	59.9	61.6



10. Payments to and on account of leavers

	2024/25	2025/26
	£m	£m
Refunds to members leaving service	0.2	0.3
Individual transfers	9.1	12.6
Total	9.3	12.9



11. Management Expenses

	2024/25	2024/26
	£m	£m
Administration costs	2.4	1.6
Investment management expenses	2.3	2.2
Oversight and Governance costs	0.4	0.4
Total	5.1	4.2

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 £97k (£98k 2024/25).

11a. Investment management expenses (see Note 11a for further details)

	2024/25	2025/26
	£m	£m
Management fees	2.3	2.2
Total	2.3	2.2



11a. Investment management expenses

Fund Manager	2025/26	Management
	Total	fees
	£m	£m
Alinda	0.2	0.2
Capital Dynamics	0.0	0.0
Fidelity	0.1	0.1
Legal & General	0.1	0.1
LCIV MAC	0.2	0.2
LCIV JP Morgan	0.1	0.1
LCIV Baillie Gifford	0.4	0.4
LCIV Infrastructure	0.0	0.0
LCIV Private Debt	0.0	0.0
LCIV Ruffer	0.7	0.7
LCIV UK Housing Fund	0.1	0.1
London LGPS CIV LTD	0.2	0.2
Blackrock	0.0	0.0
UBS Triton	0.1	0.1
Northern Trust (Fund Custodian)	0.0	0.0
Cash	0.0	0.0
Total	2.2	2.2



Fund Manager	2024/25 Total	Management fees
	£m	£m
Alinda	0.2	0.2
Capital Dynamics	0.1	0.1
Fidelity	0.1	0.1
Legal & General	0.1	0.1
LCIV MAC	0.2	0.2
LCIV JP Morgan	0.3	0.3
LCIV Baillie Gifford	0.3	0.3
LCIV Infrastructure	0.0	0.0
LCIV Private Debt	0.0	0.0
LCIV Ruffer	0.6	0.6
LCIV UK Housing Fund	0.0	0.0
London LGPS CIV LTD	0.2	0.2
Blackrock	0.0	0.0
UBS Triton	0.1	0.1
Northern Trust (Fund Custodian)	0.0	0.0
Cash	0.0	0.0
Total	2.3	2.3



12. Investment income

	2024/25	2025/26
	£m	£m
Pooled investments- unit trusts and other managed funds	9.6	10.4
Dividend income from private equities/infrastructure/property	2.7	2.5
Interest income from private equities/infrastructure/private debt	0.4	5.2
Interest on cash deposits	2.7	2.1
Total	15.4	20.2



13. Taxes on income

	2024/25	2025/26
	£m	£m
Withholding tax paid / (refunded)	0.1	(0.1)
Total	0.1	(0.1)



14. Investments

Investments asset	Market value	Market value
	31 March 2025	31 March 2026
	£m	£m
Pooled investments	1,091.8	1,247.3
Pooled property investments	41.1	47.3
Private equity/infrastructure/private debt	113.8	133.4
	1,246.7	1,428.0



14a. Investments

2025/26	Market value 1 April 2025	Purchases during the year	Sales during the year	Change in market value during the year	Market value 31 March 2026
	£m	£m	£m	£m	£m
Pooled investments	1,091.8	579.1	(248.4)	(175.2)	1,247.3
Pooled property investments	41.1	5.8	(0.2)	0.6	47.3
Private equity/infrastructure /private debt	113.8	31.1	(12.9)	1.4	133.4
Total	1,246.7	616.0	(261.5)	(173.2)	1,428.0
Other investment balances: Cash Deposit	63.6	0.0	0.0	0.0	53.9
Net investment assets	1,310.3	0.0	0.0	0.0	1,481.9



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
Total	1,215.2	50.0	(49.1)	30.6	1,246.7
Other investment balances: Cash Deposit	44.1	0.0	0.0	0.0	63.6
Net investment assets	1,259.3	0.0	0.0	0.0	1,310.3



14b. Analysis of investments by category	Market value 31 March 2025	Market value 31 March 2026
	£m	£m
Pooled funds - additional analysis		
UK		
Fixed income unit trust	66.6	144.2
Unit trusts	192.1	245.1
Diversified growth funds	197.8	105.7
Overseas		
Unit trusts	635.2	752.3
Total Pooled funds	1,091.8	1,247.3
Pooled property investments	41.1	47.3
Private equity/infrastructure/private debt	113.8	133.4
Total investments	1,246.7	1,428.0



14c. Analysis of investments by fund manager

	Market value 31 March 2025		Market value 31 March 2026	
Fund manager	£m	%	£m	%
Legal & General	620.4	49.8	728.8	51.0
London CIV	0.2	0.0	0.2	0.0
LCIV – Emerging Market	61.4	4.9	83.6	5.9
Capital Dynamics	3.6	0.3	1.8	0.1
LCIV - Baillie Gifford	101.8	8.2	2.2	0.2
LCIV - Ruffer	96.0	7.7	103.5	7.2
LCIV - CQS & PIMCO	66.6	5.3	144.2	10.1
LCIV - Stepstone Infrastructure	54.2	4.3	60.7	4.3
LCIV UK Housing Fund	15.2	1.2	21.3	1.5
LCIV - Private Debt	40.2	3.2	55.9	3.9
Alinda	15.9	1.3	15.0	1.1
Fidelity UK Real Estate	14.7	1.2	14.8	1.0
Blackrock	145.4	11.7	184.7	12.9
UBS Triton Property Fund	11.2	0.9	11.3	0.8
	1,246.7	100.0	1,428.0	100

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 2025		Market value 31 March 2026	
	£m	% of total fund	£m	% of total fund
L&G - Global Equities	536.8	43.1	627.2	43.9
L&G - UK Equities	83.6	6.7	101.6	7.1
Blackrock - Over 15-Year Gilts	108.3	8.7	143.3	10.0
LCIV - Baillie Gifford DGF	101.8	8.2	103.5	7.2
LCIV - Ruffer DGF	96.0	7.7	144.2	10.1
LCIV - CQS & PIMCO MAC	66.6	5.3	83.6	5.9

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
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



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 2026.

	Assessed valuation range (+/-)	Value at 31 March 2025	Value on increase	Value on decrease
	%	£m	£m	£m
Private equity	27.0%	1.2	1.5	0.9
Infrastructure	14.6%	76.3	87.4	65.2
Private debt	9.1%	55.9	61.0	50.8

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 market 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	Using observable inputs	With significant unobservable inputs	
Values at 31 March 2026	Level 1	Level 2	Level 3	Total
	£m	£m	£m	£m
Financial assets at fair value through profit and loss				
Pooled investments		1,247.3		1,247.3
Pooled property investments		47.3		47.3
Private Equity/Infrastructure/Private Debt			133.4	133.4
Subtotal Financial assets at fair value through profit and loss		1,294.6	133.4	1,428.0
Cash	53.9			53.9
Subtotal Loans and receivables	53.9			53.9
Total Financial assets	53.9	1,294.6	133.4	1,481.9
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	51.3	1,294.6	133.4	1,479.3



	Quoted market price	Using observable inputs	With significant unobservable inputs	
Values at 31 March 2025	Level 1	Level 2	Level 3	Total
	£m	£m	£m	£m
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	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
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

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 2025	113.8
Transfers into Level 3	0.0
Transfers out of Level 3	0.0
Purchases	31.1
Sales	(12.9)
Issues	0.0
Settlements	0.0
Unrealised gains/losses	1.4
Realised gains/losses	0.0
Value at 31 March 2026	133.4



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 2025				31 March 2026		
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			
1,091.8			Pooled investments	1,247.3		
41.1			Pooled property investments	47.3		
113.8			Private equity/ infrastructure/ private debt	133.4		
	63.6		Cash	53.9	0.9	
	5.1		Debtors		2.2	
1,246.7	68.7	0.0	Total Financial assets	1,481.9	3.1	0.0
			Financial liabilities			
		(2.6)	Creditors			(2.6)
0.0	0.0	(2.6)	Total Financial liabilities	0.0	0.0	(2.6)
1,246.7	68.7	(2.6)	Net Financial Assets	1,481.9	3.1	(2.6)



16a. Net gains and losses on Financial Instruments

31 March 2025		31 March 2026	
	£m		£m
		Fair value through	
	30.6	profit and loss	(173.2)
30.6 Total			(173.2)



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 2025/26 reporting period. (Based on data as at 31 March 2026 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 2026	Potential market movements (+/-)	Value on increase	Value on decrease
	£m		£m	£m
Bonds	143.4	6.5%	152.7	134.1
Equities				
UK Equity	101.6	18.0%	119.9	83.3
Global Equity	668.7	18.4%	791.7	545.7
Emerging Market Equity	83.6	26.9%	106.1	61.1
Other Pooled investments				
Diversified Credit	144.2	6.1%	153.0	135.4
Ruffer Multi Asset	103.5	8.7%	112.5	94.5
Baillie Gifford Multi Asset	2.2	12.9%	2.5	1.9
Pooled Property investments	47.3	15.9%	54.8	39.8
Private Equity	1.2	27.0%	1.5	0.9
Infrastructure	76.3	14.6%	87.4	65.2
Private debt	55.9	9.1%	61.0	50.8
Total	1,427.9		1,643.1	1,212.7



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	41.1	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
Total	1,246.7		1,434.8	1,058.9

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 2026 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 2025	Asset value at 31 March 2026
	£m	£m
Cash balances	63.6	53.9
UK Fixed income unit trust	66.6	144.2
Total	130.2	198.1

Asset type	Carrying amount as at 31 March		
	2026	+1%	-1%
	£m	£m	£m
Cash balances	53.9	0.5	(0.5)
UK Fixed income unit trust	144.2	1.4	(1.4)
Total	198.1	1.9	(1.9)

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)

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 2026 and as at the previous period end:

Currency risk exposure - asset type	Asset value at	Asset value at
	31 March 2025	31 March 2026
	£m	£m
Overseas unit trusts	635.2	752.3
Overseas private equity/infrastructure/private debt	113.9	133.4
Total	749.1	885.7

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 2026		
	£m	+1% £m	-1% £m
Overseas unit trusts	752.3	7.5	(7.5)
Overseas private equity/infrastructure/private debt	133.4	1.3	(1.3)
Total	885.7	8.8	(8.8)

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	749.1	7.5	(7.5)

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 2026 was £54.8m (31 March 2025: £63.5m). This was held with the following institutions

Credit risk exposure

	Rating	Balances at 31 March 2025 £m	Balances at 31 March 2026 £m
Bank deposit accounts			
NatWest	A+	0.8	0.9
Northern Trust - Aviva Cash		0.2	0.1
Money Market deposits	AAA	62.6	53.8
Total		63.6	54.8

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 2026 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 2025. The next valuation will take place as at 31 March 2028 and the results will be released in March 2029.

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 2025 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 2025 actuarial valuation the Fund was assessed as 113% funded, which is an improvement to the 87% valuation at the 2022 valuation. This corresponded to a surplus of £151m (2022 valuation: deficit of £162m) at that time.

Contribution increases or decreases may be phased in over the three-year period beginning 1 April 2026 for both Scheme employers and admitted bodies. The most commonly applied employer contribution rate within the Brent Pension Fund is:

Year	Employers' contribution rate
2024/25	32.0%
2025/26	30.5%
2026/27	23.0%

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 2025 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 2025 actuarial valuation were as follows:

Discount rate	6.0% p.a.
Pay increases	2.6% p.a.
Pension increases	2.3% 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	22.2 years	24.8 years
Future Pensioners retiring in 20 years	23.1 years	26.0 years

Commutation assumption

It is assumed that 80% 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 2026 was £1,321m (31 March 2025: £1,220m). 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 2025 triennial funding valuation because IAS 19 stipulates a discount rate rather than a rate which reflects market rates.

Financial assumptions

Inflation/pensions increase rate	3.00%
Salary increase rate	3.30%
Discount rate	6.20%

Longevity assumption

The average future life expectancies at age 65 are summarised below:



	Males	Females
Current pensioners	22.4 years	24.9 years
Future pensioners*	23.2 years	26.1 years

* Future pensioners are assumed to be currently aged 45

Commutation assumption

An allowance is included for future retirements to elect to take 80% of the maximum additional tax-free cash up to HMRC limits.

Sensitivity Analysis

Sensitivity to the assumptions for the year ended 31 March 2026	Approximate % increase to liabilities	Approximate monetary amount (£m)
0.1% p.a. decrease in the discount rate	2%	20
1 year increase in member life expectancy	4%	53
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. £53m).



20. Assets

a) Current assets

	31 March 2025	31 March 2026
	£m	£m
Debtors		
- Contributions due – employees	0.2	0.2
- Contributions due – employers	1.1	0.9
- Sundry debtors	3.8	1.1
Total	5.1	2.2
Cash balances	0.8	0.9
Current assets	5.9	3.1

Analysis of debtors

	31 March 2025	31 March 2026
	£m	£m
- Central government bodies	0.0	0.1
- Other local authorities	2.7	0.3
- Other entities and individuals	2.4	1.8
Total	5.1	2.2



21. Current liabilities

	31 March 2025	31 March 2026
	£m	£m
Group transfers	0.0	0.0
Sundry creditors	2.6	2.6
Total	2.6	2.6

Analysis of creditors

	31 March 2025	31 March 2026
	£m	£m
Central government bodies	1.2	1.4
Other entities and individuals	1.4	1.2
Total	2.6	2.6



22. Additional voluntary contributions

	Market Value	Market Value
	31 March 2025	31 March 2026
	£m	£m
Clerical Medical	1.2	1.3
Prudential	1.1	1.2
	2.3	2.5

	Contributions	Contributions
	March 2025	March 2026
	£m	£m
Clerical Medical	0.0	0.0
Prudential	0.1	0.2
	0.1	0.2

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 £0.77m (2024/25: £0.98m) 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 £44.9m to the Fund in 2025/26 (2024/25: £45.2m).

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

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. The proportion of the total remuneration payable to key management personnel that is charged to the Pension Fund is set out below:



	31st March 2025	31st March 2026
	£m	£m
Short Term Benefits	0.082	0.073
Post-Employment Benefits	0.026	0.022
Termination Benefits	0.000	0.000
Total Remunerations	0.108	0.095



24. Contingent liabilities and capital commitments

Outstanding capital commitments (investments) at 31 March 2026 totalled £77.7m (31 March 2025 £107.1m)

	31st March 2025	31st March 2026
	£m	£m
Capital Dynamics	11.9	12.6
Alinda Fund II	2.4	0.0
Alinda Fund III	7.1	7.0
London CIV Infrastructure Fund	4.6	0.0
London CIV Private Debt Fund	16.4	12.6
LCIV UK Housing Fund	19.7	13.9
LCIV Private Debt II Fund	45.0	31.6
Total	107.1	77.7

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 2025/26.

	31st March 2025	31st March 2026
	£m	£m
Continental Landscapes	0.5	0.5
Total	0.5	0.5

26. *Impairment Losses*

The Fund had no Impairment Losses at 31 March 2026.



Chair of the Audit Committee



**Independent auditor's report to the members of the London
Borough of Brent**



Independent auditor's report to the members of London Borough of Brent on the pension fund financial statements of Brent Pension Fund



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

