



Audit and Standards Advisory Committee

Thursday 25 September 2025 at 6.00 pm

Conference Hall - Brent Civic Centre, Engineers Way,
Wembley, HA9 0FJ

Please note this will be held as a physical meeting which all Committee members will be required to attend in person.

The meeting will be open for the press and public to attend or alternatively can be followed via the live webcast. The link to follow proceedings via the live webcast is available [HERE](#)

Membership:

Members

David Ewart (Independent Chair)

Substitute Members

Councillors:

Chan (Vice-Chair)
Choudry
Kabir
Long
Molloy
J.Patel
L.Smith

Councillors:

Agha, S Butt, Chohan, Conneely, Ketan Sheth and T.Smith

Councillors:

Kansagra and Maurice

Independent Co-opted Members

Sebastian Evans, Rhys Jarvis and Stephen Ross

For further information contact: Harry Ellis, Governance Officer
Tel: 020 8937 3287; Email: harry.ellis@brent.gov.uk

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Notes for Members - Declarations of Interest:

If a Member is aware they have a Disclosable Pecuniary Interest* in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent and must leave the room without participating in discussion of the item.

If a Member is aware they have a Personal Interest** in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent.

If the Personal Interest is also significant enough to affect your judgement of a public interest and either it affects a financial position or relates to a regulatory matter then after disclosing the interest to the meeting the Member must leave the room without participating in discussion of the item, except that they may first make representations, answer questions or give evidence relating to the matter, provided that the public are allowed to attend the meeting for those purposes.

***Disclosable Pecuniary Interests:**

- (a) **Employment, etc.** - Any employment, office, trade, profession or vocation carried on for profit gain.
- (b) **Sponsorship** - Any payment or other financial benefit in respect of expenses in carrying out duties as a member, or of election; including from a trade union.
- (c) **Contracts** - Any current contract for goods, services or works, between the Councillors or their partner (or a body in which one has a beneficial interest) and the council.
- (d) **Land** - Any beneficial interest in land which is within the council's area.
- (e) **Licences** - Any licence to occupy land in the council's area for a month or longer.
- (f) **Corporate tenancies** - Any tenancy between the council and a body in which the Councillor or their partner have a beneficial interest.
- (g) **Securities** - Any beneficial interest in securities of a body which has a place of business or land in the council's area, if the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body or of any one class of its issued share capital.

****Personal Interests:**

The business relates to or affects:

- (a) Anybody of which you are a member or in a position of general control or management, and:
 - To which you are appointed by the council;
 - which exercises functions of a public nature;
 - which is directed is to charitable purposes;
 - whose principal purposes include the influence of public opinion or policy (including a political party or trade union).
- (b) The interests of a person from whom you have received gifts or hospitality of at least £50 as a member in the municipal year;

or

A decision in relation to that business might reasonably be regarded as affecting the well-being or financial position of:

- You yourself;
- a member of your family or your friend or any person with whom you have a close association or any person or body who is the subject of a registrable personal interest.

Agenda

Introductions, if appropriate.

Item	Page
1 Apologies for absence and clarification of alternate members	
2 Declarations of Interest	
Members are invited to declare at this stage of the meeting, the nature and existence of any relevant disclosable pecuniary or personal interests in the items on this agenda and to specify the item(s) to which they relate.	
3 Deputations (if any)	
To hear any deputations received from members of the public in accordance with Standing Order 67.	
4 Minutes of the previous meeting	
4.1 To approve the minutes of the previous meeting held on 1 - 16 Wednesday 23 July 2025 as a correct record.	
(Agenda republished to include this item on 24 September 2025)	
4.1 To note the updated Action Log from previous meetings of the Audit & Standards Advisory Committee.	17 - 22
5 Matters arising (if any)	
To consider any matters arising from the minutes of the previous meeting.	
Standards Items	
6 Standards Report (including gifts & hospitality)	23 - 30
The purpose of this report is to update the Audit and Standards Advisory Committee on (a) gifts and hospitality registered by Members (b) member training, and (c) a recent complaint concerning breaches of the Member's Code of Conduct which has been upheld against a councillor.	

Governance Items

7 Self-Referral to Regulator of Social Housing - September 2025 Update 31 - 38

To update the Audit & Advisory Committee of the progress made so far as a consequence of the self-referral in April to the Regulator of Social Housing.

Audit & Risk Management

8 Strategic Risk Register Update 39 - 76

This report provides the Committee with an update on the Council's Strategic Risks as of September 2025.

Governance Items (continued)

9 Performance & management of i4B Holdings Ltd and First Wave Housing Ltd review 77 - 86

This report provides the Audit and Standards Advisory Committee with an update on the work of the Housing Companies, i4B Holdings Ltd (i4B) and First Wave Housing (FWH) to deliver against their business plans for 2024-25, which were agreed by the Council as Shareholder of i4B and Guarantor of FWH.

External Audit Items

10 London Borough of Brent Interim Auditor's Annual Report 2024-25 87 - 128

To receive the interim Auditor Annual Report for the year ended 31 March 25.

11 London Borough of Brent & Pension Fund Audit Progress Report & Sector Update 129 - 156

This report provides the Committee with progress update from Grant Thornton on the delivery and responsibilities they are conducting as the Council's external auditors. The report also provides sector updates and further details on matters relating to audit progress.

(Agenda republished to include this item on 24 September 2025)

12 Audit & Standards Advisory Committee Forward Plan & Work Programme for 2025-26 157 - 158

To consider and note the Committee's Work Programme for the 2025-26 Municipal Year.

13 Any other urgent business

Notice of items to be raised under this heading must be given in writing to the Deputy Director Democratic & Corporate Governance or their representative before the meeting in accordance with Standing Order 60.

Date of the next meeting: Wednesday 3 December 2025



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MINUTES OF THE AUDIT AND STANDARDS ADVISORY COMMITTEE

Held in the Conference Hall, Brent Civic Centre on Wednesday 23 July 2025 at 6.00 pm

PRESENT: David Ewart (Independent Chair), Councillor Chan (Vice-Chair) and Councillors Choudry, Kabir, Long, Molloy, J. Patel and S. Butt

Independent co-opted Members: Rhys Jarvis, Steven Ross and Sebastian Evans.

Also Present: Councillor M. Butt (Leader of the Council), Councillor Rubin (Cabinet Member for Climate Action and Community Power), Sofia Brown and Sheena Phillips (Grant Thornton).

1. Apologies for absence and clarification of alternate members

Apologies for absence were received from Councillors Millie Patel and Lesle Smith along with Councillor S. Butt as Councillor L. Smiths notified substitute.

2. Declarations of Interest

David Ewart (Independent Chair) declared a personal interest as a member of CIPFA.

3. Deputations (if any)

There were no deputations considered at the meeting.

4. Minutes of the previous meeting & Action Log

RESOLVED that the minutes of the previous meeting held on Monday 16 June 2025 be approved as a correct record.

Members noted the updates provided in relation to the Action Log of issues identified at previous meetings along with action log item 3 items being addressed as an unnecessary compilation of the list. It was agreed by the Committee for the item to be removed following the meeting, with it having completed its intended goal of facilitating the removal of 5 other items from the log.

5. Matters arising (if any)

Ben Ainsworth (Head of Finance) provided an update on the annual accounts, explaining that the council had delayed publication of the accounts due to issues identified during a senior management review. He reported that the finance team had been working hard since the audit finished in February to address audit improvements recommended by Grant Thornton but had discovered major issues with the recording of Property, Plant and Equipment, particularly relating to valuations. The senior management review had also identified problems with the implementation of IFRS 16, the new lease accounting standards that affect leases, PFIs, and SPFIs, as well as specific issues with accounting for PFI buyers. To address these complex accounting problems, the council had brought in external advisors who were still working to understand the proper accounting treatment required. The committee agreed to defer detailed discussion of the accounts matters until Item 11 under the auditors' report, allowing for a consolidated discussion of all account-related issues at that point in the meeting.

6. Procurement Review Update

Rhodri Rowlands (Director of Strategic Commissioning Capacity Building and Engagement) introduced the report, outlining the details and providing the committee with a comprehensive update on the procurement review and service updates. He outlined the Embrace Change transformation program and referenced the previously issued Grant Thornton recommendations presented to the Committee in February 2025, which emphasised the council's constant focus on best delivery practices. Rhodri Rowlands then explained that external expertise had been brought in from January to April 2025 to conduct a thorough review. He elaborated on one key aspect of the review, which was to identify areas of strength within the procurement function as well as those requiring further development. He noted that while the Council's procurement practices were legally compliant and operated within appropriate legislation, the review had identified several key findings that were preventing procurement from fully meeting the council's strategic objectives. The main issues identified within this included a cultural problem around procurement practices, with functions not being sufficiently strategic or creative in their approaches. Also highlighted was the need for additional capacity, as well as greater clarity regarding roles and responsibilities, both within the procurement function itself and in relation to other council services. The highlights of Rhodri Rowland's update on the Procurement Review are summarised below:

- Regarding the Council's Improvement program's implementation, Rhodri Rowland spoke on the efforts being made to address challenges through the implementation of a wide-ranging improvement program. A single forum and vehicle had been established to deliver all recommendations, with all actions focused through this central mechanism. Both the Corporate Management Team and the Policy Coordination Group had approved the program, and delivery was already in action with good progress reported since approval. The areas of improvement included revised governance structures, enhanced delivery and assurance processes, and operational changes to day-to-day leadership. A roles and responsibilities outline protocol had been drafted, and positive progress had been made in this area as well.
- Moving to discuss the Council's procurement strategies, Councillor Ruben (Cabinet Member for Climate Action and Community Power) expressed the desire to move toward a more strategic procurement function, one that would better align with political priorities and examine the products and services the council purchases. He took the opportunity to also formally invite Councillors Chan and Molloy to attend the future meetings being held on the topic to represent the Audit and Standards Advisory Committee.

The Chair thanked Rhodri Rowlands for his update and following this opened up the floor to any questions or concerns held by the Committee. The Chair also took this opportunity to clarified to members that the committee's role was not that of a scrutiny committee but rather to examine and obtain assurance on specific matters. The highlights of the questions asked by members of the Committee have been summarised below:

- Beginning the discussion, members inquired over the running of the Council's strategic direction and governance. Members expressed a desire to move toward a more strategic procurement function across the council, that would better align with political

priorities and more thoroughly examine the products and services the council purchases. Invitations for additional members to attend future meetings on this topic were suggested to ensure broader engagement with the procurement improvement program.

- Concerns from members were raised over the scale of the procurement problems and their cost impacts, with specific examples of the issues identified requested. Rhodri Rowlands responded that problems included regular purchases that exceeded tender limits, failure to deliver expected cost savings, and insufficient decision-making notice periods for members. He emphasised that better oversight and decision-making processes would help address these issues, noting that there had been 60 waivers in place during 2025, with efforts underway to reduce this number through improved procedures and processes. The committee then inquired into the costs associated with addressing these problems. Rhodri Rowlands explained that the main cost was officer capacity, but noted that beyond direct costs, there were significant missed opportunities, including inadequate timeframes for considering the breadth of available options, missed opportunities for enhanced savings levels, failure to reduce tail spend, and inefficient use of multiple suppliers that could have reduced costs.
- Members welcomed the review of the procurement system but noted that there was little mention of localism and community wealth building, particularly regarding raising revenue from business rates. The committee requested that these aspects be better referenced in future work and emphasised the importance of local spending measured not just in terms of direct expenditure but also considering the number of employees supported and supply chain effects. Members stressed that focus should not solely be on saving money but on achieving value for the amount of money spent. Rodri Rowlands responded to this, noting that references to these priorities were included within the broader report and the procurement strategy revision. He explained how potential suppliers would need to demonstrate in-depth knowledge of the local area. The council was also noted to be working with the Centre for Local Economics on strategies to provide more opportunities within Brent, using Match My Project to connect suppliers and resources to local projects. A suggestion was made by the committee to include a clause within the procurement processes to ensure Brent community benefits were prioritized. During the discussion on value for money, members emphasised that focus should be placed on achieving better value, rather than simply reducing spend. There was discussion about the need to reduce extractivism and reference to the CPCMAC Board. The Committee suggested that benchmarking and case studies should be used to evaluate progress, asking what Brent had specifically improved over the months of implementation and whether raw metrics could be combined with qualitative assessments. Rhodri Rowlands agreed with this approach, noting to incorporate members feedback into future work. Regarding the clause recommending prioritisation of community wealth building and contribution to Brent's economy within the procurement processes, the Committee made a formal recommendation that this be considered, with Councillor Rubin stating that he would present the request to the Community Wealth Building Team for review.



Brent •

- In covering concerns over risk management and financial controls, members cautioned that the committee must be careful not to create new costs in other areas or generate long-term costs while implementing improvements. Inquiries were made about the relationship between the procurement improvement plan and internal audit activities, with Rhodri Rowlands assuring members that there was a good relationship between the teams, with plans to continue building internal audit activity into their processes. Concerns over budget reserves and whether cost elements in the budget assumed improvements would be achieved were then raised. Officers explained that procurement savings were built into the budget and set according to the status quo level, with any future improvements to be added as developments materialized. When members asked whether this created risk if improvements didn't proceed as planned, it was confirmed that this would indeed create a budgetary risk which would then need to be addressed.
- Whilst trying to gauge the likely success of the improvement plans, members acknowledged that cultural change was difficult and asked whether similar projects had succeeded in other organizations. Rhodri Rowlands confirmed that a number of councils had achieved successes in this area, citing Westminster, Oxford, and Croydon as examples. He noted that the council had brought in additional new management as a proactive step in the sector and had become an active member of the London Procurement Network and Social Value Network. The team was actively looking at what was working elsewhere, studying best practices, and implementing the improvements they observed.
 - Following questions on current initiatives being pursued, Rhodri Rowlands stated that current efforts included the new partnership with Centre for Local Economics Strategies, the "Match My Project" program launching September (matches community projects with supplier resources) and the implementation of greater scope under the Procurement Act for local knowledge requirements. The Teams future focuses were then noted as redefining what "local spend" meant, considering numbers of local employees rather than simply headquarters location in community wealth building calculations and an updated supply chain impact assessment.
 - Drawing the conversation to contract management and decision-making, the committee noted that most procurement seen by them involved large contracts and asked whether the review would examine and adjust when tendering and retendering for contracts was necessary. Rhodri Rowlands confirmed that this would be addressed on a case-by-case basis, considering factors such as sustainability and economies of scale. Members were assured that the procurement team would report on their decision-making processes. The Team currently were exploring how best to strengthen existing gateway review processes, introduce regular reporting (quarterly/six-monthly) on contract reviews and upcoming retendering and restructuring reports to go through Cabinet for organizational oversight. All information would also now be made available through the Brent Council website in the public domain. Members then inquired about technological improvements and how the use of data and AI could be used in improving the procurement processes. Rhodri Rowlands explained that closing capacity gaps and recruiting the right people for necessary roles

was a current priority. He identified data and AI as key areas that were recognized as important for the future. The Council was stated as needing to drive more benefit from data in spend and supplier analysis, so as to develop a more strategic approach and make better use of spend and supplier analysis data. This would then help in ensuring this information was available to decision-makers with appropriate use and visibility. Rhodri Rowlands then noted that the council was exploring new opportunities with AI in procurement, which could potentially support the early stages of tender processes. This technology was currently being explored as part of the on-going improvement program.

- With members questions satisfied members requested that the executive summary of the full report on the procurement review be provided to the Committee and all its independent members. Officers agreed to this request, with the committee noting that once completed, the reports summary would be circulated to all Audit and Standards Advisory Committee members by Harry Ellis (Governance Officer).

The Chair thanked Rhodri Rowlands for the update provided and the committee moved to **RESOLVE** following recommendations and note:

1. the contents of the report.
2. to receive a follow up report on procurement improvement development, which would be brought to the Committee in six months' time.

7. Treasury Management Outturn Report

Nadeem Akhtar (Senior Finance Analyst) introduced the report which would cover the Treasury Management activities for the previous financial year. Nadeem Akhtar began by stating that the presentation on the report had come to the Audit and Standards Advisory Committee for scrutiny before its eventual submission to Brent's Cabinet. He explained that the report, with four appendices, updated members on the borrowing and investment decisions made by corporate and financial resources under delegated authority. The highlights from the report are summarised below:

- The Council had complied with its prudential indicators for the 2024-25 financial year, which were initially set at full council in February 2024, with no breach of indicators reported. Outstanding debt as of March 2025 was stated to stand at just over £900 million, having increased from £814 million at the start of the financial year (correcting an initial figure mentioned as £894 million), representing a net change of £86 million. This change in debt resulted from raising new borrowings of £170 million while paying back £84 million of existing debt, with the borrowed funds used to finance the capital program. Cash investments as of March 2025 totalled £47 million, having decreased from £95 million at the start of the financial year, representing a change of approximately £48 million. The council's capital financing requirement, which represents the underlying need to borrow, had changed from £1.25 billion to £1.35 billion, a net increase of £100 million, again reflecting forecast investment made in the capital programme. The council's rate of return on cash investments decreased during the year from 5.3% to 4.5%, reflecting numerous changes in the Bank of England's

base rate during the course of the year. The statutory charge for repayment of debt, known as minimum revenue provision (MRP), was just under £20 million and excludes PFI schemes.

The chair acknowledged the scale of the figures, noting that with £900 million of debt, even slight movements in rates would make significant differences. The Chair then congratulated the Finance Team for managing to reduce the average cost of borrowing in a rising interest rate environment. Following this, the Chair opened the floor to questions from the Committee with the highlights of these questions summarised below:

- Regarding budgetary developments, members raised concerns about the capital financing requirement being forecasted to reach £1.5 billion against an authorised limit of £1.5 billion, questioning officer on whether there was concern given that markets showed no real signs of interest rates decreasing. Debt maturity was also discussed, with members noting that significant debt was maturing within the year and asking about potential refinancing strategies. Amanda Healy (Deputy Director of Finance for Investment and Infrastructure) responded that CFR increases are ultimately driven by the capital programme. When looking at new capital programme schemes for inclusion, they examine affordability, with the most significant growth in the capital programme relating to affordable housing development, which has underlying cash flows to enable asset delivery and debt repayment. She explained they work closely with treasury management advisors to evaluate the best mechanisms for borrowing required sums over coming years, especially given interest rate environment movements that are difficult to navigate but require constant assessment. Regarding maturity structure, she confirmed that a significant portion of their portfolio was coming up for renewal in 2025-26, which was part of their intended strategy. Brent generally preferred to keep a proportion of debt in short-term holdings to ride through interest rate waves, as rates were expected to decline, allowing them the Finance Team to take reasonable small risks rather than fixing rates at current levels. Small amounts of short-term borrowing had been taken and officers noted that they would assess next year whether to renew in medium or long-term arrangements.
- Discussing the PFI loans listed in appendix two, members noted their higher than desired rates, despite them consisting of relatively small amounts. The Committee questioned when these loans mature and whether they demonstrated a valid reason to avoid future PFI arrangements. Amanda Healy clarified that these aren't traditional borrowing agreements but long-term liabilities, acknowledging the extremely high rates compared to the rest of their portfolio. She confirmed they hadn't undertaken PFI agreements for a significant period and wouldn't be doing so going forward, as different alternative funding options were now available and PFI were no longer considered a viable option.
- It was noted that capital funding figures seemed to change enormously from year to year, with an example given where grant funding of £52 million had apparently disappeared in forecasts. Amanda Healy explained that projects in the capital programme were multi-year, and applying the funding was based on when projects were started or completed. Grant phasing was timed along with actual schemes progress – such as the housing scheme completions expected in 2025-26. Any

changes to scheme delivery will change when grant can be applied to fund the associated works. As such, Amanda Healy assured the Committee that every affordable housing scheme would have a grant element.

- Concerns were raised by members regarding short-term deposit accounts used for liquidity, with some members specifically mentioning CCLA recently acquired by Jupiter Asset Management. It was noted that CCLA had a triple-A rating while Jupiter had a triple-B rating. Whilst it was the Council's policy to require a A-plus rating, the fund's rating was reported no to have changed, as CCLA remained as shareholders rather than a subsidiary. Amanda Healy spoke on the issues, addressing the Committee's uncertainty and confirming that the Finance Team maintain constant engagement with advisors who proactively contact relevant organisations to obtain assurances about fund operations, often giving indications where performance dips or structural changes could result in discontinuing product use. She noted this would be discussed with our advisors and noted the CCLA fund was domiciled in the UK.
- Covering the Council's investments, officers were asked why it maintained more liquid assets than was typically approved, asking whether the risk-to-return ratio was appropriate. Amanda Healy explained that peaks and troughs in cash balances were driven by borrowing undertaken in year. The Council is a net borrower so this drives the volatility within periods but also means it could not undertake long-term investment opportunities and had to focus on reviewing cash flow requirements.
- The use of cash held for other purposes to keep external borrowing lower was explored by the Committee, which questioned the impact on these internal borrowing activities. Amanda Healy explained that Brent were utilising cash reserves not yet called upon, including existing balances and reserves, which represented best practice for prudent cash management. Officers stated that when these funds need to be utilised, borrowing would be required.
- Inquiries were made about service investments listed under "schools, academies, and colleges," with members asking for examples of the specific definitions of service investments in this category. Amanda Healy clarified that these were historical investments that had been transferred into loans during the academy conversion process and not new opportunities.
- Regarding attempts to forecast future UK interest rates, members asked how quickly interest rates changes would affect Brent when they reduced, and what impacts further decreases this would have. Amanda Healy explained that investment portfolios generally saw the results of interest rate movement impacts before debt portfolios. This was because investments were held in more liquid assets, which were more closely linked to current interest rates. For borrowing portfolios, officers stated that rate changes only impacted new borrowing, not existing portfolios. While base rates had recently declined, local authority borrowing rates were linked to government gilts, which haven't followed the same trend and stood at around 6% at the time of the meeting. Many factors were stated to impact these government gilts, and while they were expected to drop over time, their volatility was shown. Officers assured members

that they assessed options based on Brent's current borrowing needs, with their current approach being to borrow little and often with the intent to ride out peaks and troughs in interest rate fluctuations.

- Amanda Healy noted that further details would be provided to the Committee in the Finance Teams mid-year report for 25/26 rather than for 24/25. A LOBO (Lender's Option Borrower's Option) recall had occurred during the first part of the year, where the PWLB (Public Works Loan Board) rate was valued at lower than what was being offered. As a result, the loan was redeemed to help with costs and included within their wider portfolio. Amanda Healy observed that recent market movements, including impacts from political announcements around tariffs, had created a volatile treasury environment. When questioned around borrowing from the pension fund, Amanda Healy clarified that Brent could not directly borrow from their own pension fund due to concerns around financial conflicts of interest, though potential opportunities for local investment might potentially exist through the London CIV (Collective Investment Vehicle).

Following this, and with no further questions or concerns raised by members of the Committee, the chair thanked Amanda for a comprehensive report and the Committee moved to **RESOLVE** and note the contents of the financial performance report and its submission to cabinet, acknowledging that officers had met all prudential indicators.

A recommendation was made to also note and comment on the overall financial performance of the report.

8. FM Code Update

Michael Armand (Senior Finance Analyst) introduced the report, providing an update on the council's progress in implementing the CIPFA Financial Management Code since the previous update provided to the Committee in February 2024. The report was structured into two main sections. Section 4 provided an update on the council's progress against each of the 17 financial management standards included in the CIPFA Financial Management Code. Section 5 presented the report's conclusion that the Council was continuing to broadly comply with the code while acknowledging areas requiring continuous improvement through implementation of external auditor recommendations. The highlights of the report are summarised below:

- Significant Financial Challenges had been identified, with the external auditor having identified a significant weakness in the area of financial sustainability for 2023-24 and 2024-25, primarily due to the council's continued use of reserves to fund overspends on homelessness services and temporary accommodation. This led to several recommendations including increasing the level of usable reserves, improvements to monitoring and reporting of statement delivery, MTFS risk register updates, and enhanced scenario planning. The council had then addressed these concerns in the 2025-26 budget approved in February, which was set on the basis of not continuing to use reserves for unplanned expenditure. Growth was built into the budget to address significant pressures, particularly in areas such as homelessness. The budget included

difficult decisions regarding savings and updates to the council tax support scheme effective from April 1, enabling a balanced budget without relying on reserves.

- Section 4 of the report discussed the council's journey along the hierarchy of financial management styles linked to the three Es. Economy: The council maintained a well-established approach to budget setting focused on making available funding stretch further and taking necessary difficult decisions. Efficiency: Since the last update, a budget assurance panel had been established providing additional scrutiny of budgets and performance against targets. The council had also undertaken more benchmarking activity and enhanced performance reporting to provide indicators for management and members. Effectiveness: Financial management was recognized as a dynamic task involving the whole council. The Embrace Change portfolio was listed to be transforming how the council worked to tackle current and emerging challenges while maintaining sustainable finances.
- Beyond the external audit, several other reviews had taken place including a corporate peer review, an internal audit review of financial management, and a critical friendly review of the MTFS model by Oliver Wyman. All recommendations from these reviews would be taken forward as part of Brent's efforts in implementing the CIPFA financial management code.

Following this, the Chair opened the floor to any questions or concerns held by members of the Committee. The key highlights of these questions have been summarised below:

- Regarding the HRA Business Plans monitoring, members asked about paragraph 5.3 of the report, specifically who conducts this monitoring and whether council officers or councillors are involved. Amanda Healy (Deputy Director Investment and Infrastructure) responded that the HRA business plan was presented as part of the budget setting process and was publicly available, with constant reviews throughout the year included in quarterly financial monitoring updates to cabinet, providing updates on the in-year position and any risks and issues. When asked who sees the detailed business plan, Amanda Healy clarified that at the time of the meeting it remained an officer-led work plan.
- Following this, members asked on CIPFA requirements for local audit reform. Questions were aimed particularly on the now mandatory requirement for one independent audit committee member to be placed on the audit committee, with members asking officers how this would work given Brent's unique structure of having two Audit committees. The Chair acknowledged this as a good point, explaining that the current structure came about because the Advisory Committee operated as a decision-making committee rather than the typical non-decision-making audit committee. The Chair noted this would need to be considered and whether they regarded themselves as one committee or two under the new legislation. This would be a decision that the Council would need to determine, considering the distinction between voting and non-voting members,
- Regarding the recommendation in section 5.3 of the report, which looked at the introduction of zero-based budgeting in targeted service areas, members wished for

specific details on where these areas might be. Michael Armand explained in response, that no conclusions had been reached yet, but a workshop with heads of finance had been conducted to examine different recommendations, which would drive decisions about zero-based budgeting implementation. Amanda Healy added that zero-based budgeting was very resource-intensive, so the Council had a need to review and prioritize where it would add the best value, noting that finance teams had already done significant work linking key drivers of spend to outputs, but a full zero-based budgeting approach would require careful prioritization.

With no further questions or concerns noted, the Chair thanked Michael Almond and his team for their good work. The committee then moved to **RESOLVED** and note the contents of the report. In doing this they acknowledged the council's alignment with the CIPFA Financial Management Code. The Chair included a formal amendment to the report's recommendation, commending the Council accept the longer-term recommendations listed in section 5.3, specifically referring to the zero-based budgeting implementation on a targeted basis.

9. Emergency Preparedness Report

The Emergency Preparedness Report was taken as read by the Committee, with members proceeding directly to questions and discussion.

As such, the Chair opened the floor to any questions or concerns from the Committee. The highlights of the questions raised are summarised below:

- Inquiries were made about the debrief process, specifically asking whether it involved the fire brigade and other emergency resources, and whether such processes were always handled sensitively. Darren Armstrong responded, noting that the approach used involved a combination of various emergency services and stakeholders. He explained reviews looking at responses to tragic incidents largely focused on evaluating how well responses were managed whilst identifying any areas for improvement. It was noted that while the initial incident response had been recorded as excellent, recovery phases often continued well beyond the first 24-48 hours of the incident. This was felt particularly keenly through the Council's support of families involved in incidents, with many needing temporary housing for long periods of time. Emphasis was given to the Council's position that resilience was the responsibility of everybody at the Council and that there was considerable reliance on maintaining a collaborative approach.
- Approval of the report was noted by members, with the document seen to be live with healthy and reassuring changes. Questions were raised over if any emergency planning for civil disobedience or rioting had been planned. Darren Armstrong confirmed that such scenarios had been considered within the inherent risks framework and were fed into current planning processes received from the broader London risk register. He explained that work was conducted internally with colleagues, with internal warning signs monitored and information and intelligence shared throughout the Council frequently.



- Regarding preparations required for the implementation of Martyn's Law, members asked whether any reviews were being conducted to help smoothen the implementation process and whether additional CCTV was being considered. Darren Armstrong indicated that a broader update on this topic would be brought to the next committee meeting as part of the strategic risk report, which included emergency planning as one of their strategic inherent risks. He explained they were in the initial stages of considering the factors mentioned, as their main focus over the past twelve months had been on their own improvement plan from an independent inspection report and responding to the Grenfell inquiry phase two report. The team had only recently turned attention to Martyn's Law, with a fuller update promised for the September meeting. An action was noted for this item to be included in future proceedings. Clarification was sought about Martyn's Law thresholds, noting the legislation's specific guidelines of internal events with 200 people or more and external ticketed events with 800 or more. Members asked whether the council would look at approaches for smaller numbers to build in best practices beyond these specific thresholds. Darren Armstrong confirmed this approach aligned with the team's ethos of achieving best-in-class standards. He assured that they wouldn't just adhere to legislative minimums but would look across the full spectrum, aiming for gold standards and more aspirational measures that might not fall within immediate requirements but would raise the bar as high as possible. He confirmed they would consider the legislation in its full breadth rather than just specific threshold points.
- The importance of maintaining up-to-date accredited rest centres was emphasised, with reference made to a previous major incident in Kilburn where an accredited rest centre (the Granville) was found to be demolished, requiring emergency alternative arrangements for hundreds of displaced residents including children in their pyjamas at night. Darren Armstrong confirmed that significant work had been undertaken over the previous twelve months regarding rest centres, including site visits to ensure they remained fit for purpose. This work was linked to observations and findings from the Grenfell inquiry, ensuring that directly or indirectly linked findings were considered when determining appropriate rest centres. The team had been conducting site visits when not responding to incidents or working on improvement plans and had also provided training to rest centre staff to ensure they were fully trained and understood their roles and responsibilities for efficient, effective, and compassionate activation when needed.
 - Member's referenced section 3.3.2 on page 89 regarding updates to business continuity templates, asking whether sufficient challenge and learning would be incorporated given the team had been asked to update them by August. Darren Armstrong explained this was an enhancement to previous business continuity exercises. Rather than simply asking areas to test their plans, they had developed a suite of off-the-shelf scenarios that heads of service and service areas could select from based on relevance. These collaborative exercises were supported by the emergency planning and resilience team in a business partner role. While they couldn't attend all exercises, they had identified those requiring the most support. The exercises included lessons-learned components to ensure genuine value rather than mere tick-box compliance.

With no further questions noted, the Chair thanked Darren Armstrong for his report, with the Committees thanks for the efforts made by the Emergency Team formally recorded. Following this, the Committee moved to **RESOLVE** and note the contents of the report.

10. Evaluating the Effectiveness of the Audit and Standards Advisory Committee

The Chair introduced the report, thanking Darren Armstrong (Deputy Director Organisational Assurance and Resilience) for circulating the report and Harry Ellis (Governance Officer) for compiling member's responses. He then expressed gratitude to members for their comprehensive and frank responses to the self-assessment survey. The Chair noted that the responses indicated a need to improve performance rather than to completely transform operations. Several key themes emerged from the member responses with members expressing a clear desire to broaden input from officers beyond the finance department, seeking wider representation from all teams and departments across the Council. Significant concerns were raised about both the timeliness and length of agendas, with members highlighting issues around short notice distribution. Members also requested more oversight reports focusing on forward planning and deep dive investigations. Strong emphasis was placed on the need for better follow-up of audit recommendations and ongoing monitoring of progress; various general concerns were also identified regarding internal audit, including questions about structure, role, and working relationships. The Chair acknowledged that given the volume of work ahead, the Committee would need to significantly improve its approach to avoid falling behind. It was proposed that, to help maintain members understanding of the field, internal audit training be arranged for the next available timeslot, with officers noting that September was already allocated to a session on standards training. Training would cover current internal audit methods and approaches, the new risk-based audit approach and its implementation over the past year, as well as a detailed examination of internal audit operations. In response to ideas of outsourcing the workload of the Committee, the Chair clarified to members that the Committee already operated a co-sourced model, with PwC providing specialist number of hours annually, particularly in areas such as cyber security where in-house expertise was not feasible or cost effective.

Following the Chair's report, he opened the floor to any questions or concerns held by members of the Committee, with the key highlights of these summarised below:

- Committee members commended the self-improvement initiative, commending recent efforts to broaden departmental input, observed in recent items on DSG, housing regulations and procurement investigation. Member's requested additional suggestions from all Committee members for future departmental involvements.
- Regarding possible improvements to be made to the Committee, members praised recent meetings for implementing a policy requiring officers to avoid verbal updates on routine items unless urgent or substantive matters arose. Potential joint training opportunities with other London authorities were then suggested to leverage shared expertise and knowledge. One member highlighted the value of establishing a structured deep dive program similar to those used by other audit committees, suggesting this should be integrated into the annual work program. Within the

discussion around this idea, members noted that the topics of cybersecurity and artificial intelligence could be expanded on. The possible establishment of time-limited working groups between committee meetings, to facilitate more effective deep dive investigations was suggested, noting the practical limitations of conducting thorough deep dives during formal committee sessions. The utilization of online meetings where appropriate was also suggested to improve accessibility.

With no further questions or points noted, the Chair acknowledged all the members contributions and confirmed that the Governance Team would work on implementing the working group proposal. The Chair once again thanked members for their contributions and the Committee **RESOLVED** to note the contents of the report.

Action – Governance Team to explore the implementation of a list of subjects for deeper exploration into the work program, alongside the establishment of inter-meeting working groups to facilitate these deep-dive investigations.

11. External Audit Progress Report and Sector Update

Sophia Brown (Grant Thornton) introduced the report, presenting the external audit progress report to the Committee. She confirmed that the audit plan previously brought to the Committee was now final with no further changes required, as no additional risks or risk factors had been identified during planning closure. The key highlights of the update to the Committee are summarised below:

- The auditors had commenced fieldwork on 16th of June 2025 in the absence of draft financial statements from the Council, working with the finance team on areas where progress was possible. Sophia Brown explained that while there was always risk in starting work before receiving draft financial statements, management had provided assurances that the listings being worked on would not change. If balances did subsequently change, additional testing might be required in those areas. Sophia Brown noted that Grant Thornton's PFI expert on accounting was still to return to work, which added stress on top of the work required for IFRS 16.
- The auditors were working closely with the finance team to receive updates on when draft accounts and the Property, Plant and Equipment (PPE) note would be available. The biggest pieces of work that could not yet commence were the PPE valuation work and journals testing. To manage resources effectively, some team members had been released in recent weeks to avoid waste, with plans to bring people back once draft accounts were received on Friday.
- Sophia Brown then highlighted that the PPE note was a key component touching different areas of the accounts. She emphasised the risk to completing the audit by the September deadline, explaining they were in week six of the audit with summer holidays approaching. Additional resources had been secured for October if the September deadline was missed, to avoid repeating the previous year's approach of returning in January. The auditors noted that the expected financial statements would contain several material prior period adjustments, and they were still awaiting expert input on PFI accounting treatment. Sophia Brown indicated that while meeting the

September deadline would be very challenging, it remained doable if everything proceeded without any issues, though she cautioned against raising expectations too high.

The Chair thanked Sofia Brown and Grant Thornton for their work, and the floor was opened to any questions or concerns from members of the Committee, with the key highlights summarised below:

- Regarding the account's deadline, the Committee asked about the likelihood of meeting the September deadline. Sophie Brown responded, noting that it would be very challenging but possibly achievable if no issues arose, though she emphasised the substantial workload remaining and the impact of summer leave periods.
- Following this, members sought clarification on the meaning of "value for money" within the audit progress reports context. Sophia Brown explained that their work followed the National Audit Office code, examining value for money under three areas: financial sustainability, governance, and the three E's (economy, efficiency, and effectiveness). Within this context 'value for money' would highlight areas where arrangements could be improved or where sector best practices could be applied.
- The Committee inquired over the three expected material prior period adjustments in the draft accounts with Ben Ainsworth (Head of Finance) explaining in response that these related to leases and property, plant and equipment, each over £20 million. He then noted that these would impact unusable reserves rather than usable reserves, meaning they had no effect on council taxpayers or service provision resources.
- Moving the discussion on, members asked about the auditors' other clients and whether delayed accounts elsewhere would affect Brent's audit priority. Sophia Brown confirmed that under backstop arrangements, all authorities were up to date (some with disclaimed opinions), and emphasised Grant Thornton's desire to maintain Brent's record of unqualified opinions rather than risk facing the February 2025 backstop deadline.
- In concluding the discussion, the Committee discussed potential October meeting dates, with the Chair noting that 21st, 22nd, or 23rd October were being considered as standby options, though no meeting would be scheduled until needed. Members were asked to reserve these dates provisionally. In addition to this, the Chair cautioned members that an additional meeting of the Audit and Standards Advisory Committee might be required for November 2025.
- A final note was raised by Sophia Brown, informing the Committee that page 131 of the update report provided a link to Grant Thornton's recorded webinar for Audit Committee members. Further webinars were being created with an up-and-coming session on the changes coming to IFRS 16.

The Chair thanked Sophia Brown and her team, along with Ben Ainsworth and the Finance Team, for their ongoing work, confirming that the September deadline remained the

Council's objective with October date available as a fallback position if required. With no further questions or comments raised, the Committee **RESOLVED** to note the report.

12. Audit & Standards Advisory Committee Forward Plan & Work Programme for 2025-26

The Chair briefly addressed the Committee, stating that given the uncertainty concerning the completion of the accounts and heavy content scheduled for discussion at the September and December meetings of the Audit and Standards Advisory Committee, an additional meeting of the Committee might be required. This would depend on future developments, members of the Committee would be informed on when the details were finalised. It was also noted that if a meeting did occur in November, it would be important to keep discussion focused solely on the key points required.

13. Any other urgent business

None.

David Ewart

Independent Chair

Meeting closed at 19:59

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London Borough of Brent
Audit & Standards Advisory Committee – Action Log September 2025

Meeting Date	Agenda No.	Item	Actions	Lead Officer and Timescale	Progress
23 Jul 25	6	Procurement Review Update	<ul style="list-style-type: none"> Officers to maintain ongoing efforts to enact implementation of recommendation 2.2 of the report, with a report demonstrating their efforts brought to the Committee within the 6 months following the 23rd of July 2025. Consideration to be given to the inclusion of Social Value & Community Wealth considerations within the Council's corporate report 	Rhodri Rowlands & relevant departmental leads	In progress
23 Jul 25	10	Evaluating the Effectiveness of the Audit and Standards Advisory Committee	To consider development of the Committee work programme enable deep dives in specific areas, where identified. This to include the potential for ad hoc working group or additional members briefing sessions outside of the main Committee meetings.	Chair & Vice-Chair & lead officers	In progress
16 Jun 25		ASAC Action Log	To review content of ASAC Action Log in order to update progress and (where available) include due dates for actions	Chair & Vice-Chair & lead officers with Harry Ellis	In progress
16 Jun 25	6	Self-Referral to Regulator of Social Housing	Further update to be provided for ASAC in September 25 on progress with audit of Council's compliance arrangements and any further action identified in relation to the Performance Improvement Plan	Spencer Randolph	In progress – update report scheduled on ASAC work programme for September 25
16 Jun 25	8	Internal Audit Annual Report	In view of the identification of data quality and integrity as a theme across core and risk focussed audit activity in terms of gaps and weaknesses in the Council's second line of defence, to consider the potential scope for a	Darren Armstrong & relevant departmental leads	In progress

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			more cross cutting review of the arrangements in place across individual departments to ensure the necessary oversight has been embedded and is being monitored across the Council as a whole.		
25 March 2025	11	Strategic Risk Report	<ul style="list-style-type: none"> To review Climate Change and Environmental considerations within future cover report to ensure they reflect any related risks identified within the register 	Darren Armstrong	Ongoing
			<ul style="list-style-type: none"> Risk to Council arising from change in Employer National Insurance contributions impacting on to 3rd Party suppliers to be kept under review as part of general risk already included on register relating to Financial Resilience & Sustainability. 	Minesh Patel/Rav Jassar	Ongoing
04 Dec 24	8	Treasury Management Mid-Year Report 2024-25	In commenting on the report the Committee, in reviewing the Capital Expenditure and Financing requirements at Q2 and slippage in delivery of elements of the Capital Programme, were keen to ensure that regular monitoring and in terms of delivery of the programme and the scheduling of its financing requirements continued to be undertaken to minimise the financial risk associated with maintaining the capital finance borrowing requirement.	Amanda Healey/Sam Masters	In progress – review of Capital Programme & Financing Requirements subject to review.
04 Dec 24	9	Internal Audit Interim Report – 2024-25	<ul style="list-style-type: none"> Risk owner/manager(s) be required to include details within the future schedule (included as Appendix 4 of the report) of 	Darren Armstrong	In progress – Details to be included as part of

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			<p>High & Medium Risk overdue actions of the reasons/cause for the delay in implementation of agreed actions to enable trends to be monitored. (Darren Armstrong)</p> <ul style="list-style-type: none"> In cases of specific non engagement in the audit process or where the risk identified in ongoing non implementation of the action was identified as critical, the risk owner/manager be formally required to attend the Committee. In noting that the non-implementation of actions relating to 1 audit included within Appendix 4 of the report had been identified as close to critical it was agreed that should meaningful engagement not be achieved prior to the next meeting, the relevant management representatives should be required to attend the next Committee to provide an update. (Darren Armstrong) 	Darren Armstrong	<p>next Internal Audit Update Report</p> <p>In progress – implementation of outstanding actions subject to ongoing review. If required, arrangements to be made for risk owners/managers to be required to attend future meetings.</p>
	11	London Borough of Brent Auditor's Annual Report 2023-24	An update be sought from the Director Strategic Commissioning & Capacity Building on progress in addressing the Improvement Recommendation included within the Annual Report in relation to review of the Council's Procurement Strategy.	Minesh Patel & Councillor Chan (Vice-Chair)	In progress
24 Feb 25			To consider how any areas of focus identified in relation to preparation of the Accounts need to be incorporated as part of the core assurance work within the Internal Audit Work Programme.	Rav Jassar/Darren Armstrong	In progress

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25 Sept 24	6	Report on i4B Holdings Ltd and First Wave Housing Ltd	To review the progress being made in addressing void performance as part of the next update on progress against delivery of the i4B Business Plan.	Minesh Patel	In progress – to be reviewed as part of ongoing Business Plan updates for Committee
24 July 24	6	Dedicated Schools Grant – Deficit Management Plan	<ul style="list-style-type: none"> The Committee to be kept updated on progress regarding delivery of the DSG deficit recovery plan. 	Nigel Chapman & Minesh Patel	Further update to be scheduled (as required) on work programme.
12 June 24	7	Annual Counter Fraud Report 2023-24	Further details to be circulated on completion of mandatory data submission under National Fraud Initiative and outcome of the work supported in relation to Council Tax Single Person Discount.	Darren Armstrong	In progress
	12	External Audit Fees	Committee to continue to keep the level of external audit fees and any additional charges incurred or increase in fees under ongoing review.	Minesh Patel/Rav Jassar	In progress – review ongoing.
6 February 24		Complaints Code of Conduct procedure	Committee to continue to monitor trends as part of future updates in terms of complaints and assurance around outcomes.	Debra Norman/Biancia Robinson	In Progress - To be included as part of future Annual Complaints report
	7	CIPFA Financial Management Code & Redmond Review	Alignment of key financial strategies and programmes with the Committee work programme to be reviewed to ensure joined up approach as part of Financial Planning and budget setting process.	Minesh Patel	In Progress – to be reviewed as part of 25-26 budget setting process

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			Redmond Review – Committee to review the summary of financial information section added to the narrative report within the Statement of Accounts for 24-25.	Rav Jassar	In Progress – to be reviewed as part of 24-25 Statement of Accounts
	10	Evaluating the Effectiveness of the Audit & Standards Advisory Committee	Additional training needs identified in relation to: <ul style="list-style-type: none"> Treasury Management Strategy; focus on levels of internal control & defence mechanisms (Minesh Patel/Darren Armstrong) Role of External Audit – added as action following 12 June 24 Committee 	Minesh Patel & Darren Armstrong	In Progress - included as part of the Committee's Training & Development Programme during 24-25

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	Audit and Standards Advisory Committee 25 September 2025
	Report from the Director of Law
	Lead Member - Deputy Leader and Cabinet Member for Finance & Resources Councillor Mili Patel
Standards Report (including quarter two update on gifts and hospitality)	

Wards Affected:	All
Key or Non-Key Decision:	Not applicable
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	One Appendix A: Gifts & Hospitality Register (Qtr. 2)
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Marsha Henry, Director of Law 020 8937 4078 Marsha.henry@brent.gov.uk . Bianca Robinson, Principal Constitutional, Governance & Finance Lawyer 020 8937 1544 Bianca.robinson@brent.gov.uk .

1.0 Purpose of the Report

- 1.1 The purpose of this report is to update the Audit and Standards Advisory Committee on gifts and hospitality registered by Members, a recent standards decision made by Cornwall Council and the Government's announcement of the Ethics and Integrity Commission, replacing the long-standing Committee on Standards in Public Life.

2.0 Recommendations

- 2.1 That the Committee note the contents of the report.

3.0 Detail

Contribution to Borough Plan Priorities & Strategic Context

- 3.1. The reviewing and maintenance of high standards of member conduct supports the delivery of the borough plan by promoting confidence in the operation and good governance of the council.

Gifts & Hospitality

- 3.2 Members are required to register gifts and hospitality received in an official capacity worth an estimated value of at least £50. This includes a series of gifts and hospitality from the same person that add up to an estimated value of at least £50 in a municipal year.
- 3.3 Gifts and hospitality received by Members are published on the Council's website and open to inspection at the Brent Civic Centre.
- 3.4 For the second quarter of 2025/26 one councillor has declared gifts and hospitality as being received, this is set out in further detail in Appendix A, together with the details of the receiving Councillor. The Committee will note its low value.
- 3.5 The Committee will recall that hospitality accepted by the Mayor in their civic role are recorded separately and published on the Council's website.

Member Training Attendance

- 3.6 At this Committee's request reports updating it on the attendance records for Member's in relation to mandatory training sessions has become a standard reporting item. Refresher mandatory training for all members has now completed, and were happy to report that most Members have completed it. However, there are still four Members who need to complete their DP training, and a training session is scheduled for them on the 17th of September. A calendar invite has been sent to all four Members. They are:

- Cllr.Shama.Tatler@brent.gov.uk
- Cllr.Paul.Lorber@brent.gov.uk
- Cllr.Jake.Rubin@brent.gov.uk
- Cllr.Kathleen.Fraser@brent.gov.uk

- 3.7 The Committee will know that:

- a) It is a requirement of the Members' Code of Conduct that all members' *"must attend mandatory training sessions on this Code or Members' standards in general, and in accordance with the Planning Code of Practice and Licensing Code of Practice"*.

- b) The schedule for all mandatory sessions is ordinarily published and approved in the Council calendar at the May Annual Council meeting.
- c) All internal training sessions attended by Members are published on the Council's Website and on individual Member profile pages.
- d) For face-to-face training sessions, reminders are sent via email, calendar invitations, and text messages and, on some occasions, direct telephone calls to Members. The same reminder process is employed for re-run(s) of sessions, where applicable, to take account of personal circumstances like work commitments and childcare arrangements etc.
- e) During 2025 the Committee will receive regular updates on Members who have not completed the mandatory training sessions.

Cornwall Council - Standards Decision

- 3.8 Cornwall Council has said it will refer to the police a former councillor's failure to correctly register his disclosable pecuniary interest (DPI) upon becoming Head of Air and Space at Cornwall Airport.
- 3.9 In an assessment decision notice made public on 9 June, former Councillor Louis Gardner failed to declare a non-registerable interest at a meeting of the Cornwall and Isles of Scilly Economic Prosperity Board on 27 February 2025, where the agenda included an item involving a vote on £200,000 in funding for Spaceport, which is a project owned and run by Cornwall Airport.
- 3.10 Mr Gardner had accepted a role at Cornwall Airport the day before the meeting of the Economic Prosperity Board. His DPI arose on the commencement of his employment, the report said, which was believed to be on 17 March 2025. It's reported that in on 11 April, he made enquiries as to who he should send an update to but made no further communication with regards to updating his register. He stopped being a councillor on 1 May.
- 3.11 Mr Gardner, who was a cabinet member and portfolio holder for economy, was found to have breached a series of provisions set out in Cornwall's Code of Conduct.
- 3.12 In relation to the failure to correctly declare his DPI, the assessment decision notice said this might represent a failure to comply with the requirements of Section 30 of the Localism Act 2011, "and this part of the complaint will be forwarded to the police to allow them to consider if an offence under Section 34 of the Localism Act has been committed". Section 34 of the 2011 Act makes it a criminal offence if a member "fails, without reasonable excuse, to comply with requirements under section 30 or 31 to register or declare disclosable pecuniary interests" and empowers the magistrates' court, upon conviction, to impose a fine of up to £5,000 and an order disqualifying the person from being a member of a relevant authority for up to five years.
- 3.13 A few points arising:

- The assessment decision notice said that, at the time of the board meeting, Gardner would not have had a DPI, "but he clearly had a non-registerable interest because of the Spaceport appointment".
- the funding decision might reasonably be regarded as affecting the financial position of Spaceport, "which might also reasonably be regarded as affecting [Gardner's] wellbeing (by providing funding for Spaceport that he would then have at least some responsibility for, and which would enable him to succeed in his role)".
- It was suggested that Gardner had breached the following provisions of the council's code of conduct:
 - You must not conduct yourself in a manner which is contrary to the council's duty to promote and maintain high standards of conduct by Members.
 - You must not conduct yourself in a manner which could reasonably be regarded as bringing your office or the council into disrepute.
 - You must not use or attempt to use your position as a Member of the Council improperly to confer on or to secure for yourself or any other person an advantage or disadvantage.
 - Declaration of interest at a meeting.
 - Registration of new disclosable pecuniary interests.

3.14 Mr Gardner argued that he had weighed up everything at the time of the meeting but decided he did not have an interest to declare as he had not started employment with Cornwall Airport and had not yet been given a contract. He also said that the Spaceport programme was a long-standing council project which was already fully endorsed by the Cabinet. In light of this, he said he believed he was "merely endorsing" a Cornwall Council project. He said that he would have sought legal advice but was "very wary" about informing anybody about his forthcoming move and wished to honour an agreement between him and the airport's managing director on who would be informed and when.

3.15 The decision notice stated: "I cannot see that the Subject Member had a reasonable excuse for not registering his interests. "A last-minute enquiry was made before going on holiday, but this was at the 11th hour, and the Subject Member has 28 days to act and register his employment." Consequently: "Whilst the failure to register the interest is a breach of the Code, in order to ensure this is dealt with as is required by the legislation this part of the complaint this will be forwarded to the police to allow them to consider if an offence under section 34 of the Localism Act has been committed."

Creation of an Ethics and Integrity Commission

3.16 The Government announced the creation of the Ethics and Integrity Commission (EIC), which will replace the Committee on Standards in Public Life (CSPL). A short summary follows so that the Committee is aware of the potential changes in relation to Standards matters.

- 3.17 This change is part of wider efforts to restructure the public standards framework and consolidate oversight mechanisms under a single administrative umbrella. Whilst this initiative stems from a manifesto pledge made by the Labour its stated objective of the reform is to simplify existing arrangements and improve coherence across standards-related bodies in government and “restore confidence in government and ensure ministers are held to the highest standards” and has stemmed in part from a number of scandals surrounding those in public office over the recent years.
- 3.18 Rather than create a new public body, the Government has chosen to reconstitute the Committee on Standards in Public Life (CSPL) as the Ethics and Integrity Commission (EIC). The EIC will continue to promote the Seven Nolan Principles of Public Life, first formalised by the CSPL in 1995. However, its role is now set to expand beyond its predecessor's remit. In addition to its existing standards-promoting function, the Commission will coordinate with other ethics bodies, produce annual reports on the state of public standards for the Prime Minister, and serve as an accessible point of contact for the public and professionals seeking guidance on ethical frameworks in government. The EIC will not have powers to investigate individual cases or enforce standards — functions that remain the domain of other regulatory bodies. Details are yet to be provided on the timescales for establishing the new Commission, Terms of Reference and resource allocation

4.0 Financial Considerations

- 4.1 There are no financial implications arising out of this report.

5.0 Legal Considerations

- 5.1 Pursuant to the Localism Act 2011, the Council has to have arrangements in place to deal with any allegations of failure to comply with the code of conduct and must appoint an Independent Person whose views are sought and taken into account by the council before it makes its decision on an allegation that it has decided to investigate.
- 5.2 The Council, individual Members and co-opted Members are required to promote and maintain high standards of conduct in accordance with s27 of the Localism Act 2011. The attendance at mandatory training sessions is a means to achieve this and a requirement pursuant to the Brent Members' Code of Conduct as set out in Part 5, of the council's Constitution.

6.0 Equity, diversity and inclusion Considerations

- 6.1 There are no equality implications arising out of this report.

7.0 Consultation with Ward Members and Stakeholders

- 7.1 As set out in the body of the report.

8.0 Human Resources/Property Implications (if appropriate)

8.1 Not applicable.

9.0 Climate Change and Environmental Considerations

8.1 None.

10.0 Communication Considerations

9.1 None.

Report sign off:

Marsha Henry
Director of Law

Q2 - 06/06/2025 - 15/09/25

Councillor	Date of gift	Gift received	Value £	From
Cllr Charlie Clinton	06.07.2025	Bailey 1L - value £14.00 and Toblerone Truffles - value £7.00. Total value £21.00	21.00	Received from Residents of Wendover House, Hatton Road.

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	Audit & Standards Advisory Committee 25 September 2025
	Report from the Director of Housing Services
Self-Referral to Regulator of Social Housing - September 2025 Update	

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
List of Appendices:	None
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Spencer Randolph - Director of Housing Service 020 8937 2546 Spencer.randolph@brent.gov.uk Gary Mitchell - Head of Housing Management +44 20 8937 2956 Gary.Mitchell@brent.gov.uk

1.0 Executive Summary

- 1.1. The purpose of the report is to update the Audit & Advisory Committee of the progress made so far as a consequence of the self-referral in April to the Regulator of Social Housing.
- 1.2. The follows the update to the Committee on 16 June 2025 from the Corporate Director, Residents and Housing Services Director, Housing Services.

2.0 Recommendation(s)

- 2.1 That members of the Committee note the content of the report.

3.0 Detail

- 3.1 **Contribution to Borough Plan Priorities & Strategic Context**

3.1.1 The work detailed in this report and that of the housing management service more generally supports the Council's wider borough plan to Move Brent Forward Together. In particular, the work presented with this report supports the borough plan priority to provide prosperity and stability in Brent through helping to deliver the desired outcome for safe, secure and decent housing across the borough.

3.2 Background

3.2.1 In April 2025 it was identified within the Housing Service that True Compliance, which is the compliance software utilised by the council, had been updated incorrectly.

3.2.2 Further investigations established that up to 12,500 fire actions had been wrongly updated to indicate that works had been completed but were missing the required supporting evidence. In addition, the council was unable to reconcile performance data on asbestos management, water safety and detectors for smoke and carbon monoxide.

3.2.3 Upon realising the potential seriousness of the situation, advice was taken on appropriate corrective steps, from a building safety specialist that deals with the management and recovery of regulatory breaches.

3.2.4 In line with the requirements of the Social Housing (Regulations) Act 2023 around transparency, the advice was to self-refer to the Regulator of Social Housing.

3.2.5 Contact was made with the regulator, which subsequently led to a request for further performance information on building safety and stock decency.

3.2.6 The council was unable to provide a comprehensive response, due to the low level of confidence in the performance data held within True Compliance.

3.2.7 As part of the response, the council was asked to provide information on its stock condition data.

3.2.8 The council reported that it had stock data on 95% of its homes, however it does not hold recorded survey information on over 50%.

3.2.9 As a result of the aforementioned issues, on the 28th May 2025 the Regulator of Social Housing [published its regulatory judgement](#), that being a grading of **C3**.

3.2.10 The Consumer Standards is the regulatory framework operated by the Regulator of Social Housing. Set out below is an explanation of the grading:

Grading	
C1	Fully compliant: landlords demonstrate good compliance and an appetite and ability to address failings effectively.
C2	Still compliant, but there may be some weaknesses or areas for improvement.
C3	Serious failings have been identified, and significant improvements are needed.
C4	Very serious failings, and fundamental changes are needed to address them

3.2.11 In response to the situation, the council appointed health and safety advisors that specialise in building safety and assisting landlords in meeting the requirements and outcomes set out in the Social Housing (Regulations) Act 2023, in particular The Quality and Safety Standard.

3.2.12 The independent specialists began their work mid-May and have completed an initial assessment of the council's compliance arrangements against the 'Big 8' areas of compliance. These being:

1. Fire Safety
2. Gas Safety
3. Electrical Safety
4. Water Safety
5. Asbestos Management
6. Mechanical and Engineering (Lifts)
7. Damp and Mould
8. Smoke and Carbon Monoxide (CO) detectors

3.2.13 The Health and Safety Specialist have been contracted to support ongoing improvement work, providing additional objective and independent oversight, as well building safety expertise.

3.2.14 Caldiston Ltd have carried out an independent forensic audit across all key compliance workstreams (including fire, gas, electrical, water, asbestos and decent homes requirements) which was completed in August 2025. The audit involved desktop reviews, staff interviews and validation of data from multiple systems in use by the service, including True Compliance, NEC, and LifeSpan.

3.2.15 The audit aligned with officers' concerns, validating the referral to the regulator confirming that there were significant systemic issues, particularly in data management, governance, and policy implementation. The overall outcome of the audit was that the housing management service has inadequate assurance in relation to managing building safety and compliance.

3.2.16 Key recommendations from the audit include developing a comprehensive compliance framework, resolving data integrity issues, closing overdue fire risk assessment actions, establishing central registers for smoke and CO detectors, and providing staff training on compliance processes. It is also recommended

to implement dashboards for real-time KPI monitoring and align the Strategic Risk Register with actual risks.

3.2.17 The findings from the audit have highlighted and clarified several areas that the service had already identified as needing focus as well as some additional key learning. These findings will now feed into the development of a robust action plan for improvement. This action plan will also include root cause analysis (as recommended by The Regulator), to ensure permanent solutions are in place to prevent similar issues arising in the future and will form a key part of the agenda and monitoring for the relevant project board under the newly established Housing and Tenant Improvement Programme.

4.0 Ongoing improvement work

- 4.1 Whilst the reflective audit work is vital for lesson learning and effectively mapping robust and long-term improvements to our management of building safety, it has been important to us as a service to ensure we are driving forward rapid improvements on the ground to strengthen oversight quickly and provide re-assurance for our residents
- 4.2 The Compliance Team have been onboarding additional contractors to expedite the completion of works as a consequence of Fire Risk Assessments, and as of 1 September it is confirmed that all outstanding high-risk fire actions in high-rise blocks have been satisfactorily addressed; either closed with evidence, completed and closed with evidence or work booked.
- 4.3 The rebuild of True Compliance and the NEC asset register is underway, and additional governance has also been implemented around the management of data, in particular restricting property creation access which provides a more controlled approach to new properties being added to the system and feeding into compliance workstreams accurately.
- 4.4 The compliance team has been progressing with recruitment. A Compliance and Contract Manager, a dedicated electrical manager, a Quality and Delivery Manager and an interim Contract Officer all started in September. Two permanent Contract Officers are being shortlisted currently, all with a focus on compliance and safety.
- 4.5 Furthermore, the Housing & Tenant Satisfaction Improvement Board met for its initial meeting in September.
- 4.6 This Board, chaired by the Chief Executive, will oversee and drive initiatives aimed at improving the quality of housing services and increasing tenant satisfaction.
- 4.7 The Board will provide governance and oversight by monitoring the progress of improvement initiatives and ensuring compliance with housing standards.
- 4.8 Significant progress has been made in addressing the data issues highlighted in the audit report. Our priority has been to validate the ownership and the

council's compliance responsibilities of all properties on our Housing Database, NEC. This work is essential to build confidence in our data and provide a reliable foundation for reporting.

- 4.9 We are currently in the process of systematically reviewing each compliance stream, starting with Gas. This will confirm the properties that fall in or out of scope, and importantly, for what reason. Whilst the audit highlighted that confidence in the reporting number is low, we are using these figures as a baseline so that improvements can be clearly appreciated as our validation work progresses. This will result in the reported asset numbers changing as properties are validated and confirmed in work streams, and percentages fluctuating because of this.
- 4.10 This data correction work is not limited only to the properties we report on to the Regulator (i.e. council owned homes) but has been expanded to all residents in our properties e.g. leaseholders, i4B and FWH tenants etc. This ensures a consistent, council-wide approach that strengthens both safety and assurance moving forward.
- 4.11 We have accelerated the Stock Condition Survey program to 35% this financial year splitting the remaining surveys between the next 2 years with a goal to reach 100% March 2028

5.0 Engagement with residents and key stakeholders

- 5.1 Effective communication and engagement with residents and key stakeholders is central to the overall recovery plan. A multi-channel engagement strategy has been developed in partnership with the councils Communications Team which prioritises transparency, trust and keeping all key parties informed of progress and upcoming changes.
- 5.2 Engagement and communication activities scheduled for the coming month:
- Special print edition of The Noticeboard (council tenant and leaseholder newsletter), providing an update on building safety, re-iterating how to contact the service about building safety concerns and an overview of the new repairs contract set up.
 - E-newsletter version of The Noticeboard to include video message from Cllr Donnelly-Jackson outlining the Regulator judgement, what it means, what action has been taken so far and our commitment to rapid and lasting improvements.
 - Update to the existing web page and FAQs.
 - Members bulletin update and self-referral update report to PCG.

6.0 Financial Considerations

- 6.1 Like other local authorities, Brent is facing significant financial pressures and is continuously needing to look for efficiencies to address budget challenges. Some of the main challenges that could affect the long-term viability of the HRA Business Plan along with rent levels are major works and repairs.
- 6.2 As the Council adds more stock to its portfolio and complexities of new additional requirements to building standards are increasing, such as fire safety works and decarbonisation, the cost of major works are rising. At the moment, there is insufficient government subsidy available to address these changes. The Asset Management Strategy and investment plans must be approached cautiously and allow for flexibility to scale back on schemes where required. Careful budget monitoring and financial planning are crucial. With a current 5.75% loan rate for the HRA, £1m in borrowing costs the HRA circa £28k per annum in interest costs.
- 6.3 The specialists that have been appointed to assist with the recovery of the compliance breaches, are currently undertaking an initial assessment of the situation with the intention of developing a recovery programme.
- 6.4 Upon completion of the initial assessment, a paper will be presented setting out the anticipated costs and financial implications. For comparative purposes, a registered provider with 21,000 homes that were in a similar situation, spent £2.3m on their recovery programme.
- 6.5 It should be noted that whilst operating under a regulatory notice, access to grant funding for housing developments may be reduced or ceased, until the council can evidence a position of compliance.

7.0 Legal Considerations

- 7.1 This report ensures compliance with the regulatory standards for housing, in particular ensuring we comply with the requirements of the Social Housing (Regulations) Act 2023 (the “Act”).
- 7.2 The Act received royal assent on 20 July 2023. It makes provision for the regulation of social housing landlords, particularly with regard to issues such as safety, transparency, standards and conduct of staff and tenant engagement. The Act also strengthens the powers of the Housing Ombudsman and enables requirements to be set for social landlords to address hazards such as damp and mould within a fixed time period.
- 7.3 As a result of the amendments made by this Act, safety and transparency will become explicit parts of the objectives of the Regulator of Social Housing (“the Regulator”) and the Regulator will have greater powers in relation to the competency and conduct of staff and the provision of information. The Regulator will also be given strengthened economic powers to ensure they can effectively intervene when required to enable them to assess landlords failing to meet standards more routinely and proactively, as well as taking action in a

wider range of circumstances. Changes are also made to the economic regulatory regime to ensure that providers of social housing are well governed and financially viable.

- The Act has three core objectives as follows:
- To facilitate a new, proactive consumer regulation regime
- To refine the existing economic regulatory regime
- To strengthen the Regulator's powers to enforce the consumer and economic regimes.

7.4 On 29 February the Regulator set out the revised consumer standards that apply to all registered housing providers from 1 April 2024. The new standards are:

- The Safety and Quality Standard
- The Transparency, Influence and Accountability Standard
- The Neighbourhood and Community Standard
- The Tenancy Standard

7.5 The introduction of the revised consumer standards also included information on the Regulator's Tenant Satisfaction Measures (TSM) referred to above, that all social housing landlords must report on. The TSMs will help the Council to see how well it is doing in areas such as keeping properties in good repair, maintaining building safety, and effectively handling tenant complaints. The Regulator required all landlords who own more than 1,000 homes to submit their first TSM data return by 30th June 2024 to enable the Regulator to publish the first year of data by autumn 2024.

7.6 As a social landlord the council has a duty to provide a safe environment for those living in their homes. Failure to comply could result in negative outcomes ranging from customer dissatisfaction and criticism to a requirement to submit (to the Regulator) a Performance Improvement Plan, or to take particular remedial actions as set out in an enforcement notice. If necessary, the Regulator will be able to authorise an appropriate person to enter a social housing premises to take emergency remedial action, issue penalties such as unlimited fines, or require the provider of social housing to pay compensation. A provider of social housing will commit an offence if they obstruct access or work required to undertake remedial action. A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 4 on the standard scale.

7.7 As per the report the council completed a self-referral that focused on the Safety and Quality Standard. The regulator notes that: "This is the first time we have issued a consumer grade in relation to this landlord. LB Brent has engaged positively with us since making its self-referral and has plans in place to understand the wider impact of its current position. Those actions include work to understand the root causes of the presenting issues, reviewing the completion of all closed fire safety remedial actions through a risk-based approach and working to develop a suitable action plan to resolve the issues. We will continue to engage with LB Brent as it seeks to address the issues that

have led to this judgement. This includes evidencing that it is taking reasonable steps to mitigate risks to tenants as it creates and delivers its improvement plan. We are not proposing to use our enforcement powers at this stage but will keep this under review as LB Brent seeks to resolve these issues”.

8.0 Equity, Diversity & Inclusion (EDI) Considerations

- 8.1 The public sector equality duty set out in Section 149 of the Equality Act 2010 requires the council, when exercising its functions, to have due regard to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not share that protected characteristic. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

9.0 Climate Change and Environmental Considerations

- 9.1 Housing is a key stakeholder in delivering the Councils Climate Action strategy. The actions Housing is responsible for are as follows:
- Retrofit work to three tower blocks;
 - We will deliver further retrofitting projects via the Council’s Carbon offset fund;
 - We will develop and implement employer requirements for energy efficiency standards within all new Council housing;
 - We will explore and identify an opportunity for an exemplar net zero new build within the NCHP;
 - We will review developments within our NCHP pipeline to ensure that all aspects of sustainability are holistically addressed, with a special focus on the proposed development plans for St Raphael’s Estate;

10.0 Human Resources/Property Considerations (if appropriate)

- 10.1 At this time it is anticipated that additional resource will be required in the short to medium term, to assist with the recovery programme.


11.0 Communication Considerations

- 11.1 In consultation with the regulator, we are adopting a proactive approach concerning our engagement with tenants, elected members, and the wider community.

Report sign off:

Thomas Cattermole

Corporate Director of Residents and Housing Services

	Audit & Standards Advisory Committee 25 September 2025
	Report from the Corporate Director of Finance and Resources
	Lead Cabinet Member - Deputy Leader and Cabinet Member for Finance & Resources
Strategic Risk Report	

Wards Affected:	All
Key or Non-Key Decision:	Non-Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
List of Appendices:	Appendix 1 – Strategic Risk Register
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Darren Armstrong, Deputy Director Organisational Assurance and Resilience Darren.Armstrong@Brent.gov.uk ; 020 8937 1751

1.0 Executive Summary

- 1.1. This report provides an update on the Council's Strategic Risks as of September 2025. The update has been prepared in consultation with risk leads and Directorate Leadership Teams and summarises the risks that are considered to be of an impact and/or likelihood of materialising, and which may have an adverse effect on the achievement of the Council's corporate objectives.
- 1.2. Since the previous update in March 2025, most risks have remained stable. However, one risk—relating to non-compliance with statutory housing duties—has shown an upward trend and has moved from a risk score of 10 to a score of 25.
- 1.3. No new risks have been added. While no risks have been closed, the two risks previously reported in relation to Climate Change (adaptations and net-zero) have been consolidated into a single overarching risk.

2.0 Recommendation(s)

2.1 The Committee is asked to note the report.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 Risk Management is a core element of the Council's corporate governance framework. The primary objective of risk management, as a process, is to identify, assess, manage and control potential events or situations that may prevent the achievement of objectives. The Council's approach to risk management, including the preparing of the Strategic Risk Report, is therefore closely linked and aligned to the Borough Plan priorities and forms an integral part of decision-making, business planning and performance management practices.

3.1.2 The overarching vision of the Risk Management Strategy is to assist the Council with achieving its Borough Plan priorities and objectives through the application of best practice risk management principles.

3.2 Background

3.2.1 The Strategic Risk Report, seen at **Appendix 1**, presents the Council's most significant risks which have the potential to significantly impact on the success of the Council as a whole. These risks are strategic, cross-cutting and have the potential to impact a range of different services or functions.

3.2.2 The Strategic Risk Report is owned collectively by the Council Management Team (CMT), with each risk assigned a Senior Responsible Officer. The report is provided via a 'bottom-up' provision of risks from services and departments, which are deemed to require consideration at the higher level. Additionally, risks are also input directly via CMT.

3.2.3 Internal Audit is responsible for working with risk sponsors and nominated risk leads, in an advisory capacity, to coordinate the review and update all strategic risks.

3.3 Strategic Risks - Overview

3.3.1 The Strategic Risk Report was last updated in March 2025. Since then, the Council has continued to operate in a heightened risk environment due to various external factors, and the scale of these risks, the full scale and magnitude of these risks should not be understated.

3.3.2 The Council's overall risk profile therefore continues to reflect this heightened risk environment, with twelve of the thirteen strategic risks sitting outside of their target risk score. However, to balance this, 11 risks are reporting a stable risk

trend with scores remaining consistent with those previously reported in September. Key highlights and themes include:

- **Risk A – Lack of Supply of Affordable Accommodation**

The demand from homeless households remains high, with an average of 139 applications per week for Q1 of 2025-26. This level of demand, if sustained, would present a 10% increase on the total number of applications received in 2024-25.

Affordability challenges continue to drive high demand, exacerbated by rising rents and a shrinking supply of accommodation in the Private Rented Sector (PRS). Increasingly, PRS landlords are evicting tenants and withdrawing from the market. This contraction in supply, combined with escalating rental costs, has significantly limited the service's ability to secure sufficient affordable PRS accommodation at Local Housing Allowance (LHA) rates to meet current demand.

This remains one of the Council's highest score risk with a score of 25.

- **Risk B – Cost of Living Crisis**

The cost-of-living crisis continues to affect Brent residents. In response, the Council remains committed to supporting those most in need, with a particular focus on approaches that empower individuals to improve their circumstances over the longer term. The impact in Brent is especially pronounced due to higher-than-average unemployment rates and comparatively low wages among those in work.

- **Risk H – Financial Resilience and Sustainability**

This risk was escalated from a score of 15 to a score of 20 in September 2024 and has remained at this level within previous two updates.

In February 2025, Full Council agreed the budget for 2025/26, based on a package of agreed savings, including amending the Council's Council Tax Support Scheme to require a greater contribution from all residents. This package of savings takes the total savings since 2010 to £238m (55% of the net revenue budget for 2025/26).

Alongside developing the budget, the MTFs was extended to cover the three year period from 2026/27 to 2028/29. This is expected to cover a three-year local government finance settlement from 2026/27, due in the autumn. As a result of ongoing pressures, particularly on homelessness and temporary accommodation, a further budget gap across the three years of £30m was identified.

This budget gap exists amid significant uncertainty in local government finances, as a result of the ongoing Fair Funding Review, which the Government have recently consulted on.

- **Risk L – Non-compliance with Statutory Housing Duties**

This risk has increased from a score of 10 previously, to the maximum score of 25.

As landlord, the Council must comply with statutory health and safety duties covering Fire, Legionella, Asbestos, Gas, Electric and Lifts (FLAGEL). Failure to do so breaches consumer standards and risks sanctions from the Regulator of Social Housing (RSH). As previously reported to the Committee, in April 2025 the Council self-referred to the RSH over fire safety concerns. Subsequent reviews identified similar issues in water safety and asbestos. In May 2025, the RSH issued a regulatory judgement, grading the service C3 and citing serious failings, hence the increase in risk score.

3.3.3 No risks are currently showing a downward trend. However, two risks are reporting an upward trend:

- Risk L – Non-compliance with Statutory Housing Duties (as noted above); and
- Risk K – Risk of a serious incident or wider safeguarding concern involving a vulnerable adult. This score has been increased to align with Risk H – Risk of a serious child protection incident or wider safeguarding concern.

3.3.4 Seven risks currently sit within the upper/red section of the heat map:

- Risk A. Lack of Supply of Affordable Accommodation
- Risk B. Cost of Living Crisis
- Risk C. Increase in Dedicated Schools Grant High Needs Block Deficit
- Risk D. Risk to Community Cohesion
- Risk E. Climate and Ecological Emergency
- Risk G. Financial Resilience and Sustainability
- Risk L. Non-compliance with Statutory Housing Duties

3.4 **New/Closed Risks**

3.4.1 There have been no new risks added to this risk register since the last update. No risks has been closed or de-escalated to a departmental level since the previous iteration; however, the two risks previously reported in relation to Climate Change (adaptations and net-zero) have been consolidated into a single overarching risk.

3.6 Amendments to Risks

- 3.6.1 Amendments have been made to the individual risk scores of existing risks, as illustrated by the 'previous' and 'updated' risk score columns. Amendments have also been made to the detailed risk plans (section 4), where appropriate.
- 3.6.2 Target risk scores introduced in February 2023, reflect the risk score that the Council is working towards achieving or maintaining. There have been minor amendments to the target risk scores for risks: G: Financial Resilience and Sustainability; H. Risk of a serious child protection incident or wider safeguarding concerns; and K. Risk of a serious incident or wider safeguarding concern involving a vulnerable adult.

3.7 Action Plans

- 3.7.1 Each strategic risk is accompanied by a strengthened action plan, which includes a dedicated section tracking progress against previously identified actions and assigns clear ownership to promote accountability. The actions outlined are designed to reinforce existing controls and mitigation measures, with the aim of either reducing the risk to its target score or maintaining it at that level.
- 3.7.2 It is important to note that monitoring the completion of actions requires a longer-term view across multiple reporting cycles. Additionally, not all actions are discrete or time-bound; for example, "*Continue delivering the New Council Homes Programme to increase the supply of affordable homes*" reflects an ongoing commitment rather than a one-off task. As such, the Committee is encouraged to assess actions within the context of each specific risk, considering whether completed actions have meaningfully influenced the associated risk scores.

3.8 Departmental Risk Registers

- 3.8.1 All Council departments are responsible for maintaining their departmental risk registers to ensure that all operational risks are effectively managed, and to ensure that risks are escalated to the Strategic Risk Report, via CMT, where risk scores exceed agreed tolerances.
- 3.8.2 To this end, all departmental risk registers were reviewed and updated, as appropriate, prior to preparing the Strategic Risk Report. Internal Audit continues to liaise with all departments to provide risk management support and to assist with the updating of their risk registers. Internal Audit also comment on the completeness and reasonableness of the information provided and use the information within the risk registers to inform their annual and in-year audit planning processes. This helps to ensure that audit resource is effectively targeted at providing assurance on the highest risk areas.

3.9 Risk Management Strategy

- 3.9.1 The Council's [Risk Management Strategy](#) was subject to a comprehensive review and update in Summer 2023. This presented a significant revamp that seeks to outline the Council's approach to risk management, to support a robust and consistent process for managing risks and opportunities.
- 3.9.2 The strategy was updated to ensure that the Council's risk management arrangements remain fit for purpose, but also complement other elements of the Council's governance processes.
- 3.9.3 A key addition to the strategy was the articulation of a risk appetite statement. Risk appetite is typically defined as the amount and type of risk that an organisation is willing to take in pursuit of its objectives and is a key component of effective risk management. The Council's risk appetite statement seeks to recognise that delivering the Council's strategic objectives is not without risk and some risks may need to be tolerated in order to innovate and improve. Equally, it is acknowledged that there are some risks that the Council should take every effort in managing and mitigating. The risk appetite statement therefore seeks to strike a balance between the Council's responsibility for managing risks against a need to work flexibly in delivering our strategic ambitions. To this end, the risk appetite statement defines six types of risks that the Council will seek to avoid at all cost.
- 3.9.4 Due to the significance and importance of the statement, it is envisaged that this will be reviewed and refreshed at regular intervals, where necessary and independently to the overall strategy, to reflect changes in the Council's risk profile. To this end, there have been no changes made to the Council's risk appetite statement during this period.

3.10. Enhancing the Risk Management Framework

- 3.10.1 Over the last two years the Council has made a number of significant improvements to the Council's risk management framework, including:
- Developing and implementing a new Risk Management Strategy;
 - Defining the Council's risk appetite;
 - Improved impact and likelihood metrics;
 - Introducing target risk scores;
 - Enhancing the number and level of risks at a strategic level; and
 - A more comprehensive approach to presenting the Strategic Risk Report.
- 3.10.2 As detailed above, as part of this iteration we have also enhanced the action plan to enable a more clear and transparent way of tracking actions to manage and mitigate risks.
- 3.10.3 It is however acknowledged that continuous improvement and enhancement is required to ensure that the Council's risk management framework and arrangements remain effective. To that end, two objectives and goals will guide future improvements:

- 1) Increased analysis and categorisation of departmental risks to provide more insight as to the full make up of the Council's risk profile.
- 2) To develop an integrated assurance plan to demonstrate a clearer link between assurance activities (by Internal Audit and other assurance providers) and the Strategic Risk Report.

4.0 Stakeholder and ward member consultation and engagement

4.1 None.

5.0 Financial Considerations

5.1 There are no specific financial implications arising from this report, other than those already set out within the report.

6.0 Legal Considerations

6.1 All Local Authorities are required to have in place arrangements for managing risks, as stated in the Accounts and Audit Regulations 2015:

“A relevant authority must ensure that it has a sound system of internal control which:

(a) facilitates the effective exercise of its functions and the achievement of its aims and objectives

(b) ensures that the financial and operational management of the authority is effective; and

(c) includes effective arrangements for the management of risk.”

7.0 Equality, Diversity & Inclusion (EDI) Considerations

7.1 None.

8.0 Climate Change and Environmental Considerations

8.1 None

9.0 Communication Considerations

9.1 None

Report sign off:

Minesh Patel

Corporate Director of Finance and Resources

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Strategic Risk Report

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September 2025

Risk Evaluation Matrix

The following impact and likelihood criteria are used to analyse and evaluate the Council's Strategic Risks.

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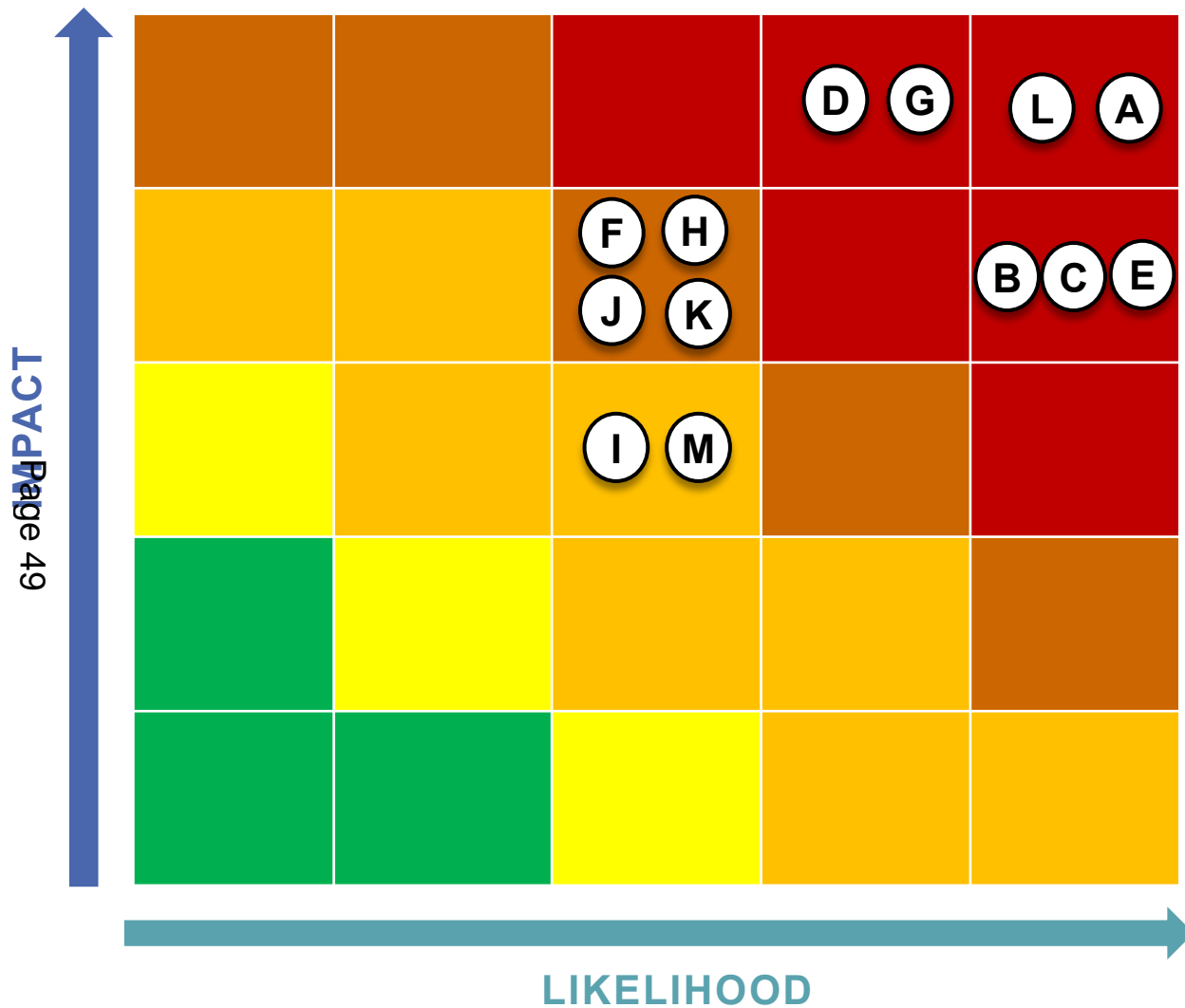
IMPACT

Score	Financial	Service Delivery	Health and Wellbeing	Reputation
5	Major Financial loss (above £2m)	Major disruption to a number of critical services	Multiple deaths / serious life-changing injuries / extreme safeguarding concerns.	Long term damage – e.g. adverse national publicity.
4	Significant Financial loss (above £1m)	Major disruption to a critical service.	Multiple casualties with life changing injuries / significant safeguarding concerns.	Medium to long term damage – e.g. adverse local publicity.
3	Moderate Financial Loss (less than £1m)	Moderate disruption to a critical service	Moderate risk of injury / noticeable safeguarding risks.	Medium term damage
2	Small Financial loss (less than £500k)	Moderate disruption to an important service.	Low level injuries / safeguarding risks.	Short term damage
1	Minor financial loss (less than £100k)	Brief disruption to important service	No immediate impacts to health or wellbeing	Some damage to specific functions

1	2	3	4	5
Rare	Unlikely	Possible	Likely	Very Likely
Highly unlikely, but it may occur in exceptional circumstances.	Not expected, but there's a small possibility it may occur at some point.	This event might occur at some point and/or there is a history of occurrence of this risk at this, or other, Councils	There is a strong possibility this event will occur.	This event is expected to occur in most circumstances.

LIKELIHOOD

Strategic Risk Heat Map



Ref	Risk
A.	Lack of Affordable Accommodation
B.	Cost of Living Crisis
C.	Increase in DSG High Needs Block Deficit
D.	Risks to Community Cohesion
E.	Climate & Ecological Emergency
F.	Cyber Attacks
G.	Financial Resilience & Sustainability
H.	Risk of a serious child protection incident or wider safeguarding concerns
I.	Recruitment and Retention
J.	Emergency Preparedness
K.	Risk of a serious incident or wider safeguarding concern involving a vulnerable adult
L.	Non-compliance with Statutory Housing Duties
M.	Contract Management

Risk Overview

Ref	Risk Title	SRO	Risk Score	Previous	Trend	Target Score	Gap to target score
A.	Lack of Affordable Accommodation	Director Housing Needs & Support	25 (I:5 L:5)	25 (I:5 L:5)	↔	10 (I:5 L:2)	+15
B.	Cost of Living Crisis	Head of Resident Experience	20 (I:4 L:5)	20 (I:4 L:5)	↔	15 (I:3 L:5)	+5
C.	Increase in Dedicated Schools Grant High Needs Block Deficit	Director Education Partnerships & Strategy	20 (I:4 L:5)	20 (I:4 L:5)	↔	16 (I:4 L:4)	+4
D.	Risks to Community Cohesion	Director Community Development	20 (I:5 L:4)	20 (I:5 L:4)	↔	15 (I:5 L:3)	+5
E.	Climate & Ecological Emergency Mitigation, Adaptation and Resilience	Head of Environment Strategy & Climate Action	20 (I:4 L:5)	20 (I:4 L:5)	↔	20 (I:4 L:5)	=
F.	Cyber Attacks	Managing Director, Shared Technology Service	12 (I:4:L3)	12 (I:4 L:3)	↔	9 (I:3 L:3)	+3
G.	Financial Resilience and Sustainability	Deputy Director of Finance, Corporate and Financial Planning	20 (I:5 L:4)	20 (I:5 L:4)	↔	10 (I:5 L:2)	+10
H.	Risk of a serious child protection incident or wider safeguarding concerns	Director Early Help and Social Care	12 (I:4:L3)	12 (I:4 L:3)	↔	8 (I:4 L:2)	+4
I.	Recruitment and Retention	Director Human Resources & Organisational Development	9 (I:3:L3)	9 (I:3 L:3)	↔	6 (I:3:L2)	+3
J.	Emergency Preparedness, Response & Recovery	Deputy Head of Resilience	12 (I:4:L3)	12 (I:4 L:3)	↔	9 (I:3 L:3)	+3
K.	Risk of a serious incident or wider safeguarding concern involving a vulnerable adult	Director Adult Social Services	12 (I:4 L:3)	8 (I:4 L:2)	↑	8 (I:4 L:2)	+4
L.	Non-compliance with Statutory Housing Duties	Director Housing Services	25 (I:5 L:5)	10 (I:5 L:2)	↑	6 (I:3:L2)	+19
M.	Contract Management	Director of Strategic Commissioning, Capacity Building & Engagement	9 (I:3:L3)	9 (I:3 L:3)	↔	6 (I:3:L2)	+3

A. Lack of Supply of Affordable Accommodation

Risk Details

Due to the limited supply of affordable accommodation in the Private Rented Sector (PRS), settled Temporary Accommodation and Social Housing, there is a risk of insufficient supply to meet the demand from homeless households and the need to place greater reliance on the emergency nightly paid temporary accommodation. This may impact on the wellbeing and quality of life for residents and place an increased financial burden on the Council through high costs of the accommodation and a subsidy loss from Government.

Risk Update


The total demand from homeless households for Q1 of 2025/26 was 1,806, broken down between 1,276 single people and 530 families. This equates to an average of 139 applications per week. If demand remains at the same level the total number of approaches for 2025/26 will be 7,224. This level of demand would be a 10% increase on the 2024/25 total number of applications, which was 6,545

Affordability issues are driving this high demand, rising rents and the contraction of accommodation available in the Private Rented Sector (PRS), as owners of PRS accommodation are evicting their tenants and exiting the market.. The contraction of supply, coupled with increase in rents has resulted in the service not being able to secure a sufficient supply of affordable PRS accommodation at the Local Housing Allowance (LHA) rate to meet demand. As the thresholds to trigger the statutory duty to provide accommodation are low, the service has a duty to secure interim emergency accommodation for most homeless families with dependent children. Due to the lack of supply of affordable PRS accommodation to move these families on to, the interim emergency accommodation has become silted up with over 1,000 homeless households. This is the most expensive form of TA, as the TA subsidy is capped at 90% of the one-bedroom 2011 LHA rate, which is typically £30 p/n. If a family occupy more than one room, the income is still capped at 90% of the 2011 one bedroom rate.

The Renters' Rights Bill has undergone its Third Reading in the House of Lords, pending Royal Assent and commencement, when the main provisions of the Act take effect. This is when Section 21 will be abolished, ending "no-fault" evictions. However, there is no set timescale for this – commencement may be immediate, or it could be months after Royal Assent. The abolition of Section 21 will mean landlords will no longer be able to end tenancies without providing a valid, legally defined reason, such as rent arrears, anti-social behaviour, or a desire to sell the property. It is therefore hoped that demand from homeless households will decrease following the commencement of the Act

The Preventing Homelessness Work Programme has implemented an action plan that is monitored by the SRO Delivery Board.

Risk Scores

	I	L	T	Trend
CURRENT	5	5	25	
Previous	5	5	25	
Target	5	2	10	

Key Controls & Mitigating Actions

- Preventing Homelessness Work Programme commenced to improve the service, promote a council-wide approach to the prevention of homelessness and reduce the cost of TA
- Promotion of the Find a Place you can afford scheme to encourage homeless households to source their own affordable accommodation in the PRS
- Continued use of grant money from the Council Homes Acquisition Programme (CHAP) the Local Authority Housing Fund (LAHF) to increase the supply of affordable accommodation
- Use of PRS accommodation.
- I4B acquisitions programme to increase supply of affordable PRS accommodation.
- Two purpose built emergency TA schemes delivered, and a third being developed.

A. Lack of Supply of Affordable Accommodation

◆ Action Plan

Ref	Action	Target Date	Status	Comments
Follow-up of Previous Actions – March 2025				
1.	To continue delivering the New Council Homes Programme (NCHP) to increase supply of affordable homes.	March 2026	In progress	It is anticipated that 820 new-build affordable homes will be delivered in 25/26. As at 31 July 300 homes have been delivered, and we are anticipating the completion of a further 520 affordable homes before the end of March 2026. 574 (70%) of these homes will be allocated to homeless households to help alleviate the pressure on Temporary Accommodation
2.	To continue to acquire street properties through i4B.	March 2026	In progress	The i4B acquisition target for 2025/26, is 15 properties. As at 31 July there are 8 properties in conveyancing, 2 at valuation stage and a further 4 in negotiations. It is therefore anticipated that the target will be met by end of March 2026.
3.	To ensure completion of a new temporary accommodation scheme that would provide an additional 130 units of temporary accommodation.	May 2029	In progress	<p>Cabinet approval to proceed with the scheme in July 2025. Next steps are to procure new consultants, prepare the tender pack and procure a new contractor. The contractor will then complete the design, submit the BSA gateway 2 application and build out the scheme. Please find indicative dates below:</p> <p>Consultant procurement: Sept – Nov 25 Tender Pack drafting: Dec – Feb 26 Contractor Procurement: March – May 26 RIBA 4 design: June – December 26 Gateway 2 application: Jan 27 – Apr 27 Build: May 27 – Apr 29</p>
New Actions – September 2025				
4.	Increase supply through the Council Homes Acquisition Programme (CHAP) programme in 25/26	March 2026	In progress	15 properties are being acquired under the Council Homes Acquisition Programme (CHAP) programme in 25/26 A Cabinet paper is scheduled for September 2025 and subject to approval, CHAP acquisitions. will commence
5.	Increase supply through the Local Authority Housing Fund (LAHF) programme in 25/26	March 2026	In progress	17 properties are being acquired under the Local Authority Housing Fund (LAHF) programme. Under the LAHF, the Council are required to purchase 42 properties in total by the end of March 2026. 19 properties have completed acquisition to date with a further 16 in conveyancing. Officers are currently reviewing market opportunities to meet the total LAHF target.
6.	Preventing Homelessness Work Programme	March 2026	In progress	<p>A comprehensive discovery process has been completed, and a detailed work programme implemented with OKR's monitored by the SRO Delivery Board. The Work Programme focuses on;</p> <ul style="list-style-type: none"> • Improving the Housing Needs & Support Department • Preventing homelessness • Reducing the cost of temporary accommodation

B. Cost of Living Crisis

Risk Details

The cost-of-living crisis caused by rising inflation and low wage growth continues to impact Brent’s residents. This was further exacerbated by the invasion of Ukraine pushing up further energy and food prices with inflation peaking at 11% in October 2022. This has coincided with lower wage growth effectively driving more families and households into hardship, leading to increased levels of service demand on the Council and additional pressure on front-line services.

Risk Update

The ongoing cost-of-living crisis continues to have pressure on Brent residents and the Council is committed to doing what it can to support those in greatest need - with a focus on a model which provides residents with the tools and support to improve their situation in the longer term. The cost of everyday essentials, such as food, is still high and energy prices are continuing to increase. Increasing rent costs and a lack of supply of private rented accommodation are driving increasing homelessness and high interest rates are also having an impact. The impact on Brent, with its higher-than-average unemployment levels and lower wages for those in employment, is particularly severe. Service demand continues to rise with pressures on adults’ and children’s social care. Pressure on the homelessness service has also increased considerably; 5,948 homelessness applications were received in 2021/2022, up to 7,300 in 2023/2024 and 6,281 in 24/25. The increase in homelessness is also causing budgetary pressure for the Council. As we navigate ongoing challenges of delivering essential services amidst rising costs and growing financial pressure, and to ensure financial sustainability, the Council has implemented the new Council Tax Support (CTS) Scheme 2025-26 with a standard 35% minimum payment for working age households. The Council recognises this will impact all working age households, to varying degrees dependent on financial and personal circumstances.

The support services we have in place, including food and fuel support and the Resident Support Fund (RSF), are continuing to be well used. Between 1st April 2024 and 17th August 2025, the Resident Support Fund has supported 6,245 applicants with £5,412,194.55. Support has been provided for household bills, Council Tax, food, fuel, digital equipment, and emergency funds. A further 932 customers have been supported through digital support.

The new Council Tax Support (CTS) scheme was implemented on 1 April 2025, alongside the Council Tax hardship fund. Information on both schemes is available on the redesigned webpage.

The hardship scheme for working-age residents includes the following main elements: the direct hardship relief (13A) policy, targeted communications, staff and partner briefings, self-service online support, face-to-face and telephone assistance, and an enhanced recovery process. Since implementation, we have received 1,137 Council Tax hardship applications. Of these, 1,025 were rejected and 103 were awarded. The average processing time from receipt to decision is 7.3 days. The total value of awards is £21,027.64, with an average award amount of £225.

Risk Scores	I	L	T	Trend
CURRENT	4	5	20	
Previous	4	5	20	
Target	3	5	15	

Key Controls & Mitigating Actions

- The Brent RSF has been in place since August 2020. A new model for the RSF moving from crisis support to longer term, more sustainable solutions has been in place since April 2024.
- A range of support has been put in place including a food and fuel poverty toolkit, the Brent Well and Warm scheme and warm spaces. Since 1st April 2024, 652 consultations have been undertaken as part of the Well and Warm Scheme.
- As part of the Cost-of-Living Outcome Based review and following successful pilots, a number of interventions have been approved as part of a longer-term support model for the next three years. This includes a Community Wellbeing Service (CWS), Debt Advice Service and Immigration Advice Service. In the first 6 months, the CWS supported 139 member families and facilitated over 3,000 community kitchen visits, over 1,000 café visits and nearly 1,000 community shop visits.
- Cabinet considered a revised 13A policy at its meeting on 10 March 2025. The approved policy provides access to a £1.5m fund to support further reductions in Council Tax for those experiencing particular hardship.

B. Cost of Living Crisis

◆ Action Plan

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Ref	Action	Target Date	Status	Comments
Follow-up of Previous Actions – March 2025				
1.	To develop and embed employment and skills initiatives as part of the Resident Support Model	March 2025	Complete	The Employment and Skills OBR and testing of the pilot informed an improved employment offer at the expanded Community Wellbeing Service, including extending the membership length from 3 months to 6 months to improve work readiness. In the first 6 months, the Community Wellbeing Service has enrolled 139 members on a longer 6-month membership.
2.	To consider and agree how to best utilise any extension of the Government's Household Support Fund for 25/26.	March 2025	Complete	The funding allocation for the Household Support Fund (HSF) for the new financial year is £4.9 million . The Council Tax Hardship (13A) Fund is £1.5 million . Expenditure from both funds is restricted to the amounts provided by the government, with the HSF allocation intended to help mitigate the most significant impacts of the new Council Tax Support (CTS) scheme.
3.	To monitor and review impacts of the new model of resident support.	December 2024 onwards	In Progress	The model was approved by Cabinet in February 2024. Quarterly monitoring is in place, and an annual report on the impact of the Resident Support Fund (RSF) will be completed and submitted to the DWP. Monitoring is carried out through the required returns to the DWP on the Household Support Fund, which provide a detailed breakdown of the categories and households supported. In addition, monitoring also covers delivery partners, including the Community Wellbeing Service, Debt Advice, and Immigration support services, to ensure the fund is reaching those most in need.
4.	To test a new Market Rent Reduction Framework (informed by Employment and Skills OBR) designed to reduce market rent for local VCS organisations, reflecting the value their proposed use of the premises may bring to the local community.	February – April 2025	In Progress	The framework was approved for testing with the letting of 3 premises. The Council is currently in lease negotiations for the letting of 2 of the premises (pending completion of fit-out works). The former Melting Pot café in the Civic Centre has been let to London's Community Kitchen under the new framework and will provide a café to staff as well as hospitality training and qualification opportunities for local residents, due to open in September 2025.
New Actions – September 2025				
5.	Launch of Debt Advice Partnership	Summer 2025	Ongoing	The Debt Advice Partnership with Citizens Advice Bureau offers a safe space for residents to help with finances. Since the beginning of the partnership, 432 residents have received support, £218,648 secured in additional income, £212,069 of debt written off or reduced and £271,245 of debt is now being actively managed. More info: https://www.citizensadvicebrent.org.uk/our-partners/

C. Increase in Dedicated Schools Grant High Needs Block Deficit

Risk Details

There is a risk that the current deficit will continue to rise due to an increase in the number of children needing Education and Health Care Plans (EHCP). This could have an adverse impact on the Council's legal obligation to meet the educational needs of pupils who require special educational support. There is also likely to be an adverse impact on the ability to meet the DfE's requirement to produce a balanced DSG budget.

Risk Update

The DSG has carried a deficit balance since 2019/20 and the cumulative balance carried forward from 2024/25 was £13.6m. To help manage pressures against the High Needs Block of the DSG, Schools Forum have agreed on an annual basis a 0.5% transfer from the Schools Block i.e., £1.4m in 2024/25 and £1.5m in 2025/26. The monitoring of the DSG is reported on a quarterly basis via the finance forecast reports taken to Cabinet and Schools' Forum. The HNB Management Plan includes a range of measures to reduce the deficit, including tighter financial management controls to ensure full cost recovery from other local authorities that place pupils in Brent special schools, reducing demand for EHCPs and building more local capacity to reduce the need for children to be educated out of borough. In addition, changes in practice and new reforms to the local SEND system following analysis of the impact of pilot projects delivered through grant funding from the Department for Education Delivering Better Value Programme are being developed that will contribute to the efficient use of the High Needs Block to support children's and young people's needs.

As a result of these initiatives, the cost avoided equated to £2m in 2023/24 and £2.5m for 2024/25. The actions in the Management Plan and the 0.5% block transfer reduced the HNB in-year deficit from a potential £2.9m deficit to a £0.4m deficit in 2024/25. A key issue is that HNB funding increases (6% in 2025/26 and 3% thereafter) are not in line with increasing demand for EHCPs and access to SEND services.

The assumptions in the Management Plan assume a slowdown in the annual growth of EHCPs to 7% from 25/6 in response to the range of targeted actions as described above. The forecast reduction in spend based on the mitigating and cost avoidance actions in the Management Plan and the DBV plan, which have been quantified, will realise a reduction in spend of circa £4m by 2026/27. However, the current budget forecast for 25/6 is indicating pressures of circa £3m. This reflects the increasingly complex needs of young children and continuing demand for EHCPs. A key pressure is the need for more children to be placed in independent maintained special schools due to the lack of local mainstream special school places.

There is limited opportunity to recover the historical deficit, due to systemic issues related to the national implementation of the Children and Family Act in 2015 that affect most local authorities in England. The regulations that are in place to carry forward a deficit balance against the DSG were due to end in 2022/23. However, this statutory override has recently been further extended to April 2028. A range of agencies within the sector have raised concerns with the government about the sustainability of the current national SEND system. National reforms are anticipated with a SEND White Paper due in October 2025. However, implementation of any changes is unlikely before 2028 and it is not yet known how reforms might impact on Brent.

Risk Scores	I	L	T	Trend
CURRENT	4	5	20	
Previous	4	5	20	
Target	4	4	16	

Key Controls & Mitigating Actions

- Bi-Monthly task group led by Corporate Directors of CYP and Finance.
- Delivery of the DSG Management Plan to address cost pressures, with a focus on creating additional local special school places at pace.
- Embedding new system changes building on pilot projects from Brent's participation in the government Delivering Better Value (DBV) programme to support inclusion in mainstream schools.

C. Increase in Dedicated Schools Grant High Needs Block

◆ Action Plan

Ref	Action	Target Date	Status	Comments
Follow-up of Previous Actions – March 2025				
1.	Establish more SEND provision in the borough as part of the School Place Planning Strategy Refresh, including developing new Additionally Resourced Provisions in the academic years 2024/25 – 2026/27. This will reduce the need for young people to be placed in schools in other boroughs and in high-cost non-maintained independent special schools.	March 2026	In progress	A new Secondary Special School has been established and will move to new buildings in September 2025. A capital programme to establish Additionally Resourced Provisions in mainstream schools is in the construction phase. A second phase of projects is currently in development using spare capacity in the primary school estate, including new Special School satellite provision.
2..	Redesign of the SEND Support service with the expectation to manage demand and increase inclusive practice in mainstream settings as part of the Graduated Response Programme and person-centred planning. The aim is for children and young people to be provided with earlier support, thereby reducing the need for an EHCP to trigger additional support. £0.5m has been approved by the Schools Forum for SEN Support.	April 2026	In progress	This is ongoing. SEN support activity is embedded into ways of working with schools and is being developed with headteacher input to support inclusion in mainstream schools.
3.	Implement recommended approaches from DBV pilots to reduce demand for EHCPs and ensure appropriate support is provided (e.g. targeted support for children under 7, implement banding review, SMART annual reviews that reflect changing levels of support in line with young people's progress).	September 2026	In progress	A banding review of top-up funding in mainstream schools, post-16, ARPs and Early Years has been completed. A banding review of rates for special schools is underway. The Inclusion Service is working with headteachers to develop new approaches building on DBV pilots to be implemented from September 2025 onwards to support inclusion in mainstream schools.
4.	Continued Central Government lobbying for appropriate funding	April 2026	In progress	Action remains in progress. An appropriate response will be provided to consultation on the SEND White Paper anticipated in October 2025.
New Actions – September 2025				
None proposed.				

D. Risks to Community Cohesion

Risk Details

The potential of a breakdown of community cohesion in Brent poses significant risks, including increased social tensions, reduced trust among residents, and potential conflicts and violence. This breakdown could lead to a lack of cooperation and understanding among community members, impacting the overall well-being and safety of the area. It may create an environment conducive to extremism.

Risk Update

Brent had a higher rate of population growth than the London and England average between 2011 and 2021. Certain categories of ethnicity saw significant increases in population (e.g. Arab +57% and ‘Any other ethnic group’ +145%). The three largest ethnic groups are Indian (19.5%), Other White (15.9%), and White British (15.2%).

The rich diversity of the population brings opportunities for cohesion and unity, but it is not immune to the risks of community tension and conflict. Global events can have a local impact, creating tensions amongst communities that would otherwise coexist peacefully. The Council is mindful of tensions escalating and the possibility of resulting disorder. Unchecked tensions can result in a breakdown in community cohesion, creating an environment where extremism could thrive. The Ministry of Housing, Communities and Local Government (MHCLG) has also undertaken an assessment and has identified Brent as a priority borough to receive community cohesion funding.

The continuing Israel-Gaza conflict has contributed to a rise in hate crimes, particularly anti-Semitism and Islamophobia, reflecting heightened tensions within local communities. The proscription of Palestine Action in 2025 has further polarised community sentiment, with ongoing protests across London resulting in a number of arrests under terrorism legislation. Additional tensions have been observed during and following international conflicts such as those between Israel and Iran, and India and Pakistan, which have influenced Brent’s local communities.

Anti-migrant sentiment continues to fuel divisions and hostile rhetoric. Media coverage has at times exacerbated these tensions, including reports suggesting that migrant hotel residents are accessing NHS services at the expense of local residents. Since the disorder in Southport and other areas in summer 2024, Brent communities have expressed ongoing concerns about being targeted, particularly in the context of summer 2025 anti-migrant protests in Essex and other parts of London.

The UK national threat level for Terrorism remains ‘substantial’ and Brent experiences complex risks and challenges, including persistent threats from extremist groups. Brent has received targeted Home Office funding to respond to the risks of radicalisation.

Risk Scores	I	L	T	Trend
CURRENT	5	4	20	
Previous	5	4	20	
Target	5	3	15	

Key Controls & Mitigating Actions

- Ensure effective delivery of preventing radicalisation and counter - terrorism work, oversee by the multi – agency - Prevent Oversight Board, chaired at CMT level.
- Advocate for continued and increased funding to ensure the sustainability of crucial initiatives, reflecting Brent’s community cohesion risks.
- Broaden and strengthen the scope of community engagement into effective partnership arrangements to maintain community safety, with a particular focus on tackling extremism, prejudice hate crime and promoting cohesion. Ensure the support from Community Leaders, Key Organisations, Police, Multi-faith Forum, schools and settings.
- Continuously assess the impact of current initiatives and remain flexible to adapt strategies based on real-time community feedback and emerging challenges.

D. Risks to Community Cohesion

◆ Action Plan

Ref	Action	Target Date	Status	Comments
Follow-up of Previous Actions – March 2025				
1.	Strengthen multi faith forum and other community networks to effectively respond to community tensions and build community resilience by providing tactical, coordination and funding support.	March 2026	In progress	<p>Community tensions are regularly discussed across key forums; including the Pensioners Forum, Disability Forum, Brent Multi-Faith Forum, and the Borough of Sanctuary. In partnership with the police, tailored measures are implemented to respond to emerging concerns and maintain community cohesion.</p> <p>To support this work, £10,000 has been allocated to provide secretariat support for the forums, ensuring alignment with borough priorities. Delivery is scheduled to commence shortly.</p> <p>Over the past six months, ten Brent Connects meetings have been held, providing a platform for council services to engage with residents and reassure them about ongoing preventive measures. In addition, two Brent Multi-Faith Forums and two Police Hate Crime meetings focused specifically on addressing community tensions and promoting cohesion. Another Faith Links event was held in Stonebridge in July 2025.</p>
2.	Deliver Community Cohesion and Hate crime projects by March 2026. These projects are: <ol style="list-style-type: none"> 1. Community Cultural Celebration Days 2. Hate Crime Schools Programme and 24/7 Third-party reporting line 3. Hate Crime Community Capacity Building Project 	March 2026	In progress	<p>Two Cultural Celebration Days were held on 11 May and 15 June 2025, engaging over 1,000 participants. These events aimed to strengthen community relationships and counter harmful narratives that divide communities.</p> <p>The summer edition of Brent Magazine featured Stop Hate UK's third-party reporting line, which has been available to Brent residents since April 2025. Meanwhile, both the Hate Crime Community Capacity Building Project and the Schools Project continue to deliver training and engage Brent's diverse communities, building resilience against hate.</p> <p>Interim evaluation findings show large increase in attendees' confidence to support their communities and a greater willingness to report hate crime. To date, the projects have trained more than 500 young people.</p>
New Actions – September 2025				
None proposed.				

E. Climate & Ecological Emergency Mitigation, Adaptation & Resilience

Risk Details

There is a significant risk that carbon neutrality as a borough will not be achieved by either 2030 or 2050 and that Brent's infrastructure, public health, and natural environment will be adversely affected by the physical effects of climate change and the consequences of extreme weather. This is due to a lack of funding, resources, and the level of widespread behaviour change required to meet the scale of the challenge. Failure to mitigate emissions and invest in adaptation and resilience measures would have an adverse impact on the local community through greater risk of adverse impacts of climate change such as increased flooding, heatwaves and drought, and will exacerbate existing pressures on public health and wellbeing, infrastructure and housing, the economy, local services and the natural environment; and are likely to be most acutely felt by Brent's most vulnerable residents.

Risk Update

The council declared a climate and ecological emergency in 2019 and pledged to do all reasonable in its gift to aim for carbon neutrality by 2030 and work with government to achieve the national 2050 target. A study in 2019 estimated that the cumulative capital investment required for Brent to deliver all possible carbon reduction measures would cost £3.1bn. In 2023 (the most recent available statistics), 809 kilotons of carbon dioxide were emitted within the Brent boundary (38% from homes; 28% from transport; 17% from the commercial sector, 8% from public sector and 8% from Industry). Indirect consumption emissions (from the consumption habits of Brent's residents) are estimated to be 3-5 times higher than this. Brent's in boundary carbon emissions have reduced by 47% since 2005, but carbon neutrality by 2030 remains extremely challenging, requiring a massive upscaling in nationally funded infrastructure programmes as well as concerted action and behaviour change from all sectors and individuals across society.

Climate change mitigation, adaptation and resilience must go hand in hand in order to tackle the climate emergency. A joined-up approach that both reduces emissions and strengthens our ability to cope with a changing climate is essential for a sustainable future. Brent first published its Climate Adaptation and Resilience Plan (CARP) in June 2022 and an updated version is being published in September 2025. The CARP sets out how Brent will prepare for the impacts of climate change, focusing on three main risks – flooding, extreme heat, and drought and water shortages. Our dense population, urban built environment and lack of green space puts it at increased exposure to surface water flooding, extreme heat and drought. The impacts of climate change are already being felt locally. The past ten years (2015-2024) were the warmest on record. In 2022, temperatures in London exceeded 40°C for the first time, with the Church End & Roundwood area identified as one of Britain's hottest neighbourhoods. In July 2021 there was significant flooding affecting homes, infrastructure, and businesses in Brent.

The council will need to both prepare for these risks and reactively deal with emergencies caused by extreme weather. The key risk is that implementing the recommended actions is dependent on funding, and funding for adaptation work is severely limited at the scope and scale required, while there is a lack of external funding programmes available for climate adaptation and resilience measures. There is also risk that people who live and work in Brent, including vulnerable residents, remain unaware and ill prepared to deal with adverse climate impacts.

Risk Scores	I	L	T	Trend
CURRENT	4	5	20	
Previous	4	5	20	
Target	4	5	20	

Key Controls & Mitigating Actions

- The council's climate programme is overseen by a Corporate Sustainability Board, chaired by the Director of Inclusive Regeneration & Climate Action.
- A new climate programme for 2024-26 was adopted by Cabinet in October 2024.
- Our annually update Climate dashboard measures progress against 47 indicators linked to the Climate Programme.
- The council is actively linked into Pan-London and sub-regional West London workstreams which are seeking to achieve similar objectives.
- The Brent Environmental Network and its sub-groups is the focal point for driving initiatives and behaviour change within the community.
- The Climate Team carries out horizon scanning for any new sources of funding that can support the Climate Programme and has secured £14.2m to date.
- The council's existing Climate Adaptation and Resilience Plan has been reviewed and updated and will be published in September 2025 with a first year action plan including the development of a climate resilient pilot in Harlesden.
- The council has existing emergency planning/public health/ communications protocols for different levels of extreme weather.
- The council has included adaptation elements for developers to consider as part of the Environment and Sustainable Development Supplementary Planning Document.

E. Climate & Ecological Emergency Mitigation, Adaptation & Resilience

◆ Action Plan

Ref	Action	Target Date	Status	Comments
Follow-up of Previous Actions – March 2025				
1.	To implement the 2024-2026 Climate Programme	October 2024	In progress	Action in progress.
2.	To review and benchmark Brent's carbon emissions from the 2023 DESNZ statistics when these are released in summer 2025.	August 2025	In progress	Action in progress.
New Actions – September 2025				
None proposed.				

F. Cyber Attacks

Risk Details

There is a continued heightened threat of Cyber-attacks. If attackers were successful, this would potentially impact all services, to the extent that service provision would be significantly affected in the first instance. Sensitive data may be published online resulting in significant fines from the ICO and reputational damage to the Council.

Risk Update

Several Councils have been subject to Cyber-attacks. The Cabinet Office are advising that there is a heightened security risk level at the current time, and the frequency of occurrences affecting our third-party suppliers or other local government bodies has seen a marked increase.

Shared Technology Services (STS) and strategic partners have deployed technologies and processes to enhance our cyber protection. The protection in place for the Council to prevent an intrusion is considered high. STS and Brent have cyber strategies in place and are in the process of updating those strategies considering the prevailing threats. Considerable investment continues to be made to improve cyber security; we have recently enhanced our monitoring capabilities with the procurement of a third-party service from CrowdStrike for the monitoring of on-premises and cloud-based servers.

However, the level and type of threat continues to evolve, shifting our focus to perimeter monitoring and protection. Learning from recent security exercises have been used to develop new plans to mitigate attacks, enabling Brent to better manage incidents when they arise. Brent will continue to work with strategic partners to combat cyber-security threats.

Brent continues to benchmark its approach and learn from the experiences of others. A recent Cyber 360 review by the LGA included positive feedback about the cyber security culture and governance within the council.

Over the last year, in conjunction with emergency planning teams and business services we have carried out 'table top' exercises to practice our response in the event of a cyber-attack. This has provided valuable learnings, shared across all STS partner councils.

In January, we onboarded our endpoint detection and response service, which monitors all laptops and identities 24x7. If any behaviour is identified that is abnormal, we can isolate the laptop or identity in question whilst we investigate. This reduces the impact of an attack becoming more widespread across the network. Also, we have made significant progress in the reduction to known vulnerabilities across the estate.

Risk Scores	I	L	T	Trend
CURRENT	4	3	12	
Previous	4	3	12	
Target	3	3	9	

Key Controls & Mitigating Actions

- Implemented tools to monitoring and detects abnormal activity.
- Security Logging and Endpoint Management.
- Enhanced awareness and training across specialist IT and all Brent users.
- Continuous development and testing of Cyber Playbooks.
- Developing strategic partnership with third party security specialists.
- Investment in an enhanced backup solution.
- One 'Table-Top' cyber-attack exercise was held with the EP team and 'Silver' staff members. Mini exercises have been taking place with business services and emergency planning teams with the focus on business continuity plans, to practice our coordinated response to any attack. Two more exercises are planned to include a tri-borough exercise in Oct 2025.

F. Cyber Attacks

◆ Action Plan

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Ref	Action	Target Date	Status	Comments
Follow-up of Previous Actions – March 2025				
1.	Enhanced training for IT staff within STS and Brent IT teams on cyber, security and technology.	December 2025	In progress	A product called Mycompliance has now been introduced, giving staff access to Information Governance Training initially, with more specific Cyber Security training available. We will shortly be piloting this within the STS teams.
2.	Carry out independent peer reviews of Tier 1 systems.	December 2025	In progress	On an annual basis, one of our Tier 1 systems is selected for Internal Audit, on the processes and controls in place.
3.	Obtain supply chain cyber security assurance from application vendors. We have assessed the risk levels for each of our key suppliers and we are sending out relevant questionnaires for each to complete.	Annually	In progress	Our 3 rd Party Supplier Cyber assessment framework is now in place, augmented by monthly scanning of all STS suppliers via LOTI. As of August 2025, 86% of STS suppliers are graded A-C by LOTI.
New Actions – September 2025				
None proposed.				

H. Financial Resilience and Sustainability

Risk Details

The budget setting process may not account for emerging unknowns and/or there may be delays in delivering planned savings, which may impact on the Council's overall financial resilience and sustainability. This may result in the Council not having sufficient resources to fund all of its priorities or needing to find further savings to meet budget gaps.

Risk Update

Between 2010 and 2025, Brent has delivered total cumulative savings of £218m. In February 2025, Council agreed the budget for 2025/26, based on a package of agreed savings, including amending the Council's Council Tax Support Scheme to require a greater contribution from all residents. This package of savings takes the total savings since 2010 to £238m (55% of the net revenue budget for 2025/26).

Alongside developing the budget, the MTFS was extended to cover the three year period from 2026/27 to 2028/29. This is expected to cover a three-year local government finance settlement from 2026/27, due in the autumn. As a result of ongoing pressures, particularly on homelessness and temporary accommodation, a further budget gap across the three years of £30m was identified.

This budget gap exists amid significant uncertainty in local government finances, as a result of the ongoing Fair Funding Review, which the Government have recently consulted on. The reforms will result in Government grant funding being redistributed based on an updated assessment of relative need and the first reset of the Business Rates Retention System since 2013. The Council is utilising modelling from multiple sources to forecast the impacts of the reforms on the MTFS, but certainty will not be forthcoming until the Provisional Local Government Finance Settlement (usually published in December). As in previous years, Brent Council will need to prepare a draft budget for Cabinet in November 2025, before the full impact of the reforms is known.

These fundamental reforms will provide greater medium-term certainty for the MTFS, but there is a particular risk that the 2026/27 budget setting process will not fully account for the impact of the reforms. Furthermore, early modelling of the impacts based on the consultation suggest that Brent Council will see some loss of funding (with a range of possible outcomes) at the same time that meeting the existing budget gap, while continuing to deliver high quality services, is becoming increasingly challenging.

Risk Scores	I	L	T	Trend
CURRENT	5	4	20	
Previous	5	4	20	
Target	5	2	10	

Key Controls & Mitigating Actions

- The Council monitors the delivery of planned savings, and mitigating actions where relevant, on a quarterly basis and these are reported to CMT and Cabinet
- Each department monitors the delivery of planned savings, and mitigating actions where relevant, at its DMT.
- A Savings Tracker is reported to CMT and Cabinet alongside the quarterly monitoring report.
- Savings proposals are subject to challenge and review prior to inclusion in the budget.
- Review of fees and charges and challenge of income assumptions.
- Workshops to review growth and savings proposals for realism and deliverability.
- Regular update reports to members on the economic environment and national and local challenges facing the Council.
- Budget Assurance Panel provides oversight and scrutiny of the Council's financial position, including in-year budget pressures and issues, mitigating actions and the delivery of agreed savings.
- Expenditure controls imposed across the Council.

H. Financial Resilience and Sustainability

◆ Action Plan

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Ref	Action	Target Date	Status	Comments
Follow-up of Previous Actions – March 2025				
1.	To continue the ongoing robust budget monitoring regime and framework.	Ongoing	In progress	Monthly budget monitoring has been carried out throughout the year and reported to Cabinet in July, with further updates due in October and February
2.	To continue to support the Budget Assurance Panel in providing oversight and scrutiny of the Council's financial position, including in-year budget pressures and issues, mitigating actions and the delivery of agreed savings.	Ongoing	In progress	Regular updates provided by services to Budget Assurance Panel throughout the year to date, with updates to continue through the remainder of the financial year
3.	To regularly review the existing expenditure controls and implement new enhanced spending controls where required to return the budget to a sustainable position.	Ongoing	In progress	The existing expenditure controls are under continuous review and new controls are proposed when the need arises and implemented without delay
4.	£10m in-year savings target for 2024/25	March 2025	Completed	£8m of in-year savings have been identified and were delivered by services in 2024/25
5.	Monthly CMT monitoring of progress with in-year savings	March 2025	Completed	CMT received monthly updates on the progress of the in-year savings
6.	To engage with the government's consultations on local authority funding reform and to model scenarios for the outcome of the reforms, providing an update to Cabinet by Autumn 2025 in advance of the draft budget for 2026/27	Autumn 2025	In progress	A comprehensive response to the Government's Fair Funding Review consultation was submitted in August. A response is expected from the Government in the autumn, followed by a policy statement and the provisional settlement. This will be reviewed closely to assess the impact of the final proposals on the budget. Modelling has been undertaken using multiple sources and will continue to be developed between now and the draft budget in November.
New Actions – September 2025				
None proposed.				

H. Risk of a serious child protection incident or wider safeguarding concern involving children and young people

Risk Details

There is a risk of a serious child protection incident or wider safeguarding concern involving children and young people due to increased demand and/or a failure in quality assurance processes. This could have an adverse impact on multi-agency partnership working, community confidence in local safeguarding practice, weakening of existing systems resulting in a downgrading of the local authority's Ofsted rating and pressure on the departmental budget to mitigate for any wider system failure

Risk Update

The Council's most recent (October 2024) annual self-evaluation of practice against the Ofsted ILACS framework continues to judge as 'good' the local authority's early help and social care provision for children. A Practice Improvement Plan is in place to ensure that the service continues to improve. A robust case file audit process is in place and quarterly Quality Assurance updates are provided to senior leaders to understand the quality of practice. Inspection preparation continues for an expected Focused Visit this calendar year by Ofsted. The next self-evaluation of practice will be completed in autumn 2025.

There is strong multi agency working, both at an operational level about individual children and via the various strategic forums in place. Following the publication of Working Together 2023, revised strategic partnership working arrangements, in line with changes in Working Together, have been agreed. A re-design of Early Help and Children's Social Care that aligns with the DfE Families First Programme has been implemented and a phase 2 delivery plan has been approved. This programme outlines a series of national improvement initiatives that will take place by April 2026.

Demand for services remains high as well as the complexity of presenting casework. There are controls in place to ensure that caseloads are kept at manageable levels coupled with strong management support, training and reflective supervision of staff. This is further strengthened with a revised programme of regular quality assurance activity and learning events on high profile incidents.

Sufficiency of supply of qualified social workers remains a national issue of concern with local authorities relying on agency social work staff to cover vacancies. However, the London Pledge is in place to maintain the consistency of agency rates being applied and the growing stability of the agency workforce. This will be superseded by national rules on children's agency social workers that are being implemented. At a local level there has been an increase in permanent staffing levels and a reduction in agency staff numbers in the last 12 months which contributes to strengthened assurance. There are a range of initiatives in place to recruit and retain permanent staff supported by a Workforce Development Plan, and a Workforce Development Group chaired by the Corporate Director. This includes a grow your own programme, step up to social work scheme and international recruitment. To manage staffing pressures the Establishment Board, chaired by the Director, Early Help and Social Care, monitors spend against established posts with controls in place to ensure all recruitment is managed within agreed procedures. This continues to provide a grip on recruitment and provides opportunities to target agency staff for agency to permanent recruitment, as well as helping to shape recruitment campaigns in specific difficult to recruit areas.

Risk Scores	I	L	T	Trend
CURRENT	4	3	12	
Previous	4	3	12	
Target	4	2	8	

Key Controls & Mitigating Actions

- Quarterly quality assurance reports about practice and learning. Monthly performance reporting to senior leaders.
- Monthly Workforce Development Group chaired by the Corporate Director of CYP to monitor initiatives in the Workforce Development Plan.
- A fortnightly Establishment Board to ensure tighter oversight of recruitment of posts against the establishment and available budget.
- Brent's participation in the London Pledge for agency staff recruitment to maintain day rates at agreed levels.
- Practice improvement plan and implementation of existing quality assurance framework, reporting ¼ to DMT.

H. Risk of a serious child protection incident or wider safeguarding concern involving children and young people

◆ Action Plan

Ref	Action	Target Date	Status	Comments
Follow-up of Previous Actions – March 2025				
1.	Complete re-design programme in early help and social care and implement new model in line with set budget.	April 2025	Completed	New model implemented on 2 June 2025. Savings achieved
2.	Ensure Working Together 2023 partnership arrangements fully implemented	December 2025	Completed	Revised governance partnership arrangements agreed. Education representative identified as the fourth statutory partner
3.	DfE Family First Partnership Programme implementation in Brent CYP	April 2026	In progress	Delivery plan submitted to DfE. Stakeholder forum in place and terms of reference agreed
4.	Implementation of the quality assurance programme and learning events	April 2026	In progress	Quarterly reports to OCSLT
5.	Continue targeted recruitment campaigns and continued focus on agency to permanent recruitment.	April 2026	In progress	34% reduction in agency staff spend from 23-4 to 24-5
6.	Continue learning on complex and high profile cases within service areas and within the existing safeguarding partnership structures.	April 2026	In progress	EVVP panel in place. Regular 'need to know' briefings highlight high risk cases to senior leaders
7.	Continued to ensure budget savings and targets are met and monitored monthly.	April 2026	In progress	On track
New Actions – September 2025				
8.	Revised panel arrangements to track cases and ensure senior leader oversight	April 2026	In progress	

I. Recruitment and Retention

Risk Details

Failure to recruit and retain sufficient permanent staff to critical roles leaves services without qualified staff, which impacts services and creates overreliance on agency/interim staff.

Risk Update

HR&OD launched a new People Strategy in June 2025, which outlines the council's commitments over the next three years. This strategy, supported by an action plan, includes objectives to improve recruitment, retention and the council's employer brand.


The first phase of the Council's external career pages refresh has been completed, with a redesign aimed at enhancing visual appeal and functionality; the primary goal is to improve accessibility and the overall user experience. Phase two will focus on further improving the applicant journey by introducing new support tools and guidance. Additionally, the increase in roles advertised via LinkedIn has already shown positive results in expanding candidate reach and engagement. Furthermore, the Council has gained visibility by regularly featuring career opportunities in Your Brent magazine and by participating in the recent Wembley Stadium Jobs Fair.

An external audit completed in July 2025 resulted in the Council receiving an 'moderate' assurance rating, with five management actions identified for improvement. In response, HR&OD has committed to reviewing existing recruitment policies, with a relaunch planned for March 2026. This will be complemented by the design and launch of new in-house recruitment training for hiring managers, which is expected to support better recruitment outcomes and ensure consistency across departments.

Regarding expenditure, the Council has successfully reduced agency worker spending in 2024/25, with £22.9m spent through the MSP contract with Comensura, marking a 26% reduction compared to the previous year (£7.9m). In July 2025, Cabinet approved a new hybrid MSP contract, which is expected to further reduce agency worker usage and expenditure while maintaining cost-effectiveness. Mobilisation of the new contract is scheduled to begin early September 2025, with system integrations and the transition of existing workers to be completed by February 2026.

HR&OD continues to promote the new in-house Resourcing Business Partner service, which provides essential support for permanent recruitment, particularly for hard-to-fill roles. This service has received excellent feedback from both candidates and hiring managers. The Resourcing Business Partners continue to build relationships with hiring managers, offering tailored services ranging from last-minute candidate searches to full-service recruitment support akin to external recruitment agency. Since Risk Register update in February, recent resourcing strategies have addressed challenges in recruiting for Senior HR Business Partner, Residential Lawyer, Principal Heritage Officer, Principal Social Worker and several positions within the Housing Needs team.

Risk Scores

	I	L	T	Trend
CURRENT	3	3	9	
Previous	3	3	9	
Target	3	2	6	

Key Controls & Mitigating Actions

- A range of potential incentives have been implemented, including financial supplements that can be applied to 'hard to fill' posts.
- A number of 'grow your own' incentives in Learning and Development have also been implemented, including coaching and mentoring programmes, leadership and development programmes, and expanding the upskilling of apprenticeships.
- An arrangement has been agreed with LinkedIn to promote Council adverts and vacancies.
- Specialist recruitment campaigns are being devised across Service Areas
- Managed Service Provider contract in place for the supply of agency staff to mitigate the risks to services of vacancies while controlling cost and arrangements for approval of off contract spend.
- Head-hunting also continues via the Multi-Service Provider and external recruitment agencies for specialist/hard to recruit to roles.

I. Recruitment and Retention

◆ Action Plan

Ref	Action	Target Date	Status	Comments
Follow-up of Previous Actions – March 2025				
1.	Working with job board providers to maximise the functionality on offer to increase the profile of jobs at Brent	Ongoing	In Progress	
2.	Work with Directors to review their agency spend and how to use targeted campaigns to reduce reliance on agency spend. Work with hiring managers to design resourcing strategies to overcome current challenges recruiting to specialist and hard to fill roles	Ongoing	In Progress	
3.	Conduct competitive tender of Managed Service Provider contract with Comensura, expires February 2026. Tender process goes live in March 2025 with contract decision made August 2025.	Ongoing	In Progress	
4.	To support reduction of agency worker expenditure, focus on use of high-cost interim agency workers and the promotion Comensura to reduce costly direct sourcing. Review controls in respect of agency staff pay rates.	Ongoing	In Progress	
5.	Produce reports to review metrics and to assess effectiveness of campaigns where social media is being optimised	Ongoing	In Progress	
6.	Design and trial feedback approaches with candidates and new joiners regarding their end-to-end recruitment process and onboarding experience. Recruitment and OD to collaborate proactively in reviewing and enhancing the new joiner experience based on feedback. Rollout corporate approach.	Ongoing	Not Yet Commenced	
7.	Linked to the new People Strategy which sets out set HR&OD ambitions, produce Action Plan for Recruitment and Resourcing to set out service delivery plan, improvements and implementation.	Ongoing	Completed	
8.	Work with web team to review and implement changes to external website to better promote Brent Council as a place to work and stay. Starting with the launch of new corporate values on our external careers page.	Ongoing	Completed	
New Actions – September 2025				
None proposed.				

J. Emergency Preparedness, Response and Recovery

Risk Details

There is a risk that the Council fails to adequately prepare for and/or respond to a major incident in Brent, which may lead to an incident having a significant impact on the health, safety and wellbeing of our residents, communities, businesses and staff. This may also lead to an inability to deliver critical services, further increasing the impact on residents.

Risk Update


Emergency Planning work to the requirements of the Civil Contingencies Act 2004. There is sufficient oversight and scrutiny of our activities both via national and regional reporting mechanisms in addition to the routine oversight exercised by the leadership of the council. An external review of the Council's Emergency Planning and Resilience (EP&R) capabilities was undertaken in October 2023, the recommendations from which have been progressed alongside the annual self-assessment of Resilience Standards for London (RSLs) and more recently a self-assessment against the Grenfell Tower Fire Inquiry Phase 2 Report, which has identified further actions needed to improve the Council's arrangements. These actions sit across a range of services and support the drive to shift the organisational culture to one where resilience is everyone's business.

The EP&R team is now fully resourced with four FTE and has been fortunate to have a graduate placement within the team, providing additional capacity. As well as the permanent team, the Council's response arrangements are supported by volunteers from other parts of the Council. There are a number of roles that people can volunteer to undertake, including Loggists, Local Authority Liaison Officers (LALOs) and Rest Centre staff. Recruiting people to fulfil these roles has been a challenge in recent years, but over the last year, we have seen progress in this area, supported by the current review of the standby payments which will provide further clarity on how volunteers are recompensed for their support.

Changes in senior management staffing in coming months, means additional Gold training will be delivered by the end of the year, to maintain the levels. Also consideration is being given to the HALO role in terms of increasing the number of those trained, to ensure there is someone available 24/7 as per the Grenfell recommendations. Good progress has been made on the number of officers trained as Emergency Centre Officers/ Managers, Local Authority Liaison Officers and Loggists, these now need to be maintained.

The new legislation, also referred to as "Martyn's Law," will enhance public safety by ensuring there is better preparedness for, and protection from, terrorist attacks. Martyn's Law will place requirements on those responsible for certain premises and events to fulfil necessary, but proportionate, steps. The Civic Centre will fall into the top tier and other Council properties are likely to be impacted. The EP team have started to support those responsible for our properties to review their current arrangements and identify improvements that need to be made to ensure the Council is compliant in the future. This has included some training opportunities and discussions with some of the key suppliers used to support events on site. The team will also be looking at how they support non council premises within the borough.

Risk Scores

	I	L	T	Trend
CURRENT	4	3	12	
Previous	4	3	12	
Target	3	3	9	

Key Controls & Mitigating Actions

- Business Continuity plans in place covering all departments / service areas.
- Multi-agency and internal training and exercise programme in place.
- On-call arrangements are in place.
- Major Incident Plan in place.
- Borough Risk Register in place and up to date
- Meetings and participation with the Borough Resilience Forum
- London Standardisation, which supports the ability to request mutual aid if required.
- External review undertaken in 2023 and the self-assessment against the Resilience Standards for London has provided assurance in respect of benchmarking against London peers.

J. Emergency Preparedness, Response and Recovery

◆ Action Plan

Ref	Action	Target Date	Status	Comments
Follow-up of Previous Actions – March 2025				
1.	Complete implementation of recommendations from external review.	September 2025	In progress	Work ongoing to implement the remaining actions. Some of the remaining tasks overlap with the Grenfell action plan (below).
2.	Raise the profile of EP&R internally. Progressing the Grenfell recommendation for all council staff to recognise resilience and preparedness as an essential part of their role.	September 2025	In progress	Good progress made via SMG and a number of new volunteers. Work is progressing on an e-learning package for all staff and input into the new manager induction.
3.	Review Governance Structures for EP&R internally.	March 2026	In progress	Work remains ongoing, though good progress made with coordinating with Housing.
4.	Business Continuity Programme being refreshed to ensure all elements of the BC cycle are being implemented adequately. Additional focus is needed to develop a BC policy, embed BC and ensure services are considering it when consider their key suppliers.	September 2025	In progress	This work has commenced and will be a key focus for the team in 2025. Also overlaps with the Grenfell action plan. All services asked to review their plans by the end of August 2025. Learning will then be collated and shared.
5.	Oversee the implementation of the 51 recommendations identified as part of the Grenfell Inquiry review and continue to take opportunities to identify further areas of improvement.	March 2026	In progress	51 actions agreed with CMT in February 2025 via detailed action plan.
New Actions – September 2025				
1.	Review the HALO arrangements, to ensure there is 24/7 availability.	March 2026	In progress	
2.	Support the implementation of Martyn's Law for council properties and non council properties.	Sept 2026	In progress	Some initial discussions had with Civic Centre teams and sharing of training events with partners.

K. Risk of a serious incident or wider safeguarding concern involving a vulnerable adult

Risk Details

There is a risk that there is a serious safeguarding incident involving a vulnerable adult in Brent, meaning the Council would be required to investigate and respond, and minimise the risk to the individual wherever possible. Depending on the incident and response, this may attract adverse publicity and/or require a Safeguarding Adults Review.


Risk Update

Brent Adult Social Care has been inspected by the Care Quality Commission (CQC) to assess our delivery our Care Act duties including how we ensures safety within the system which includes: Safeguarding. The CQC report was published in August 2025 and noted a 'evidence shows a good standard'. The report noted 'Staff involved in safeguarding work were suitably skilled and supported to undertake safeguarding duties effectively. Safeguarding training was in place for staff, providers and partners. Senior leaders told us they recognised the importance of training all staff, identifying challenges and streamlining processes to enable a smoother transition between different stages of the safeguarding process and develop a culture of continuous improvement.'

The Brent Safeguarding Adults Board (BSAB) has also established a 'Performance and Audit' sub-group consistently of multi-agency partners. The agreed Terms of Reference for this group note 'The BSAB has delegated the responsibility to the Performance and Audit Subgroup to manage the work to monitor the effectiveness of safeguarding across the statutory partners and agencies working within Brent. The subgroup will provide assurance to the BSAB regarding overall effectiveness and highlight any areas for improvement.'

Following the Independent Review conducted in early 2024 by Dr Adi Cooper the service has been implementing agreed recommendations and actions identified within the review. To ensure these have been fully implemented Dr Adi Cooper is scheduled to come back in June 2025 to review progress. Safeguarding performance data for quarter 3 shows a significant improvement in the response time for dealing with safeguarding concerns raising from 42% dealt with within 2 days to 59% (against a target of 90%) and the number of safeguarding enquiries dealt with within 25days has risen from 20% in Q2 to 62% in Q3 (against a target of 80%).

Work continues to minimise risk, strengthen partnership working and information sharing, acknowledging that not all safeguarding incidents can be avoided.

Risk Scores	I	L	T	Trend
CURRENT	4	3	12	
Previous	4	2	8	
Target	4	2	8	

Key Controls & Mitigating Actions

- There is a Safeguarding Adult Board in place, and it has an independent chair.
- The board set Annual priorities that are analysed across the system over the year.
- There is a Safeguarding Adults Review (SAR) Group in place that review all serious concerns and may recommend the case has a full review. These SAR enables the system to learn from any failings or near misses.
- Practice Audits are in place to drive a culture of personal and collective responsibilities and to identify areas for development across the service.
- The SAB has a responsibility to coordinate appropriate SA training for all partners annually.
- In addition, ASC commission SA training for staff based on training needs.
- The BSAB has set up a 'Performance and Audit Sub-group'

K. Risk of a serious incident or wider safeguarding concern involving a vulnerable adult

◆ Action Plan

Ref	Action	Target Date	Status	Comments
Follow-up of Previous Actions – March 2025				
1.	“NEED TO KNOW” escalation form and process to be revised and updated within Adult Social Care	January 2025	Complete	
2.	Safeguarding Mosaic Process flows being reviewed in line with the proposed ASC Restructure, ensuring efficient processes and clear roles and responsibilities within teams	January 2025	Complete	
3.	Independent Review of progress by Dr Adi Cooper against her original review and recommendations	June 2025	In progress	Extended action plan is been drawn up following SA review by Adi Cooper
New Actions – September 2025				
None proposed.				

L. Non-compliance with Statutory Housing Duties

Risk Details

Failure to comply with ongoing statutory Building Safety Act and Fire Safety (England) Regulations requirements and deadlines, may result in a serious health and safety incident or non-compliance with legislation, which may lead to serious injuries and/or fatalities, reputational damage, fines and/or imprisonment.

Risk Update

As landlord, the Council must comply with statutory health and safety duties covering Fire, Legionella, Asbestos, Gas, Electric and Lifts (FLAGEL). Failure to do so breaches consumer standards and risks sanctions from the Regulator of Social Housing (RSH).

In April 2025, Brent self-referred to the RSH over fire safety concerns. Subsequent reviews identified similar issues in water safety and asbestos. In May 2025, the RSH issued a regulatory judgement, grading the service C3 and citing serious failings, including:


- 12,500 fire risk actions recorded as closed without evidence of completion, with some not completed at all
- Inconsistent and irreconcilable compliance data across fire, smoke/CO, asbestos and water safety
- Nearly half of homes lacking a recorded stock condition survey

An Audit was carried out by Caldiston that identified some issues and recommendations that are being formulated into a trackable and deliverable Action Plan

In response, Brent now meets the RSH monthly, has strengthened the compliance team, engaged additional contractors and is working with Caldistons to cleanse data and rebuild True Compliance.

However, the Council has fallen behind with Building Safety Cases, none of which have yet been accepted by the Building Safety Regulator (BSR). Notices for breaches have been served, and external consultants (Firntech) are now completing and submitting cases. FRAEWs for high-rise blocks were also not carried out as required; Firntech will now undertake these alongside the Building Safety Cases.

The only completed action to date has been resident engagement in high-rise blocks.

Risk Scores	I	L	T	Trend
CURRENT	5	5	25	
Previous	5	2	10	
Target	5	1	5	

Key Controls & Mitigating Actions

- Monthly FLAGEL compliance reporting to DMT.
- Engagement of Health and Safety consultants
- CMT Periodic reporting,
- Monthly contractor meetings
- Fortnightly meeting with quality management consultants
- Building a centralised compliance system covering FLAGEL and other areas of compliance
- Extra resource with dedicated workstream leads
- Monthly meeting with RSH
- Monthly meeting with BSR
- New Assurance board reporting in to CEO
- Developing a Compliance Framework

L. Non-compliance with Statutory Housing Duties

◆ Action Plan

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Ref	Action	Target Date	Status	Comments
New actions replacing superseded actions from March 2025				
1.	Rebuild True compliance with Acurate Data	December 2025	In progress	Working with Caldistons we cleansing TC to ensure we have accurate data and are able to produce meaningful reports and monitor failings
2.	Provide building safety case reports for all high-risk buildings	March 2026	Not started	No BSCs have been accepted by the BSR we have commissioned a Firntech to develop and submit these for us
3.	Develop an action plan to bring us back to full compliance following the findings of the audit. To enable us to recover the C3 grading from the RSH	March 2027	In progress	The action plan is being developed in collaboration with Caldistons
4.	Northgate and True Compliance Integration	October 2026	In progress	We are rebuilding NEC which will be done in stages. The first will be repairs which is envisaged to be completed March 2026
5.	Recruit to key posts in the Building Safety structure	October 2025	In progress	Recruitment continues with a Building safety manager in place and an Electrical manger imminent. We have also increased the admin function
6.	Develop a new cycle of reporting to ensure full governance	October 2025	In progress	Reporting cycle will go from DMT to CMT then t the RSH and GLA.
7.	Procure Compliance contracts and issue new servicing and surveying programs	March 2026	In progress	New contracts are needed to replace poorly performing contractors who's contracts have been extended. Permission has been sought to draw down from frameworks for ease and speed
New Actions – September 2025				
1				

M. Contract Management

Risk Details

There is a risk that due to operational, commercial, environmental or relationship issues, an important, high profile front line service may start to fail causing reputational problems for the council.

Risk Update

The Council commissioned an independent peer review of Procurement that included a contract management (CM) theme. The report and recommendations were issued in April 2025 and approved in full by CMT in May 2025. A key recommendation was to **establish a Procurement Improvement Programme (PIP) to drive change which includes a workstream on CM.**

For CM the review focused on: the strategic contracts register, the CM handbook, CM in directorates, roles and responsibilities, social value in CM and the database of contracts.
A workstream with representatives from all directorates and chaired by a highly experienced contract manager was established in August 2025 and meets fortnightly. The priorities and progress of this workstream are:

- Page 75
- Adopt a 3-tier contract segmentation process to review all council contracts to identify how they be managed. *The esteemed Local Partnerships model with 7 criteria plus value is currently being piloted to segment contracts into gold, silver and bronze. It will be tweaked to ensure it is robust and aligned to the council.*

2. Clarity of council approach to and policy for contract management with clear roles and responsibilities. *The existing CM Policy is currently being updated to reflect modern best practice and council priorities. Over time this will be updated to provide tools, templates and guidance for contract managers. A draft RACI is to be shared with directorate reps on the workstream for feedback, agreement and roll out.*

3. Improve the quality of data relating to contracts and establish one central, robust database. *A scope of work is being developed for a sub-team to improve data quality, define needs of a new database and evaluate on-the-shelf solutions and manage any migration. Sub-project costs to be established.*

4. Improve skills and capabilities at managing contracts across the whole council. *LBB has been accepted on the next wave of the CM Pioneer Programme commencing Jan 2026, developed by the Cabinet Office and the LGA. Between 5 and 10 participants will reach Practitioner status with the online Foundation training required for all contract managers.*

Further Activities for the CM Workstream include

- Supporting gateway 3 and 4 reviews
- Developing CM savings opportunities
- Determine whether the model of CM “hubs”, in place in some directorates, is viable council wide.

Together, it is anticipated all the above will improve: the understanding of contract risk in the council, the management and mitigation of contract risk, the capability of contract managers, and performance reporting on high value and high-risk contracts. Culminating in reduction in of the risk rating.

Risk Scores	I	L	T	Trend
CURRENT	3	3	9	
Previous	3	3	9	
Target	3	2	6	

Key Controls & Mitigating Actions


- Controls are being established through the Procurement Improvement Programme.
- Update approach to contract segmentation & tiering: Segmentation through a new 3-tier model, in line with Local Partnerships best practice, will determine level of CM, governance and reporting required.
 - Updated CM Policy and clear, agreed roles and responsibilities are under development.
 - Project to improve accuracy of data contract register, develop a more robust solution than spreadsheets and de-commission other contract databases. Periodic data audits on can follow up to ensure improvements.
 - Improve skills and capabilities in CM.

M. Contract Management

◆ Action Plan

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Ref	Action	Target Date	Status	Comments
Follow-up of Previous Actions – August 2025				
1.	Ensure Procurement are prepared to implement the requirements of the new Procurement Act.	Feb 2025	Complete	P Act went live in Feb 2025 with good readiness for new procurement and contract management activities.
2.	Undertake a second round of Gateway 4 reviews of contracts due to be procured.	Ongoing	In progress/ Complete	Gateway reviews will continue to be presented to CPCMA B judge the efficiencies to be made: during contract term, for re-procurements and extensions. This is becoming BA
3.	Undertake a session with the Commissioning Network relating to contract management requirements and good practice.	Ongoing	Complete	Training for Contract Management requirements under the Procurement Act was provided in early 2025.
4.	Provide training and guidance for the new Procurement Act. This will be delivered and incorporated into the existing Procurement beginners and Advanced Training set up on the learning and development portal.	March 2025	Complete	Bitesize training sessions were developed and delivered Jan-Mar 25. This are part of the Procurement Training courses and will be reviewed as part of the PIP.
5.	Commission independent review of Procurement and develop and deliver improvement plan to implement recommendations	April 2026	Complete	Report issued April 25 leading to Procurement Improvement Programme to deliver the recommendations endorsed by CMT in May 2025 and programme mobilisation May/June2025
New Actions – September 2025				
6.	Further CM training will be provided under the Procurement Improvement Programme through 2025-2027.	April 2026	In progress	
7.	Deliver the CM workstream under the Procurement Improvement Programme – the priorities of which are: <ol style="list-style-type: none"> 1. Adopt a 3-tier contract segmentation process to review all council contracts to identify how the be managed. 2. Clarity of council approach to and policy for contract management with clear roles and responsibilities. 3. Improve the quality of data relating to contracts and establish one central, robust database. 4. Improve skills and capabilities at managing contracts across the whole council. 	Ongoing	In progress	See comments on summary slide

	Audit and Standards Advisory Committee 25 September 2025
	Report from the Chief Executive and Corporate Director of Finance and Resources
Report on i4B Holdings Ltd and First Wave Housing Ltd	

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	Two Appendix 1: i4B Risk Register Appendix 2: FWH Risk Register
Background Papers:	N/A
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Natoyah Vincent, Strategy & Delivery Manager 020 8937 2828 Natoyah.Vincent@brent.gov.uk

1.0. Executive Summary

- 1.1. This report provides assurances to the Audit and Standards Advisory Committee (ASAC) on the governance and oversight arrangements the Council has in place as Shareholder of i4B Holdings Ltd (i4B) and Guarantor of First Wave Housing (FWH). It outlines the mechanisms through which the Council monitors performance, risk and compliance, and highlights key governance developments from the most recent Shareholder/ Guarantor meeting held in September 2025.

2.0. Recommendation(s)

- 2.1. ASAC is asked to note the governance arrangements and oversight mechanisms in place for i4B and FWH.
- 2.2. ASAC is invited to comment on any areas where further assurance may be required.

3.0 Details

3.1 Contribution to Borough Plan Priorities & Strategic Context

- 3.1.1 The work of i4B and FWH contributes to the Borough Plan strategic priority of 'Prosperity and Stability in Brent: Safe, Secure and Decent Housing' as its core business activity involves increasing the supply of good quality affordable housing in the borough and reducing the use of Temporary Accommodation.

4.0 Governance Assurance Overview

4.1 Governance Framework

- 4.1.1 In November 2016, Cabinet agreed to establish its wholly owned investment company, i4B Holdings Ltd. The Company was set up with the purpose of acquiring, letting, and managing a portfolio of affordable, good quality PRS properties. Properties would be let to homeless families at Local Housing Allowance (LHA) levels. This would enable the Council to either prevent or discharge its homelessness duty and therefore reduce Temporary Accommodation costs. i4B currently own 473 properties, plus the key worker block, Lexington, with 153 flats.

Table 1 i4B portfolio as of August 2025

	1 Bed	2 Bed	3 Bed	4 Bed+	Total
Breakdown of units	67	202	144	60	473

- 4.1.2 FWH is a Registered Provider of Social Housing wholly owned by Brent Council. FWH is limited by guarantee and owns a stock of 216 units.
- 4.1.3 Governance of both companies is overseen by the Council through formal Shareholder/Guarantor meetings held biannually, scrutiny by the Community & Wellbeing and Resources & Public Realm Committees, and annual review and approval of business plans and statutory accounts. This framework aligns with CIPFA's guidance on audit committees and supports effective oversight of Council-owned entities.

4.2 Oversight Mechanisms

- 4.2.1 Shareholder and Guarantor meetings are held twice yearly with the Chief Executive, Corporate Director of Finance & Resources, and Deputy Leader. These meetings provide strategic oversight and review of governance, risk, and financial performance. Operational and strategic performance is also reviewed by relevant Council scrutiny committees. Both companies produce annual accounts and business plans, which are reviewed and approved by the Council.

4.3 Board Composition and Capacity

- 4.3.1 In response to company growth, the Shareholder and Guarantor approved an increase in board members in July 2025. The current Board structure includes an independent Chair, two independent non-executive Directors with finance and property expertise, and three internal Directors.

- Two new independent non-executive Directors, Mannie Ketley and Waqar Ahmed, were appointed with effect from 1st September 2025, each for a term of three years.
- Sadie East and Serita Kwofie were appointed as Council Directors, effective from 4th August 2025.
- Nicole Jarrett-Francis will join the Board as a Council Director from 1st October 2025.
- Peter Gadsdon stepped down as a Director on 31st March 2025 following his retirement from the Council.
- Melanie Smith will step down as a Director on 30th September 2025, coinciding with her retirement from the Council.
- Akintoye Doruwoju stood down as a Director from 1st September 2025, following the conclusion of his term of appointment.

4.3.2 The Chief Executive carries out an annual appraisal of the Chair of the Board and conduct an annual Board self-assessment to ensure ongoing effectiveness and good governance.

4.4 *Board Governance and Regulatory Oversight*

4.4.1 Board Directors complete annual declarations of interest and confirm any updates prior to each Board meeting. No current conflicts have been declared. Training in carrying out the role of a Company Director is provided for Board members and is in the process of being arranged for the incoming directors.

4.4.2 An audit into the Companies' leasehold billing and charges is currently underway and expected to be finalised in early 2026. FWH is also exploring whether the Council's internal audit team can carry out a review of the company's compliance against consumer and regulatory standards set out by the Regulator of Social Housing to provide added assurance to the Guarantor.

4.4.3 FWH carry out an annual review of their governance against the Regulator of Social Housing's guidance, the most recent of which was presented at the July Board meeting. Additionally, i4B and FWH are currently reviewing their governance arrangements against the Local Partnerships Local Authority Company Review Guidance as an additional benchmarking tool following a recommendation from the Brent LGA Corporate Peer Challenge which took place earlier this year. The findings from this review will be presented at the October Board meeting.

4.4.4 In April 2025, the Council self-referred to the Regulator following issues relating to Health and Safety compliance. i4B and FWH were advised that the Housing Companies were not affected. Nevertheless, the companies are seeking additional assurance to confirm this position.

4.4 *Risk*

4.5.1 Both companies maintain strategic and operational risk registers, reviewed quarterly by the Boards and biannually by the Shareholder/Guarantor. The

latest risk registers for i4B and FWH can be found in Appendices 1 and 2. Key risks identified include operational performance challenges, cyber fraud, implementation of the new Home Counties management contract, and future capital investment decisions.

4.6 *Financial Performance*

- 4.6.1 A 30-year business plan is in place for the companies to ensure long-term financial standing. This is reviewed annually and is supported by monthly monitoring reports. The company produces and files annual statutory accounts.
- 4.6.2 i4B has a financial model that guides all acquisitions. A net yield target is set for all purchases. This ensures that property purchases are viable, and the Company is able to meet future financial commitments. The financial model is regularly reviewed to ensure its appropriateness and therefore the Company's ongoing financial viability.
- 4.6.3 Loans to fund asset acquisitions are on a long-term fixed rate basis which is an appropriate de-risking tool for financing the purchase of long-term assets held for rent rather than for sale. Interest charges are included in the plan and are paid to the Council. As all loan finance is provided by the Council, the Council retains substantial freedom to restructure i4B's financial and ownership arrangements should it be necessary in order to secure the ongoing viability of the company or to safeguard the Council's financial interests.
- 4.6.4 i4B are in the process of arranging a phase 3 loan with the Council, which will be made up of £32m loan and £8m in equity. This will support the delivery of the acquisition progress in 2025/26 and beyond.

4.7 *Business Planning*

- 4.7.1 Work has commenced on the 2026/27 business planning cycle. A strategy session will be held in November to agree the priorities for the coming year. Draft business plans are scheduled for review by the Board in January, with final versions to be submitted to Cabinet for approval in early 2026.

4.8 *Update from Shareholder & Guarantor Meeting*

- 4.8.1 The latest Shareholder/Guarantor meeting between the Council and i4B/FWH took place on 15th September 2025.
- 4.8.2 The Chair of the i4B and FWH Boards, Andrew Hudson, presented a report on the company's acquisition programme, operational performance, financial performance, 2025-26 business plan progress, risks and governance to the Council's Chief Executive, Corporate Director of Finance & Resources and the Deputy Leader of the Council.
- 4.8.3 The Shareholder/Guarantor noted the absence of updated financial reporting for 2025/26 and requested that a report be provided by the next Board meeting on 25th September 2025 and monthly thereafter. This will offer assurance that

the companies continue to be viable, are operating effectively and that appropriate oversight is in place. The Shareholder acknowledged the ongoing efforts to strengthen financial monitoring, reporting, and budget setting but emphasised the importance of interim reporting until the new financial framework is established.

4.8.4 The Shareholder/Guarantor observed that, consistent with challenges experienced across the Council's housing stock, the Companies continue to face persistent issues with void properties. The Chair advised that targeted work is underway to address these concerns, supported by enhanced Board oversight of operational delivery and a renewed focus on improving income performance. These priorities informed the recent decision to expand the Board, ensuring the necessary capacity and expertise to support strategic and operational improvements. The Chair continues to meet regularly with the Director of Housing Services and Interim Corporate Director of Housing and Resident Services, and the Director of Housing Services regularly attends company board meetings.

4.9 *Acquisitions*

4.9.1 Movements in interest rates and other factors mean that i4B will find it harder to acquire properties in 2025/26 within its financial criteria. Nonetheless, the Chair updated the Shareholder on the progress of the 2025/26 acquisition programme, namely, that i4B have identified and made offers on 16 properties against a target of 15.

4.9.2 i4B will continue to explore a range of possible opportunities, e.g. conversions of non-residential property to residential use, as well as acquisitions. The additional expertise provided by the new independent non-executive directors will strengthen this work.

5.0 **Stakeholder and ward member consultation and engagement**

4.1 N/A

6.0 **Financial Considerations**

6.1 Financial considerations are outlined in section 4.6 above.

7.0 **Legal Considerations**

N/A

8.0 **Equality, Diversity & Inclusion (EDI) Considerations**

N/A

9.0 **Climate Change and Environmental Considerations**

N/A

10.0 Human Resources/Property Considerations

N/A

11.0 Communication Considerations

N/A

Report sign off:

Minesh Patel

Corporate Director of Finance and Resources

I4B Risk Register						Pre-mitigation score												Post-mitigation score			
Strategic objective	Strategic risk	Ref	Risk	Level of control	Recent developments	Likelihood	Impact	Score	Trend	Mitigating action	Owner (I4B)	Owner (SLA)	Timescale	Action status and update	Likelihood	Impact	Score				
Delivering safe and sustainable homes	I4B does not meet health & safety requirements - risk of injury or death to tenants, damage to property, financial and reputational damage	1	Non-compliance with statutory obligations due to incomplete or inaccurate H&S certification and data	Significant control through SLA	In May 2025 the Council referred to the regulator following concerns that compliance actions for FRA, WRA, Asbestos had been closed down without supporting evidence	4	5	20	↑	Commission a full compliance review of Brent managed properties	Strategic Support Officer	Head of Property Services	Dec-25	Some unavoidable risk remains (for example due to non-access into properties) but as of next review actions will be to continue ongoing monitoring of H&S compliance via scorecards; following up on identified actions; and presenting a bi-annual report from the I4B/FWH team.	2	5	10				
		2	Third party freeholders do not provide compliance information to I4B for communal areas in third party blocks, meaning I4B cannot verify that adequate compliance controls in place	Reliant on third party freeholders	Engagement continues to be challenging in this area and this is expected to continue to be the case. As agreed by Board, I4B will continue to only acquire freehold properties or leasehold properties in blocks owned by local authorities and housing associations	2	5	10	↔	Take forward strategy to delay payments for service charges etc. and engage with freeholders where information has not been provided	Strategy & Delivery Manager	n/a	Ongoing	Strategy is being progressed, but no significant outcomes rep	2	5	10				
		3	I4B is non-compliant with requirements of 3 building safety regulations	Significant control both directly and through SLA	I4B has one block, Lexington, requiring registration with the Building Safety Regulator. Registration has been completed, all relevant information including an up-to-date Fire Risk Assessment is in place, and the Building Safety Case has been submitted	1	5	5	↔	Continue compliance with requirements of Building Safety Act and other relevant legislation	Strategy & Delivery Manager	n/a	Ongoing	Following the submission of the Building Safety Case there are no outstanding actions for I4B here	1	5	5				
Running a viable business	I4B does not manage its costs and performance well – risk of financial and reputational damage, or inability to trade as a going concern	4	Poor rent collection performance due to unaffordability of rent for tenants, exacerbated by welfare reform and changes to the council tax support scheme	Significant control through SLA	Income collection continues to be challenging this financial year, in part due to reduced team capacity following staff turnover and long-term absence. Recruitment has been completed, including a newly created third officer post, with onboarding underway				↔	Implement plans to improve rent collection rates. Monitor arrears trends linked to welfare reform and council tax changes. Develop tailored support pathways for at-risk tenants	Strategic Support Officer	Head of Housing & Neighbourhoods	Sep-25	HMS have implemented a new dashboard to monitor performance. Proposals for former tenant arrears collection will be presented to the July Board.							
		5	High void turnaround times, costs and rent loss lead to financial losses for I4B	Significant control through SLA	Void turnaround times remain above target. Property Services are significantly under-resourced and currently unable to deliver the surveying function under the SLA due to recruitment and retention challenges. Delays also persist at the lettings stage, linked to limited Housing Management capacity and delays in receiving nominations.	4	4	16	↑	Assess impact of BEAM partnership	Strategic Support Officer	Head of Housing & Neighbourhoods	Dec-25	Seven successful outcomes via BEAM which are positively affecting rent collection for those accounts; update to be provided at the July Board meeting	3	3	9				
		6	Limited availability of surveyors within HMS contributes to delays in void turnaround times and increased rent loss	Significant control through SLA	New risk following Board feedback at April review. Directors asked to provide feedback	5	4	20	↔	Implement plans to reduce void turnaround times	Strategic Support Officer	Head of Property Services	Dec-25	A voids improvement group is in place. Turnaround times and void numbers are expected to improve. Housing Management has recruited two new officers and a temporary resource to support lettings.	3	3	9				
		7	High capital programme costs, including stock condition and energy efficiency expenditure, adversely affect the company business plan		Asset management and decarbonisation strategy in progress using stock condition and energy survey data. Strategic decisions to be taken on approach to planned / capital works	3	5	15	↔	Review and implement alternative delivery models for surveying services, including potential internal restructuring and external support options, to improve capacity and reduce delays.	Strategy & Delivery Manager	Head of Property Services	Oct-25	Officers are reviewing options for delivering the surveying function, including the potential to move the role under the Strategy and Delivery Manager to improve oversight	3	3	9				
		8	Substantial variations in inflation and interest rates compared to the business plan adversely affect financial performance and viability, with additional pressure from international economic trends such as US monetary policy	No control over external environment, can exercise caution through business planning	September 2024 CPI capped rent increases for 2025-26 at 2.7%, below the current CPI of 3.6%. Existing loan funding at 3.7% has been fully drawn. Any new borrowing will be at significantly higher rates, which may impact the financial viability of future acquisitions and overall business plan assumptions. Score increased following Board feedback at April review	3	4	12	↑	Circa 75% of the stock has been surveyed, and costs have been inputted to the business plan. Strategy work will look at these costs over the life of the plan, account for missing data, and recommend strategic approach based on this. Draft strategy presented at the December 2025 meeting, further work with finance underway to finalise costing.	Strategic Support Officer / Senior Finance Analyst	Head of Property Services	Sep-25		2	4	8				
		9	Company cash flow (capital and revenue) is insufficient to manage expenditure	Significant control through budget management	No major developments to report	3	5	15	↔	Regularly monitor economic environment and financial performance, including biannual stress testing of business plan	Senior Finance Analyst		Oct-25	Regular reviews are in place	2	5	10				
		10	Changing inflation or Government policy on rents and benefits means I4B cannot increase rents at business plan assumptions	None other than link to Council lobbying role, can exercise caution through business planning	Recent change in Government, rent policy to be determined later in year but no increases assumed for coming years in business plan; rent increase policy looks to remain the same under the current Government	2	3	6	↔	Regularly monitor financial and rent collection performance, including biannual stress testing of business plan	Senior Finance Analyst		Jun-25	Regular reviews are in place with. Last full business plan review took place in December 2024	2	5	10				
		11	A cybersecurity incident results in a loss of income, data and/or reputational damage to the company and the Council.	Reasonable internal control	Score increased to reflect Council position	3	4	12	↑	Regularly monitor economic environment and Government policy, including biannual stress testing of business plan	Senior Finance Analyst		Oct-25	Next stress test to take place in October 2025	2	3	6				
		12	Fraud results in a loss of income and/or reputational damage to the company and the Council.	Significant internal control	Internal colleagues are supporting the companies in developing a tailored fraud risk assessment to strengthen controls and identify specific vulnerabilities	2	3	6	↔	All staff and directors to follow guidelines on cybersecurity and GDPR. The Council have implemented a centralised alerting platform which supports greater security logging	All		Ongoing	All staff carry out annual awareness courses, and regular improvements to Brent internal systems are made	3	4	12				
		13	Costs of remediation to the Granville and Princess Road blocks exceed business plan estimates	I4B is major leaseholder in works programme being commissioned by Brent Council; reasonable input into design and costings	Design, specification and procurement are being managed by the Council's Major Works and Refurbishment team. I4B will be liable for approx. 22% of the cost of work, the latest update received is these works are unlikely to commence during 2025/26	3	2	6	↔	Develop and implement tailored fraud risk assessment. Carry out annual review of governance and internal control	Strategic Support Officer		Completed	Scheme of delegation approved by Board; annual review of governance standards, including National Housing Federation Code of Governance, takes place with the next review due in July 25	2	3	6				
Providing a consistently good housing service	I4B's properties are not managed effectively – risk of tenant dissatisfaction, increase in complaints and reputational damage	14	I4B does not effectively manage its contract for the management of Home Counties properties, leading to poor performance and risk to tenant satisfaction	Reasonable control through contract	Pinnacle took over the Home Counties management contract in July, following a delay from the originally scheduled April start date. To support a smooth onboarding process, officers are holding weekly meetings with Pinnacle's Operational and Mobilisation teams. These sessions are focused on closely monitoring the implementation of the contract and fostering strong working relationships.	4	4	16	↑	Receive regular updates from council on procurement process	Strategy & Delivery Manager		Ongoing	Cost certainty will increase as the project moves along, and the business plan will be kept up-to-date accordingly. I4B representatives attend design workshops etc.	1	2	2				
		15	Poor service delivery gives rise to low tenant satisfaction	Significant control through SLA	While not regulated, I4B aims to meet all regulatory standards including the newly introduced consumer standards and Tenant Satisfaction Measures. Initial results suggest I4B and Brent more widely are below national and London standards, so a Council-wide piece of work will be underway over the coming months	3	3	9	↔	Closely monitor performance under the contract through regular meetings, performance reporting and Board attendance	Strategy & Delivery Manager		May-25	Pinnacle will attend the July Board meeting for an introductory session. Thereafter, biannual attendance will be scheduled to ensure ongoing engagement and oversight.	2	3	6				
		16	Poor complaints management procedures lead to low tenant satisfaction	Significant control through SLA	Also part of consumer standards, and separate complaints hierarchies have been set up on the system for the housing companies, with the next report to come to the November Board meeting	3	3	9	↔	Regularly measure tenant satisfaction against performance, and develop and implement targeted improvement plans	Strategic Support Officer	Head of Housing & Neighbourhoods	May-25	New regulation now in force and likely to be greater focus for company, and initial results suggest significant work to be done in improving satisfaction, in line with Council-wide action plan	2	3	6				
Increasing the supply of affordable housing	I4B is unable to acquire properties and cannot contribute to increasing affordable housing supply in the borough	17	Disrepair in properties leads to poor tenant satisfaction, reputational damage and an increase in costs through legal settlements.	Reasonable control through SLA	Disrepair cases have stabilised following a notable increase over the past 1–2 years. While the volume of new cases has levelled off, ongoing risks remain for I4B. These include tenants being advised not to allow access for remedial works, delays in general repairs, and the financial impact of settlement costs. A clear legal framework exists for managing disrepair cases, which continues to guide our approach	3	3	9	↔	Regularly measure complaints performance and tenant satisfaction, and develop and implement targeted improvement plans	Strategic Support Officer	Head of Housing & Neighbourhoods	Nov-25	Quarterly complaints reporting to board to take place throughout 2025/26	2	3	6				
		18	There is an insufficient volume of street property acquisition opportunities on the market that meet I4B's financial criteria	Subject to market conditions	Disrepair cases have stabilised following a notable increase over the past 1–2 years. While the volume of new cases has levelled off, ongoing risks remain for I4B. These include tenants being advised not to allow access for remedial works, delays in general repairs, and the financial impact of settlement costs. A clear legal framework exists for managing disrepair cases, which continues to guide our approach	3	3	9	↔	Closely monitor, manage and report on disrepair cases	Strategic Support Officer		Ongoing	Monthly report has now been set up by Legal providing operational and financial updates on all I4B disrepair cases, which will be fed into performance reports and financial reports	2	3	6				
		19	There is an insufficient amount of development opportunities that meet I4B's financial criteria	Subject to market conditions	I4B has set a target of 15 street property acquisitions for 2025-26. Whilst price caps remain challenging, the momentum of properties bought for review is positive. Finance are currently looking at whether flexibility can be applied to current price caps.	2	3	6	↔	Continue street property acquisitions	Strategy & Delivery Manager		Ongoing	Risk remains low here; I4B has set a target of 15 street property acquisitions for 2025/26 and initial indications show that this is achievable	2	3	6				
20			I4B have assessed the viability of 3 blocks in 2025/26, unfortunately none of these have progressed. I4B continues to seek and remains available for similar opportunities going forward	3	2	6	↔	Continue to review potential block acquisitions and new build purchases	Strategy & Delivery Manager		Ongoing	No developments are assumed in the business plan, so any progressed opportunities will represent an additional benefit to the company and Council. I4B team links with teams in Council such as Property, Development and Planning continue to be good with regular conversations held and I4B representatives on internal boards	2	2	4						

20	i4B has insufficient capital to fund new acquisitions, and therefore meet its goals of reducing homelessness	Subject to market conditions and strategic direction of Council	No recent developments	2	3	6	↔	Engage the Council on future investment in i4B	Strategy & Delivery Manager		Ongoing	The Council has agreed to provide further funding for i4B to continue its acquisition programme	2	2	4

FWH Risk Register Strategic objective	Strategic Risk	Ref	Risk	Level of control	Recent developments	Pre-mitigation score				Mitigating action	Owner (FWH)	Owner (SLA)	Timescale	Action status and update	Post-mitigation score		
						Likelihood	Impact	Score	Trend						Likelihood	Impact	Score
Delivering safe and sustainable homes	FWH does not meet health & safety requirements - risk of injury or death to tenants, damage to property, financial and reputational damage		Non-compliance with statutory obligations due to incomplete or inaccurate H&S certification and data	Significant control through SLA	In May 2025 the Council referred to the regulator following concerns that compliance actions for FRA, WRA, Asbestos had been closed down without supporting evidence	4	5	20	↑	Commission a full review of FWH compliance	Strategic Support Officer	Head of Property Services	Dec-25	Some unavoidable risk remains (for example due to non-access into properties) but as of next review actions will be to continue: ongoing monitoring of H&S compliance via scorecards; following up identified actions; and presenting a bi-annual report from the H&SFWH team	2	5	10
			Third party freeholders do not provide compliance information to FWH for communal areas in third party blocks, meaning FWH cannot verify that adequate compliance controls in place	Reliant on third party freeholders	Engagement continues to be challenging in this area and this is expected to continue to be the case	2	5	10	↔	Take forward strategy to delay payments for service charges etc. and engage with freeholders where information has not been provided	Strategy & Delivery Manager	n/a	Ongoing	Strategy is being progressed, but no significant outcomes reported to date	2	5	10
			FWH is non-compliant with requirements of 3 building safety regulations	Significant control both directly and through SLA	FWH has two blocks (Addis and Annoux Courts) requiring registration with and regular updates to the Regulator of Social Housing. Registration has been completed, all relevant information including Fire Risk Assessments is in place, and the latest quarterly survey to the Regulator was submitted in October 2024	1	5	5	↔	Continue compliance with requirements of Building Safety Act and other relevant legislation	Strategy & Delivery Manager	n/a	Ongoing	Current main requirement is a quarterly survey to the Regulator of Social Housing, which is carried out within deadlines each quarter	1	5	5
Running a viable business	FWH does not manage its costs and performance well - risk of financial and reputational damage, or inability to trade as a going concern		Poor rent collection performance due to unaffordability of rent for tenants, exacerbated by welfare reform and changes to the council tax support scheme	Significant control through SLA	Income collection continues to be challenging this financial year, in part due to reduced team capacity following staff turnover and long-term absence. Recruitment has been completed, including a newly created third officer post, with onboarding underway	4	4	16	↔	Implement plans to improve rent collection rates. Monitor areas trends linked to welfare reform and council tax changes. Develop tailored support pathways for at-risk tenants	Strategic Support Officer	Head of Housing & Neighbourhoods	Mar-25	HMS have implemented a new dashboard to monitor performance. Proposals for former tenant areas collection will be presented to the July Board.	3	3	9
			Void turnaround times remain above target. Property Services are significantly under-resourced and currently unable to deliver the surveying function under the SLA due to recruitment and retention challenges. Delays also persist at the lettings stage, linked to limited Housing Management capacity and delays in receiving nominations.	Significant control through SLA		5	4	20	↑	Implement plans to reduce void turnaround times	Strategic Support Officer	Head of Property Services	Dec-25	A voids improvement group is in place. Turnaround times and void numbers are expected to improve. Housing Management has recruited two new officers and a temporary resource to support lettings.	3	3	9
			High void turnaround times, costs and rent loss lead to financial losses for FWH	Significant control through SLA	New risk following Board feedback at April review. Directors asked to provide feedback	5	4	20		Review and implement alternative delivery models for surveying services, including potential internal restructuring and external support options, to improve capacity and reduce delays.	Strategy & Delivery Manager	Head of Property Services	Oct-25	Officers are reviewing options for delivering the surveying function, including the potential to move the role under the Strategy and Delivery Manager to improve oversight	3	3	9
			Limited availability of surveyors contributes to delays in void turnaround times and increased rent loss	Significant control through SLA													
			High capital programme costs, including stock condition and energy efficiency expenditure, adversely affect the company business plan	Subject to market fluctuations, governmental requirements, availability of grant, etc.	Asset management and decarbonisation strategy in progress using stock condition and energy survey data. Strategic decisions to be taken on approach to planned / capital works	3	5	15	↔	Develop asset management and decarbonisation strategy	Strategy & Delivery Manager / Senior Finance Analyst	Head of Property Services	Sep-25	Circa 75% of the stock has been surveyed, and costs have been inputted to the business plan. Strategy work will look at these costs over the life of the plan, account for missing data, and recommend strategic approach based on this. Strategy overdue but due to be presented at the September meeting	2	4	8
			Substantial variations in inflation and interest rates compared to the business plan adversely affect financial performance and viability	No control over external environment, can exercise caution through business planning	Low CPI levels for September 2024 will cap possible rent increases for 2025-26, and the impact on the FWH plan will be determined through the rent setting process	2	5	10	↔	Regularly monitor economic environment and financial performance, including biannual stress testing of business plan	Senior Finance Analyst		Dec-25	Regular reviews are in place with next full business plan review due for December	2	5	10
			A cybersecurity incident results in a loss of income, data and/or reputational damage to the company and the Council.	Reasonable internal control	Score increased to reflect Council position	3	4	12	↑	All staff and directors to follow guidelines on cybersecurity and GDPR. The Council have implemented a centralised alerting platform which supports greater security logging	All		Ongoing	All staff carry out annual awareness courses, and regular improvements to Brent internal systems are made	2	3	6
			Fraud results in a loss of income and/or reputational damage to the company and the Council.	Significant internal control	Internal colleagues are supporting the companies in developing a tailored fraud risk assessment to strengthen controls and identify specific vulnerabilities	2	3	6	↔	Develop and implement tailored fraud risk assessment. Carry out annual review of governance and internal control	Strategic Support Officer		May-25	Scheme of delegation approved by Board; annual review of governance standards, including National Housing Federation Code of Governance carried out in July 2025	2	3	6
			Changing inflation or Government policy on rents and benefits means FWH cannot increase rents at business plan assumptions	None other than link to Council lobbying role, can exercise caution through business planning	Recent change in Government, rent policy to be determined later in year but no increases assumed for coming years in business plan; rent increase policy looks to remain the same under the current Government	2	3	6	↔	Regularly monitor economic environment and Government policy, including biannual stress testing of business plan	Senior Finance Analyst		Oct-25	Next stress test to take place in October 2025	2	3	6
			FWH fails to meet the requirements of the Regulator's economic and consumer standards		The most recent review of FWH's regulatory compliance was carried out in July 2025. No major concerns were identified.	3	3	9	↔	Annual review of compliance with standards	Strategic Support Officer		May-26	Regulatory compliance review completed in July 2025 and next review due in May 2026	2	3	6
			Poor service delivery gives rise to low tenant satisfaction	Significant control through SLA	FWH is required to meet all regulatory standards including the consumer standards. Current performance indicates FWH and Brent are below national and London benchmarks.	3	3	9	↔	Regularly measure tenant satisfaction against performance, and develop and implement targeted improvement plans	Strategic Support Officer	Head of Housing & Neighbourhoods	Nov-25	Next update to Board in November 2025	2	3	6
Providing a consistently good housing service	FWH's properties are not managed effectively - risk of tenant dissatisfaction, increase in complaints and reputational damage		Poor complaints management procedures lead to low tenant satisfaction	Significant control through SLA	Also part of consumer standards, and separate complaints hierarchies have been set up on the system for the housing companies, with the first report to come to the October Board meeting	3	3	9	↔	Regularly measure complaints performance and tenant satisfaction, and develop and implement targeted improvement plans	Strategic Support Officer	Head of Housing & Neighbourhoods	Nov-25	Next update to Board in November 2025	2	3	6
			Disrepair in properties leads to poor tenant satisfaction, reputational damage and an increase in costs through legal settlements.	Reasonable control through SLA	Disrepair cases have stabilised following a notable increase over the past 1-2 years. While the volume of new cases has levelled off, ongoing risks remain for FWH. These include tenants being advised not to allow access for remedial works, delays in general repairs, and the financial impact of settlement costs. A clear legal framework exists for managing disrepair cases, which continues to guide our approach	3	3	9	↔	Closely monitor, manage and report on disrepair cases	Strategic Support Officer		Ongoing	Monthly report has now been set up by Legal providing operational and financial updates on all FWH disrepair cases, which will be fed into performance reports and financial reports	2	3	6

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London Borough of Brent

Interim Auditor's Annual Report
Year ending 31 March 2025

September 2025



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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01 Introduction and context

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Introduction

This report brings together a summary of all the work we have undertaken for London Borough of Brent during 2024-25 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. The responsibilities of the Council are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

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Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Council as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

Auditor's powers

Under Section 30 of the Local Audit and Accountability Act 2014, the auditor of a local authority has a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency that should be referred to the Secretary of State. They may also issue:

- Statutory recommendations to the full Council which must be considered publicly
- A Public Interest Report (PIR).

Value for money

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

- financial sustainability
- governance
- improving economy, efficiency and effectiveness.

Our report is based on those matters which come to our attention during the conduct of our normal audit procedures, which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. The NAO has consulted on and updated the Code to align it to accounts backstop legislation. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. This new deadline requirement is introduced from November 2025.

Local government – context

Local government has remained under significant pressure in 2024-25.

National

Past



Funding not meeting need

The sector has seen prolonged funding reductions whilst demand and demographic pressures for key statutory services has increased; and has managed a period of high inflation and economic uncertainty.



Workforce and governance challenges

Recruitment and retention challenges in many service areas have placed pressure on governance. Recent years have seen a rise in the instance of auditors issuing statutory recommendations.

Present



Financial sustainability

Many councils continue to face significant financial challenges, including housing revenue account pressures. There are an increasing number of councils in receipt of Exceptional Financial Support from the government.



External audit backlog

Councils, their auditors and other key stakeholders continue to manage and reset the backlog of annual accounts, to provide the necessary assurance on local government finances.

Future



Funding reform

The UK government plans to reform the system of funding for local government and introduce multi-annual settlements. The state of national public finances means that overall funding pressures are likely to continue for many councils.



Reorganisation and devolution

Many councils in England will be impacted by reorganisation and/or devolution, creating capacity and other challenges in meeting business as usual service delivery.

Local

The London Borough of Brent (the Council) faced significant pressures during 2024-25, especially in adult social care and homelessness, overspending on temporary accommodation for homeless residents by £14.5 million. The Council launched a transformation programme called *Embrace Change*, which includes plans to save money and generate income. However, plans are still in the early stages and are not yet enough to fully address the financial challenges ahead.

Looking forward, the Medium-Term Financial Strategy (MTFS) predicts a funding gap of £28 million by 2028. This gap could grow when the strategy is updated in 2025-26 to reflect rising costs and increasing demand for services. Following the Council's self-referral, the Regulator of Social Housing (RSH) gave a 'requires improvement' C3 rating for failing to meet the Safety and Quality Standard in relation to accuracy and completion of fire safety data and housing repairs.

It is within this context that we set out our commentary on the Council's value for money arrangements in 2024-25.

02 Executive summary

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Executive summary – our assessment of value for money arrangements

Our overall summary of our value for money assessment of the Council's arrangements is set out below. Further detail can be found on the following pages.

Criteria	2023-24 Assessment of arrangements	2024-25 Risk assessment	2024-25 Assessment of arrangements
Financial sustainability	R Significant weakness identified on the use of reserves to meet unplanned expenditure. One improvement recommendation raised and two carried forward.	One risk of significant weakness identified on the setting of a realistic budget for 2025-26 that can be delivered without further draw on reserves.	R Two significant weakness identified in medium-term financial planning and the identification of a pipeline of recurrent savings and income generation schemes. We raise two improvement recommendations on effective implementation of the property strategy, and for the DSG deficit recovery strategy and strengthened HRA financial planning to be reflected in the MTFS.
Governance	A No significant weaknesses identified. Three improvement recommendations raised.	No risk of significant weakness identified.	A No significant weaknesses in arrangements for Governance. We raise one improvement recommendation on the Council's arrangements for producing statutory financial statements.
Improving economy, efficiency and effectiveness	A No significant weaknesses identified. Three improvement recommendations raised.	No risks of significant weakness identified.	R One significant weakness identified as the Regulator of Social Housing reported, in May 2025, that the Council's housing stock does not comply with the Quality and Safety standard. One improvement recommendation made on procurement and contract management.

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendation(s) made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Executive summary

We set out below the key findings from our commentary on the Council's arrangements in respect of value for money.



Financial sustainability

The Council faces serious financial pressures, particularly in services where demand is rising fast, such as homelessness.

These financial challenges put increasing strain on the Council's ability to deliver services sustainably. However, despite the pressures, the Council continues to perform well with a recent Local Government Association Corporate Peer Challenge (CPC) recognising the Council's strong track record in delivering services and managing performance.

The MTFS currently projects a budget gap of £28 million by 2028, which is likely to increase, reflecting the escalating financial pressure. We have identified significant weaknesses in medium-term financial planning and arrangements to identify and deliver the savings required through the Embrace Change Transformation programme as it is developed and plans are fully formed to address the financial challenges ahead.



Governance

In April 2025, the CPC reported on "an effective working partnership between the Cabinet and the Corporate Management Team (CMT)" and this underpins the good governance arrangements at the Council.

The Audit and Standards Committee (ASC) gained assurance on the Council's 2024-25 control environment, judged to be reasonable by the Head of Internal Audit.

The Council's risk management arrangements could be further enhanced by adopting the insights outlined in this report. To support continuous improvement and strengthen organisational resilience, consideration should be given to undergoing a peer review of current risk management practices. This would provide an independent perspective on the effectiveness of existing arrangements and help identify opportunities to refine the Strategic Risk Register and associated governance processes.

The Council published draft financial statements on 22 August 2025, after the required deadline of 30 June 2025. Delays were due to capital accounting complexities and the introduction of IFRS 16.



Improving economy, efficiency and effectiveness

Regeneration and the provision of new housing are central to the Council's core ambitions. Radical Place Leadership is reshaping how the Council, partners and communities work together at the scale of neighbourhoods to improve resident outcomes, a 'test, learn and grow' method is being used, starting in the Harlesden area. The current focus is on catalysing a more community-led change through local organisations, introducing a more proactive approach to prevention, and co-ordinating ongoing care and support aligned to the NHS neighbourhood health model.

In response to the C3 grade issued by the RSH (page 5) the Council must review findings from the audit and assessment of compliance with the 'Big 8' areas (page 24), carry out a root cause analysis to understand why the breaches occurred, and engage in a Compliance Recovery Programme, as part of the RSH Performance Improvement Plan.

04 Value for money commentary on arrangements

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Value for money – commentary on arrangements

This page explains how we undertake the value for money assessment of arrangements and provide a commentary under three specified areas.

All councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Council's report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

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Financial sustainability

Arrangements for ensuring the Council can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium-term (3-5 years).



Governance

Arrangements for ensuring that the Council makes appropriate decisions in the right way. This includes arrangements for budget setting and budget management, risk management, and making decisions based on appropriate information.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the Council delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

Financial sustainability – commentary on arrangements (1)

We considered how the Council: Commentary on arrangements

Rating

identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	The Council faced continued financial pressures in 2024-25, with a £15.5 million overspend driven largely by rising temporary accommodation costs. While reserves were used to balance the General Fund, the situation remains challenging. Saving plans delivered targeted £8 million in savings. A balanced budget of £431.4 million is set for 2025-26, including an additional £15 million for homelessness, which will cover current demand based upon 2024-25 numbers. However, homelessness pressures are expected to grow, adding further strain. The Dedicated Schools Grant (DSG) and Housing Revenue Account (HRA) also face financial pressure, with deficits and housing regulatory concerns highlighting the need for a robust, long-term financial recovery plan. We update the prior year Key Recommendation on page 14.	R
plans to bridge its funding gaps and identify achievable savings	The Council's goal is to achieve its £16 million savings target for 2025-26 to deliver a balanced budget. However, the identification of sufficient savings to close the current £28 million financial gap in the Medium-Term Financial Strategy (MTFS) remains an additional challenge for 2026-27 to 2028-29. Management has undergone a process for identifying savings to start to close the £28 million gap. The Embrace Change Transformation programme is in its early stages, with a need for clarity regarding its purpose and expected outcomes. As the MTFS is refined in 2025-26, the Council expects to identify a larger financial gap which may require higher savings targets than the current £9.3 million a year for 2026-27 onwards. We raise a Key Recommendation on page 15.	R
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	There is a coherent link between the Council's Borough Plan 2023–2027, 'Moving Brent Forward Together', with its five priorities and the MTFS. The 2025-26 Budget Report to Council in February 2025, shows the cost and the planned outcomes for the year on numerous projects to deliver the five borough priorities: Prosperity and Stability; A Cleaner, Greener Future; Thriving Communities; The Best Start in Life; and A Healthier Brent.	G

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements (2)

We considered how the Council:	Commentary on arrangements	Rating
<p>ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system</p>	<p>The three workstreams of the Embrace Change Transformation programme: Workforce and partnership working; Estates optimisation; and ICT, data, and digitalisation, drive consistency with the MTFS.</p> <p>The Council's Capital Programme is aligned with its strategic objectives, but affordability and long-term debt commitments need review. In 2024-25, the Council raised £170 million in new loans while repaying £84.2 million, resulting in a net debt increase of £85.8 million. The Capital Programme is funded through various means, but there are no planned capital receipts in the five-year financing of the Programme which could reduce the need for borrowing. We raise an improvement recommendation for this on page 16.</p>	A
<p>identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans</p>	<p>The Council used reserves to cover overspending in 2023-24 and 2024-25, but this has greatly reduced the useable General Fund Earmarked Reserves, so relying on reserves going forward is unsustainable. To help address this for 2025-26 there was a £15 million budget increase to the temporary accommodation budget to mitigate any overspend. This will fund service at 2024-25 levels but will not support the forecast increase in the number of homeless households, projected to rise from 1,204 in December 2024 to 1,402 by March 2026, a potential increase of c200 households. In 2025-26 the Council will see 800 HRA properties come on stream, some of which may be available for temporary accommodation purposes. The Council's Corporate Peer Challenge recommended a Temporary Accommodation Improvement Plan be established to manage demand and mitigate financial risk for 2025-26. This is being developed as part of the Embrace Change Transformation programme and will be critical to the Council addressing the rising demand and associated costs going forward. To address growing financial challenges, the Council will need to revise its MTFS to include all known liabilities including the HRA and DSG liabilities and accelerate transformational change to address any identified shortfalls. We have raised an improvement recommendation on page 17.</p>	A

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – Key Recommendation 1

Significant weakness: Setting of realistic future budgets to avoid a draw on reserves and the use of Exceptional Financial Support (EFS)

Key finding: In the prior year, we concluded that the Council has a significant weakness in its financial sustainability arrangements and needed to set a realistic budget for 2026-27 and into the medium-term without relying on reserves. Insufficient progress has been made, and we re-raise this key recommendation.

Evidence: In 2023-24 the £13.5 million overspend was covered by the Future Funding Risk reserve.

In 2024-25, service overspends of £15.5 million were covered using earmarked reserves, released after an exercise to re-purpose reserves to support the revenue budget and enhance financial resilience.

At 31 March 2025 useable reserves (non-ring fenced) were £27.1 million. Reserves are now relatively low and insufficient to continue covering annual overspends, requiring a need for greater financial grip and control across all service areas. The Council plans to increase its useable reserves by £5.4 million (21%) to £30.6 million by March 2026, which would help cover unexpected costs, but this requires staying within budget in 2025-26. If overspending continues and no major savings or extra income are found, the Council could run out of useable reserves by 2026-27. No increase in planned reserves is built into future years in the current MTFS.

Overall, the Council's budget growth is forecast to increase by 52% from the 2022-23 position, an increase of £161.6 million, forecasting net expenditure of £473.6 million by 2028-29. This is a considerable rate of growth, driven by both increasing costs and demand for services.

Rising demand pressures, particularly in temporary accommodation and social care, has made delivering balanced budgets increasingly challenging. In 2025-26, the average number of homeless households living in emergency type accommodation is expected to increase to 1,643. The Council has allocated an additional £15 million to the 2025-26 homelessness service budget, its greatest area of financial pressure in 2024-25 to meet this forecast additional demand. £3.4 million of this additional funding is from the Homelessness Prevention Grant. This funding is between the best- and worst-case scenarios forecast.

Interventions to increase housing supply and manage demand have been introduced to support the homelessness service to manage costs within the increased budget in 2025-26. However, demand could rise by c18% from 1,204 households in December 2024 to 1,402 households by March 2026, and this increase is not built into the budget. Managing this growth is key to this service area delivering to budget.

Financial sustainability – Key Recommendation 1 (continued)

Significant weakness: Setting of realistic future budgets to avoid a draw on reserves and the use of Exceptional Financial Support

Evidence (continued): The difference between any council’s annual income and expenditure is the ‘funding gap’. The budget process aims to close this gap by identifying expenditure savings, additional income or using reserves to provide a balanced position. Any increase at the Council in demand or costs, higher than the growth forecast in the MTFS, will require more savings or additional income to offset.

The MTFS, dated February 2025, anticipates a cumulative budget gap of £28 million by 31 March 2029, highlighting increasing financial pressures. Chart 1 sets out the savings and growth delivered to date and projected over a six-year period.

- Forecast growth for 2026-27 to 2028-29 in the MTFS is reduced to approximately £26 million per year, which is around 50% lower than the £53.3m million growth budgeted for in 2025-26.
- Forecast savings for 2026-27 to 2028-29 are only marginally higher than those required in 2024-25 and 2025-26.

This indicates considerable pressure in the current MTFS with limited scope to absorb unforeseen cost pressures. Current spending levels across the Council are deemed unsustainable and pose a risk to the Council's financial sustainability. Without additional income, additional savings (which links to Key Recommendation 2), or service cuts, the Council is at risk of delivering overspends which cannot be supported by remaining reserves.

Impact: If the Council fails to manage demand for services and deliver against budgets the reserves levels will threaten its financial sustainability. Exceptional Financial Support (EFS) may be necessary for 2027-28, which would entail borrowing at a premium to cover revenue costs.



Chart 1: Savings and growth figures

	Savings	Growth from prior year
2023/24	£13.5m	£49.0m
2024/25	£8.1m	£33.0m
2025/26	£8.9m	£53.3m
2026/27	£9.3m	£26.6m
2027/28	£9.3m	£26.5m
2028/29	£9.4m	£27.5m

Key Recommendation 1 (carried forward and updated from 2023-24)

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

Financial sustainability – Key Recommendation 2

Significant weakness: Need for identification and delivery of savings

Key finding: The Council has yet to fully develop the pipeline of savings to close the projected budget gap of £28 million in the MTFS until 2028-29. Progress is being made with savings plans for 2026-27 identified as part of the budget setting process but a budget gap remains. On this basis we have identified a significant weakness in arrangements.

Evidence: The Council recognises the scale of its financial challenge and put in place an organisation wide savings programme for 2024-25 and 2025-26 to address the short-to-medium-term funding gaps. A £16 million savings requirement for 2025-26 was set out to enable the Council to set a balanced budget within the assumptions of its MTFS. Additionally, a further £28 million is estimated to be needed from 2026-27 to 2028-29 as set out in Chart 1 on the previous page.

To support this, the Council is developing its Embrace Change Transformation programme, although this is currently in the early stages and lacks clarity and full organisational understanding and embedding. A recent Corporate Peer Challenge Review advised the Council to unify its transformation initiatives under a consistent framework with clearly defined outcomes, communicated across the organisation to secure staff engagement. Actions to address this, along with other recommendations from the review, were identified and are being implemented and monitored through a governance framework. The impact of this will not be seen until 2025-26, with a re-review scheduled for November 2025.

While the Council successfully delivered targeted £8 million in savings for 2024-25 and is on track for 2025-26 targets, it acknowledges that arrangements in 2024-25 were insufficient to ensure long-term financial sustainability. The Embrace Change Transformation programme must therefore reflect large-scale transformational savings, with greater collaboration and business transformation, underpinned by business plans and incorporated into a revised MTFS.

Impact: A lack of adequate saving plans and failure to deliver recurrent planned savings places delivery of the Council's MTFS and overall financial sustainability at significant risk.

Key Recommendation 2

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

Financial sustainability – improvement recommendation 1

Area for improvement: Using the property strategy to make best use of assets, including the Identification of non-operational assets

Key finding: The Council does not identify assets for disposal to help finance the capital programme.

Evidence: The Council manages its capital programme well, in line with its strategic objectives, but its affordability and long-term debt commitments require review. Net debt to fund the capital programme is increasing.

In 2024-25, the Council raised £170 million in new loans while repaying £84.2 million, resulting in a net debt increase of £85.8 million. The Capital Programme is funded through various means, but there are no planned capital receipts in its five-year financing, as reported in the 2025-26 budget report.

Using the property strategy to identify assets that are not operational and not required for service delivery could provide the Council with a pipeline of potential capital receipts which could support the financing of the capital programme. This could reduce long-term borrowing and mitigate additional financing costs. Any plans for asset disposal should be built into the Medium-Term Financial Strategy with realistic timescales, to mitigate potential Exceptional Financial Support needs in 2027-28.

Impact: Without capital receipts the Council will rely on borrowing to finance the capital programme, increasing both debt and revenue financing costs and increasing financial pressure on the Council.

Improvement Recommendation 1

Using the property strategy, the Council could identify assets for disposal to support the capital programme, reduce long-term borrowing, and lower revenue costs. The impact of capital receipts should be reflected in the MTFs once confirmed.



Financial sustainability – improvement recommendation 2

Area for improvement: Strengthening the medium-term financial strategy to reflect and mitigate risks from the DSG and HRA balances

Key finding: The statutory override on Dedicated Schools Grant (DSG) deficits is extended to 2027-28, but the Council's £13.6 million cumulative deficit remains unresolved, posing a material risk to the MTFS beyond the override period. Alongside pressures in the Housing Revenue Account (HRA), where compliance risks and rising costs threaten long-term sustainability, these issues require urgent financial planning and reserve management.

Evidence: Many councils are reporting significant deficits in their DSG accounts due to rising demand for SEND services, especially Education, Health, and Care Plans (EHCPs).

Management has actively managed the cumulative deficit DSG position from a high of £15.9 million in 2021-22 to £13.6 million at 31 March 2025. It is a strong achievement to have reduced the cumulative deficit and curtailed significant increases, with £1 million received from the Department for Education to mitigate in-year overspends, helping to maintain the deficit and prevent further growth. The Council's DSG Deficit Management Plan has been updated to cover up to and including 2027-28, in line with the extension to the statutory override, by which time the forecast DSG cumulative deficit could be £20.3 million mitigated or £31.3m unmitigated. Uncertainty remains around how the DSG deficit will be managed if the statutory override is not extended beyond 31 March 2028, and this is not built into the MTFS.

Meanwhile, the HRA shows a provisional £2.1 million surplus for 2024-25, but long-term sustainability is threatened by housing stock refurbishment costs and debt. The HRA faces significant risk, indicated by the Council's self-referral to the Regulator of Social Housing which resulted in a "C3 – significant improvement needed" grading for failing to meet the Safety and Quality Standard in relation to accuracy and completion of fire safety data and housing repairs, highlighting compliance risks and potential cost increases.

Continuous monitoring and assessment are necessary as the Council develops a recovery plan which needs to be funded by the HRA reserves.

Impact: Failure to resolve the DSG deficit before the statutory override ends in 2027-28 could result in the deficit being absorbed into the Council's General Fund, compromising its ability to set a balanced budget. Similarly, unresolved HRA compliance and cost pressures could erode reserves, limit investment capacity, and threaten the viability of the housing service. These issues are currently not reflected in the Council's MTFS.

Improvement recommendation 2

The Council should develop and integrate a comprehensive DSG deficit recovery strategy, reflected in the MTFS and aligned with the statutory override timeline, while also strengthening HRA financial planning to address compliance risks and future cost pressures. This should include scenario modelling, reserve strategy adjustments, and engagement with DfE and the Regulator of Social Housing to mitigate long-term sustainability risks.

Governance – commentary on arrangements (1)

We considered how the Council:	Commentary on arrangements	Rating
<p>monitors and assesses risk and how the Council gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud</p>	<p>The Council’s risk management arrangements identify, assess, record, and report via the Strategic Risk Register, formally reported to the Directorate Management Teams (DMT) and Corporate Management Team (CMT), and reviewed twice-yearly by the Audit and Standards Advisory Committee (ASAC). The risk profile of the Council is increasing as evidenced by seven of the 14 strategic risks reported in March 2025 being red risks scoring higher than 15. Strategic risk management is well-embedded, but work continues to strengthen consistency and completeness of risk registers at departmental level. There is also scope to enhance the Council’s risk management arrangements by seeking independent peer review. This would provide external insight into the effectiveness of current practices and support further refinement of the Strategic Risk Register and associated governance processes. We provide insight to support the Council on page 20.</p> <p>Fraud prevention arrangements are guided by an annual plan and supported by policies. The Head of Internal Audit’s Opinion for 2024-25 gave ‘Reasonable Assurance’ over the effectiveness of the arrangements for the Council’s systems of internal control.</p>	G
<p>approaches and carries out its annual budget setting process</p>	<p>The budget setting process includes sufficient time for consultation with budget holders, Members, and the public. Given significant financial uncertainties, officers reported to Council that the 2025-26 budget was a proportionate approach to the difficult choices that must be confronted in budget setting.</p>	G
<p>ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships</p>	<p>Quarterly financial reports to Cabinet presents a mix of numbers, diagrams, and narrative, detailing performance and plans to understand and address variances. Monthly budget monitoring, at officer level, is conducted throughout the year, with oversight from the Budget Assurance Panel which scrutinises in-year pressures and the delivery of savings. There is evidence that discussions and challenges focused on the greatest variances, demonstrating an understanding of the areas requiring attention.</p> <p>The 2024-25 financial statements were not published, by 30 June 2025, in line with statutory reporting guidelines for audit purposes. Following completion of the Council’s 2023-24 financial statements audit on 28 February 2025 there has been insufficient time to for management’s improvement plans (predominantly in the area of capital accounting) to embed. We raise an improvement recommendation on page 21.</p>	A

Governance – commentary on arrangements (2)

We considered how the Council: Commentary on arrangements		Rating
ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee	<p>Key decisions are supported by detailed papers, allowing for adequate challenge and debate at Cabinet-level, with no evidence of inappropriate decision-making. Members make decisions based on written reports that adhere to a report writing guide and undergo clearance by Finance and Legal departments. The Cabinet receives briefings on significant upcoming decisions during their regular meetings with the Corporate Management Team, allowing Members to ask detailed questions.</p> <p>The role of the Overview and Scrutiny Committees in supporting informed decision-making is clearly defined, with two main committees, the Community and Wellbeing Scrutiny Committee and the Resources and Public Realm Scrutiny Committee, each responsible for scrutinising different aspects of the Council’s Executive. Collaboration between both the Scrutiny and Audit and Standards Committees has been encouraged to ensure effective agenda planning and intelligence sharing.</p>	G
monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour	<p>The Council has clearly defined the roles of its key officers, the Executive and all Council committees. The Constitution outlines the responsibilities of both Members and officers, highlighting the six statutory Chief Officer positions tasked with ensuring compliance with evolving government policy and legislation. There are Codes of Conduct in place for Members and officers which are regularly reviewed, with training provided as required. The Council maintains published registers of interests, with declarations a standing agenda item for all Member meetings.</p> <p>The Monitoring Officer manages any complaints made against Members, providing updates to the Standards Committee. The Brent Assurance Board regularly reviews governance and assurance reports to ensure the Council's statutory duties are effectively fulfilled and shared.</p>	G

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Grant Thornton insights – learning from others

Overall, arrangements for managing risk are adequate, but the Council could challenge itself to go further, based on the best arrangements we see across the sector.

What the Council is already doing

- The Risk Management Strategy outlines a clear framework for managing risks, stakeholder roles and the Council's risk appetite with action plans in place for strategic risks.
- The Strategic Risk Register is facilitated by Internal Audit in collaboration with risk leads, DMTs and CMT, supported by service-level workshops and training to provide risk scores, target risk scores and apply the 4T's risk response model, (Treat, Tolerate, Transfer, Terminate).

What others do well

- Frequent reporting of risk on a quarterly basis to members and each month to the Corporate management Team (CMT) to truly embed risk management.
- Detailed action plans with target dates in departmental risk registers, to hold officers accountable for timely risk mitigation.
- Aligning strategic risks to the corporate plan and its annual delivery plans so that the risk of delivery of the Council's objectives is regularly reported in integrated performance reports.

The Council could consider To support the continued enhancement of the Council's risk management framework, consideration could be given to:

- Strengthening the quality and consistency of departmental risk registers to ensure alignment with corporate standards and improve visibility of operational risks.
- Transitioning to a model where departmental risk owners are accountable for maintaining and updating their own risk actions, enabling more timely and informed risk discussions at Directorate and Corporate Management Team levels.
- Redefining the role of assurance providers in relation to risk, with a view to developing an integrated assurance plan that clearly maps assurance activities to the Strategic Risk Register.
- Increasing the analysis and categorisation of departmental risks to provide deeper insight into the composition of the Council's overall risk profile and support more strategic decision-making.

Governance – Improvement recommendation 4

Area for improvement: Adequacy of the accounts production process

Key finding: The 2024-25 financial statements were not published in draft by the statutory deadline of 30 June 2025, as set out in the Accounts and Audit Regulations 2015, amended by the Accounts and Audit (Amendment) Regulations 2024.

Evidence: The Council demonstrated strong engagement with the 2023-24 audit process through regular meetings and prompt escalation of issues. However, there were several challenges which caused delays, including the departure of key finance team members before and during the audit, issues within balances which required additional audit work, poor quality of key working papers, and delays in our ability to undertake testing. An unqualified opinion was issued on 28 February 2025.

The 2024-25 draft financial statements were not published on the Council's website by 30 June 2025, as the Council wanted to ensure the integrity and quality of its financial reporting. Following completion of the Council's 2023-24 financial statements audit on 28 February 2025 there has been insufficient time to for management's improvement plans (predominantly in the area of capital accounting) to embed. Complications with capital transactions and the inclusion of five prior period adjustments (PPAs) delayed the production of the accounts as well as the time taken to ensure working papers were of good quality for key balances. The statements were published in draft on 22 August 2025.

Impact: Late submissions of draft accounts and audited financial statements may impact the stakeholder confidence in the Council's financial governance arrangements, both financial controls and reporting accuracy. The impact of prolonged audit processes and the need to support additional auditor testing can divert the finance team from other critical duties such as budget planning, strategic financial management and supporting services. This has been compounded by the departure of key staff which impacts capacity but also corporate memory for complex financial reporting.

Improvement recommendation 3

The Council should put in place robust arrangements for the production of the financial statements going forward, ensuring that there is sufficient capacity and capability within the finance team to meet statutory reporting requirements, comply with the international financial reporting standards, and support the full audit of the financial statements.



Improving economy, efficiency and effectiveness – commentary on arrangements (1)

We considered how the Council:	Commentary on arrangements	Rating
uses financial and performance information to assess performance to identify areas for improvement	The Council's performance balanced scorecards are reviewed quarterly by CMT and the Members in the Policy Cabinet Group (PCG). Discussions on performance indicators are also held each month with Cabinet Portfolio holders at a departmental level. This initiative has improved the strategic alignment of performance monitoring and has emphasised the use of data for service delivery improvements. The Council is implementing the four high-risk recommendations raised in the 2024-25 Internal Audit review of Performance Management which related to key performance indicators (KPIs). We highlight some additional insight from our audited bodies on page 25.	G
evaluates the services it provides to assess performance and identify areas for improvement	<p>The Council responded positively to several service inspections by implementing action plans and regularly monitoring progress. The Care Quality Commission (CQC) inspected Adult Services in August 2024 and provided a “Requires Improvement” rating, falling just short of “Good.” A SEND Inspection of the Brent Local Area Partnership in January 2025 indicated favourable experiences for children and young people, though improvements were needed in providing timely updates and reducing waiting times for assessments.</p> <p>In April 2025, feedback from the LGA Corporate Peer Challenge highlighted Brent as a well-performing authority with a positive culture and significant achievements, particularly in housing development. However, it also identified areas for improvement, including overcoming internal silo working, addressing the temporary accommodation crisis, and enhancing financial management. An action plan to drive the necessary improvement is agreed and in progress. The Council's self-referral in April 2025 to the Regulator of Social Housing resulted in a “C3 – significant improvement needed” grading for failing to meet the Safety and Quality Standard in relation to accuracy and completion of fire safety data and housing repairs, highlighting compliance risks and potential cost increases. As this is an indication of the arrangements in place throughout 2024-25, we identified a significant weakness and raise a Key Recommendation, as set out on page 24.</p>	R

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements (2)

We considered how the Council:	Commentary on arrangements	Rating
ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives	<p>The Council has a strong reputation for partnership working, with statutory partners describing the Council as “reliable, collaborative and open to working together”. Radical Place Leadership is reshaping how the Council, partners and communities work together at the scale of neighbourhoods to improve resident outcomes. Cross organisational, locality-based Integrated Neighbourhood Teams were developed during 2024-25 to share information to support residents are being rolled out across the Borough, starting in April 2025, with a pilot in Harlesden using a “test, learn and grow” method. The current focus is on catalysing more community-led change through local organisations, introducing a more proactive approach to prevention, and co-ordinating ongoing care and support aligned to the NHS neighbourhood health model. Using a data-driven approach to track impact and refine the model for Borough-wide implementation, a set of shared success measures will be agreed upon, including metrics such as reductions in crisis interventions, improved resident satisfaction, and financial efficiencies. We consider this could be a forward-thinking approach which frames service-delivery around the customer promoting a more holistic and integrated approach to delivering public services.</p>	G
commissions or procures services, assessing whether it is realising the expected benefits	<p>In January 2025, a peer review of the Council's procurement function was initiated following concerns from senior management and feedback from directorates, in addition to a ‘Limited assurance’ Internal Audit report. The review recommended that procurement should evolve into a strategic function that actively shapes the Council's future direction and engages effectively with directorates. To facilitate this change, a Procurement Improvement Programme (PIP) was launched and endorsed by the Cabinet in May 2025.</p>	A

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – Key Recommendation 3

Significant weakness: Serious failings in quality and safety standards identified by the Regulator

Key finding: There is a significant weakness in the Council's arrangements to deliver economy, efficiency and effectiveness in the Council's housing services, as indicated by the Regulator of Social Housing (RSH) awarding the Council a 'C3 grading' for serious failings in meeting quality and safety consumer standards.

Evidence: In May 2025, the RSH issued a C3 regulatory judgement to the Council, identifying serious failings by the Council as a landlord in meeting the outcomes of the Quality and Safety consumer standards. The Council had made a self-referral in April 2025 concerning the quality and accuracy of its fire safety data. RSH's engagement with the Council also identified: that data for fire safety, smoke and carbon monoxide safety, asbestos management and water safety could not be reconciled; concerns about the data validation process that took place prior to the Council implementing its new asset management system; and although the Council reported that it has 95% of its stock condition data, almost half of homes had not had a recorded survey.

The Council estimates it will take 12 to 18 months to resolve compliance issues across the 'Big 8' areas of compliance: fire safety, gas safety, electrical safety, water safety, asbestos management, mechanical and engineering (lifts), damp and mould, and smoke and carbon monoxide detectors.

Progress on the Housing Improvement Plan, which includes: an audit of the compliance areas; a root cause analysis to understand why the breaches occurred; and a Compliance Recovery Programme, will be monitored monthly by both the RSH and the Council's Housing and Tenant Satisfaction Improvement Programme.

Impact: Failure to address the actions identified by the RSH may result in formal regulatory intervention, reputational damage along with financial consequences from potential fines, emergency remedial works and legal liabilities. This is increased where residents experience damp or mould which can impact health in the short- and longer-term.

Key Recommendation 3

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

Grant Thornton insights – learning from others

The Council has been improving arrangements in respect of its performance management framework and is implementing actions from the limited assurance internal audit report, but could challenge itself to go further, based on the best arrangements we see across the sector.



What the Council is already doing:

- Addressing performance management issues with quarterly balanced scorecard discussions at Corporate Management Team (CMT) and Cabinet.
- Implementing data quality controls with the introduction of a data academy, aimed at enhancing skills and building data literacy across the organisation.



What others do well:

- Incorporating both financial and non-financial information as part of performance reporting, including data from Council-owned companies and key partnerships, with effective risk rating and mitigating actions.
- Standardising Directorate Management Team (DMT) weekly agendas, including focus on: strategic horizon-scanning, assurance over grip and control over delivery, and consistent sharing of good practice.



The Council could consider:

- Include KPIs at CMT and DMT levels that address internal and financial control, such as; the implementation rate for Internal Audit recommendations, Council tax and Business Rates collection, and more Council-wide metrics around the key strategic risks.
- Better integrate performance and risk reporting once the risk management framework is sufficiently mature.

05 Summary of value for money recommendations raised in 2024-25

Key Recommendations raised in 2024-25 (1)

Recommendation	Relates to	Management actions
<div><div>Page 113</div><div>R1</div><div>The Council must urgently take additional difficult decisions to ensure that a realistic budget can be set for next year and in the medium-term, so this can be delivered without the need to further draw on reserves nor Exceptional Financial Support (EFS) from central government.</div></div>	<div>Financial sustainability (pages 13-14)</div>	<div><div>Actions:</div><div><ul style="list-style-type: none">• Workshops with all service areas to produce realistic forecasts and scenario planning over the MTFS period (currently 3 years, to be extended to 5 years), including for HRA and DSG.• Modelling of the impacts of the Fair Funding Review, to the extent this is possible, with subsequent review.• Update of MTFS with realistic assumptions for Draft Budget in November 2025• Savings for 2026-27 agreed to allow for 2026-27 budget to be balanced without the need for reserves to be used.• Review of budget assumptions between Draft Budget and Final Budget in February 2026, with further adjustments to the budget to ensure the budget remains realistic based on the latest available data.• Ongoing work with Embrace Change Programme to provide plans across the MTFS period that enable the Council to return to a sustainable budget position in the medium term without the need to deplete reserves and/or apply for Exceptional Financial Support.</div><div>Responsible Officer: Rav Jassar. Deputy Director, Corporate & Financial Planning</div><div>Due date: Initial update of MTFS for 2026-27 budget (November 2025), Revised MTFS for 2026-27 budget (February 2026), MTFS with realistic plans for 2027-28 onwards (July 2026).</div></div>

Key Recommendations raised in 2024-25 (2)

	Recommendation	Relates to	Management actions
<div> <div>KR2</div> <div>Page 114</div> </div>	<p>It is critical that savings through the Embrace Change Transformation Programme are quantified and integrated into the Medium-Term Financial Strategy (MTFS) providing a pipeline of sufficient recurrent savings and income generation schemes supported by robust business cases through collaboration and business transformation.</p>	<p>Financial sustainability (page 15)</p>	<p>Actions:</p> <ul style="list-style-type: none"> • Savings for 2026-27 to be agreed for draft budget in November 2025. • Draft of savings from the Embrace Change Programme for 2027-28 onwards to be developed by February 2026, to enable preparation work, consultations, etc, to take place throughout 2026-27. • Finance team to work with Embrace Change Programme to establish governance arrangements to monitor, track and report progress against savings targets. <p>Responsible Officer: Rav Jassar. Deputy Director, Corporate & Financial Planning</p> <p>Due date: Savings for 2026-27 (November 2025), First draft of savings for 2027-28 onwards (February 2026), Governance arrangements (July 2026), Consultations, stakeholder engagement, etc. (Summer 2026).</p>
	<p>The Council should ensure that governance and oversight arrangements for the Housing Improvement Plan provide assurance for officers and Members over timely delivery of actions and that improvements are sustained and embedded across housing services.</p>	<p>Improvement economy, efficiency and effectiveness (page 24)</p>	<p>Actions: The Council recognises the importance of ensuring timely delivery and the sustained embedding of improvements across housing services. Officers have already begun implementing changes to strengthen our approach. The current Housing Improvement Plan is being updated to be more robust and comprehensive, with a clear focus on measurable deliverables. A Housing & Tenant Improvement Programme Board, chaired by the CEO of the Council, has been set up as well as a Housing Improvement Project group which will feed into the Board. This will ensure better governance and improved oversight and assurance at a senior management and Members level. These improvements will ensure that actions are effectively monitored, progress is transparent, and positive outcomes are sustained across all relevant services. The Council remains committed to continuous improvement and will keep all stakeholders regularly informed of the progress.</p> <p>Responsible Officer: Jekaterina Popova / Spencer Randolph</p> <p>Due date: 31 January 2026</p>

Improvement recommendations raised in 2024-25 (1)

Page 115
R1

Recommendation	Relates to	Management actions
Using the property strategy, the Council could identify assets for disposal to support the capital programme, reduce long-term borrowing, and lower revenue costs. The impact of capital receipts should be reflected in the MTFS once confirmed.	Financial sustainability (page 16)	<p>Actions: We agree with this recommendation and have already taken steps to identify assets that could be disposed to generate capital receipts. A priority is generating capital receipts for the Council’s HRA to fund essential fire safety and other major repairs work without the need for additional borrowing. The Affordable Housing Supply Board in August discussed an initial list of identified HRA assets for disposal including planning-approved in fill sites. The Council is also considering how we utilise recent changes to how right to buy receipts can be used (including combined with grant from 2026-27 onwards) to fund the delivery of new social homes. In addition, much of the financing for the South Kilburn regeneration programme will come from land receipts from developers for private housing. We intend to reflect the impact of capital receipts in the MTFS as part of 2026-27 budget setting.</p> <p>Responsible Officer: Amanda Healy. Deputy Director, Investment & Infrastructure Due date: February 2026</p>

Improvement recommendations raised in 2024-25 (2)

Recommendation		Relates to	Management actions
Page 116 IR2	The Council should develop and integrate a comprehensive DSG deficit recovery strategy, reflected in the MTFS and aligned with the statutory override timeline, while also strengthening HRA financial planning to address compliance risks and future cost pressures. This should include scenario modelling, reserve strategy adjustments, and engagement with DfE and the Regulator of Social Housing to mitigate long-term sustainability risks.	Financial sustainability (page 17)	<p>Actions:</p> <p>DSG: We accept the recommendation to plan for the impact of the removal of the statutory override at the end of March 2028, against the accumulated deficit of £13.6m. The Council already has a robust and well established DSG deficit management plan, with a strong focus on managing demand, improving the sustainability of provision, and strengthening financial management to reduce the deficit. Alongside this, we await the outcome of the SEND reforms in the autumn of 2025 which is expected to address the level of deficits held by local authorities, as this is a national issue and not unique to Brent. Depending on the outcomes of the SEND reforms, and in the wider context of the Fair Funding review, the Council will continue to develop and, where necessary, strengthen its deficit recovery plan to ensure it remains fit for purpose and responsive to changing circumstances.</p> <p>HRA: The 30-year HRA Business Plan is scheduled to undergo a comprehensive review, with all underlying assumptions reassessed and updated to reflect the most current intelligence and data available. While sensitivity analysis is already integrated into the business plan, scenario modelling will be introduced as an additional planning tool to better anticipate and manage potential risks. Reserves are under close scrutiny, and a detailed review will be conducted to evaluate the relevance and appropriateness of existing earmarked reserves to ensure alignment with strategic priorities. The Council maintains regular and proactive engagement with the Regulator of Social Housing. Our teams will continue collaborating closely to address and mitigate long-term sustainability risks. To reinforce governance and oversight, we have established regular Regulatory Assurance meetings, which provide a structured forum for ongoing review and assurance.</p> <p>Overall, as has been identified in this report, governance arrangements in Brent are reasonable and proportionate. While the issues raised on the financial position of the DSG and HRA are significant, processes are in place to establish assurance and oversight.</p> <p>Responsible Officer: Jekaterina Popova / Folake Olufeko</p> <p>Due date: 31 January 2026</p>

Improvement recommendations raised in 2024-25 (3)

Recommendation		Relates to	Management actions
IR3	The Council should put in place robust arrangements for the production of the financial statements going forward, ensuring that there is sufficient capacity and capability within the finance team to meet statutory reporting requirements, comply with the international financial reporting standards, and support the full audit of the financial statements.	Governance (page 21)	Actions: The Finance team has increased the resources in the team responsible for financial statements in order to address the recommendations previously raised on accounting for assets and valuations. An improvement plans is now in place, with support from key service areas including housing, property and regeneration. Responsible Officer: Ben Ainsworth, Head of Finance Due date: 31 March 2026

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06 Follow up of previous Key Recommendation

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Follow up of 2023-24 Key Recommendation

Prior Key Recommendation		Raised	Progress	Current status	Further action
R1	The Council needs to urgently take the difficult decisions needed to ensure that a realistic budget can be set for 2025/26 and that this can be delivered without the need to further draw on reserves.	Financial sustainability 2023-24	As a result of the significant overspend experienced in 2023-24 and forecast for 2024-25, the Council has put forward £16 million of new savings proposals for 2025-26 to contain the pressures being experienced in the provision of homelessness services and temporary accommodation.	Partially implemented	Key Recommendation is updated for 2024-25, extending the timeline of the prior year recommendation. Refer to pages 13-14.

07 Appendices

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Appendix A: Responsibilities of the Council

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Council's Section 151 Officer is responsible for preparing the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Section 151 Officer is required to comply with CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. In preparing the financial statements, the Section 151 Officer is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B: Value for Money Auditor responsibilities

Our work is risk-based and focused on providing a commentary assessment of the Council’s value for money arrangements.

Phase 1 – Planning and initial risk assessment

As part of our planning, we assess our knowledge of the Council’s arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor’s professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations.

**A range of different recommendations can be raised by the Council’s auditors as follows:**

Statutory recommendations – recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.

Key Recommendations – the actions which should be taken by the Council where significant weaknesses are identified within arrangements.

Improvement recommendations – actions which are not a result of us identifying significant weaknesses in the Council’s arrangements, but which if not addressed could increase the risk of a significant weakness in the future.

Information that informs our ongoing risk assessment

Cumulative knowledge of arrangements from the prior year	Key performance and risk management information reported to the Executive or full Council
Interviews and discussions with key stakeholders	External review such as by the LGA, CIPFA, or Local Government Ombudsman
Progress with implementing recommendations	Regulatory inspections such as from Ofsted and CQC
Findings from our opinion audit	Annual Governance Statement including the Head of Internal Audit annual opinion

Appendix C: Follow up of previous improvement recommendations (1)

	Prior improvement recommendation	Raised	Progress	Current position	Further action
IR1	To further enhance budget setting reporting the Council should demonstrate how revenue investments in services will support delivery of its five Borough Plan Priorities.	2023-24	Addressed as part of the budget setting process incorporating the Borough Plan which sets out a new delivery plan from 2025-26.	Implemented	Arrangements assessed as in place to address this. No further action required.
IR2	The Council should ensure that out of date policies are removed from the Council's website and replaced with current policies if available.	2023-24	The Council has confirmed that this is in progress.	In progress – Closed	Arrangements assessed as in place to address this. No further action required.
IR3	The Council should prioritise the revision of the Procurement Strategy in line with the Borough Plan, taking into account the recent restructure and the new Director's focus on community wealth building and social value. As part of the review, the Council should ensure that arrangements to meet the requirements of the new Procurement Act 2023 are outlined as part of the refresh of its Procurement Strategy. This will help align the strategy with the latest legislative developments and the Council's current priorities.	2023-24	The Procurement Strategy is being revisited to support the Council in achieving its objectives and ensuring compliance with the latest legislation.	In progress	TBC

Appendix C: Follow up of previous improvement recommendations (2)

Prior improvement recommendation		Raised	Progress	Current position	Further action
IR4	The Council should enhance its Gifts and Hospitality register to include additional information for 'exceptional items' to ensure transparency. This will provide a clear and comprehensive overview, ensuring that members of the public are fully informed about the gifts received.	2023-24	The Corporate Director of Law & Governance is reporting to the Council's Constitutional Working Group concerning potential amendments to the Gifts & Hospitality requirements in the Brent Members Code of Conduct.	In progress – Closed	Arrangements assessed as in place to address this. No further action required.

Appendix C: Follow up of previous improvement recommendations (3)

Prior improvement recommendation		Raised	Progress	Current position	Further action
Page 125 R5	The Council should consider enhancing its partnership governance arrangements by:				
	<ul style="list-style-type: none">Developing a partnership register to provide a more complete overview of partnerships. For each partnership, this could include: aims and objectives; expected outcomes; links to the Council’s strategic objectives; commitment of resources; governance arrangements (terms of reference /service level agreement); financial reporting arrangements; and performance monitoring arrangements. The register should be reviewed on a regular basis to ensure it remains up-to-date.Implementing a partnership governance policy, providing information on: what partnership working is; how to enter into and set up a new partnership; how to maintain governance and monitoring arrangements for existing partnerships; and how to exit from a partnership.	2023-24	<p>These actions will be taken forward by the Strategic Commissioning, Capacity Building and Engagement department, liaising closely with other Council departments so there is a holistic and proportionate approach to partnership governance that reflects the breadth of key partnerships Council-wide.</p> <p>Also, the Community Engagement Framework will be refreshed and its use embedded across services in 2025 as part of the wider Strategic Change Programme, with support from the newly established Commissioning Community of Practice.</p>	In progress – Closed	Arrangements assessed as in place to address this. No further action required.

Appendix C: Follow up of previous improvement recommendations (4)

	Prior improvement recommendation	Raised	Progress	Current position	Further action
Page 126 IR6	To enhance transparency, the Council should consider reporting waivers to a public committee on a quarterly basis. This should include the value of the waiver and justification.	2023-24	The rationale and justification to undertake a waiver and the agreement to award the waiver are agreed by a Chief Officer and should pass Legal and Procurement on their approval journey. As part of an existing Internal Audit action, all waivers are reported to the Commissioning and Procurement Board on a quarterly basis and further consideration will be given as to an appropriate public committee to report to.	In progress – Closed	Arrangements assessed as in place to address this. No further action required.
	As part of the ongoing review of its performance management framework and the implementation of a balanced scorecard approach for 2024-25, the Council should ensure that specific Directorate KPIs are included in the Corporate Performance Report and reported publicly. This will enhance provide Members and service users of a better understanding of how the Council is performing in key service areas.	2023-24	Officers will address this through engagement activity with Lead Members and Directors, including via the quarterly standing Performance item at their 1-1s, reviewing which of the existing directorate-specific KPIs are most appropriate for external publication (i.e. which most closely align with and help measure borough plan priorities) as well as discussing proposals for any new or revised KPIs for inclusion in both the balanced scorecards and external reporting.	In progress – Closed	Arrangements assessed as in place to address this. No further action required.

Appendix C: Follow up of previous improvement recommendations (5)

Prior improvement recommendation		Raised	Progress	Current position	Further action
Page 127	IR1	2022-23	This was dealt with as part of the 2025-26 budget setting process. The draft budget for 2025-26 presented to Cabinet in November 2024, included a range of budget options.	The budget remains pressured with limited plans as to how to address additional growth. As such we have escalated this improvement recommendation as part of our reporting of a significant weakness.	Raised as Key Recommendation 2 in 2024-25 Refer to page 15.
	IR3		Addressed as part of the 2025-26 budget setting process with the cumulative EIA was presented to Cabinet in February 2025.	Implemented	Arrangements assessed as in place to address this. No further action required.



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London Borough of Brent

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Audit progress report and sector updates

September 2025

Agenda

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Audit progress report

Introduction

This paper provides the Audit and Standards Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a series of sector updates in respect of emerging issues which the Committee may wish to consider.

Members of the Audit and Standards Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:

<https://www.grantthornton.co.uk/industries/public-sector/local-government/>

If you would like further information on any items in this briefing or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either Sophia or Sheena.

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Progress at September 2025 (1)

Financial statements audit

At the last Audit and Standards Committee meeting, we noted that the draft statement of accounts was expected from management by 18 July. Although the accounts were not available at that time, we provided an update on our progress. The draft financial statements were subsequently received on 18 August.

We have completed our review of the draft statement of accounts with particular attention given to the Property, Plant and Equipment (PPE) note—identified as the main source of delay in the accounts' preparation. While the draft accounts are broadly reasonable, there remain ongoing issues with the PPE note, as detailed below.

Challenges with the audit of the valuation of Property, Plant and Equipment (PPE), including land & buildings, council dwellings and investment properties

Our initial review of management's working papers reconciling the fixed asset register (FAR) to the valuation report identified some variances. We raised this with management, who are now preparing revised working papers to clearly explain the reconciliation differences and demonstrate that there are no material discrepancies between the valuation report, the FAR, and the financial statements.

Management also informs us that the summary valuation report provided by the valuer is being updated to correct errors identified during the preparation of the accounts, such as duplicate valuations. As our testing of property, plant, and equipment (PPE) relies on the accuracy of this valuation report, we will proceed with sample selection for PPE testing only once we receive the updated report and are satisfied that there are no material variances between the valuation report, the FAR and the accounts.

Additionally, in the draft statement of accounts, management stated that PPE assets with a net book value of £15m are overdue for revaluation. This was not carried out as part of the initial revaluation. Once the valuations for these assets are received by management the FAR and financial statements will need to be revised accordingly.

Impact on audit resources

Due to the issues noted, we are unable to proceed with PPE testing, related disclosures and other audit areas impacted by changes in the PPE note. As noted, management is working to provide us with working paper which will enable us to proceed with our testing. We will allocate resources from October onwards to complete the PPE-related work. There will be additional fees, to be agreed with management, associated with these delays.

Reporting implications of delays with PPE

- Management has informed us that the work to address the issues with PPE last year is only partially complete. More work is necessary to ensure the consistent use of unique property/asset reference numbers across the council to prevent issues such as duplication of valuations. Therefore, the control point in last year's Auditor's Findings Report regarding the reconciliation of the valuation report, the fixed asset register, and the accounts is not yet fully resolved and will be retained
- Management has identified a £5m misclassification of an asset held for sale, which should have been classified as a surplus asset. This will be corrected in the final accounts and recorded as an adjusted misclassification error in our AFR.

Progress at September 2025 (2)

Update on significant and other risk areas

Valuation of net pension liability

Our work on the net pension liability is substantially complete, pending receipt of IAS 19 assurance responses from the pension fund auditor and final review by the audit manager and engagement lead. Management initially omitted disclosure regarding the Virgin Media case and has agreed to include a note explaining why the Council is not impacted.

Management override of controls

We are awaiting completion of IT audit procedures on journal entries. The delay is due to discrepancies between the opening balances of the journal listings provided by management and the prior year's closing balances, caused by manual adjustments. Our IT team is re-processing the journals. There are no issues to report to those charged with governance at this stage of the audit.

Completeness of non-pay expenditure

We have summarised below the status of our testing:

- Invoices raised: all testing completed with no issues noted.
- Invoices received: testing in progress.
- Bank income: testing in progress.
- Bank expenditure: testing in progress.

We have nothing to report at this stage.

IFRS 16 implementation

Our work is ongoing. No matters to report at this stage.

Progress at September 2025 (3)

We summarise below the status of our work on other sections of the accounts:

Area	Sample selected	Comment
Cash and cash equivalents	6	Testing for the Council's cash and bank is in progress. Testing of schools' bank is complete.
Investments	N/A	Awaiting 2 out of 9 investment confirmations to be sent directly from counterparties.
Property, plant and equipment – additions	16	Awaiting evidence for samples. Management has requested a call for 17/09/25 to discuss evidence available for additions, disposals and existence & ownership to ensure it meets auditor expectations before it is provided.
Property, plant and equipment – disposals	8	
PPE opening balances (existence and ownership testing)	30	
Borrowings	None	Awaiting 14 out of 22 borrowing confirmations to be sent directly from counterparties.
Provisions	N/A	Testing is in progress.
Debtors	28	Testing is in progress.
Creditors	42	Testing is in progress.

Progress at September 2025 (4)

Comprehensive Income and Expenditure Statement

Area	Sample selected	Comment
Staff costs (including starters, leavers and changes)	25	Substantive analytical procedures and testing of starters, leavers and changes complete. We are currently selecting samples for non-pensionable pay.
Senior officer remuneration	N/A	Testing is in progress.
Housing benefit expenditure	17	Testing is complete pending final review.
Operating expenditure	54	Awaiting evidence for the 54 samples selected.
Agency costs	5	Testing is complete pending final review.
Grant income (Note 19)	17	Testing is in progress.
Depreciation & impairment	N/A	In progress. This may be impacted by the issues with PPE valuation.
Other grants, reimbursements & contributions	5	Testing is in progress.
Capital grant income	5	Testing is in progress.
Fees and charges income	16	Awaiting evidence for the 16 samples selected.
Schools' payroll	10	Testing is complete pending final review.
Schools' expenditure	10	Testing is in progress.

Progress at September 2025 (5)

Other areas

Area	Sample selected	Comment
Collection Fund NNDR income	25	Awaiting 25 responses to follow up queries for further evidence required in relation to our testing of NNDR reliefs. Substantive analytical procedures are in progress.
Collection Fund council tax income	25	Awaiting 11 responses to follow up queries for further evidence required in relation to our testing of council tax reliefs. Substantive analytical procedures are in progress.

Progress at September 2025 (6)

Value for money

Our value for money work for 2024-25 is complete. We have shared our interim Auditor's Annual Report with management for review and comment. The report will be presented to at the Audit and Standards Committee meeting on 25 September 2025. The Auditor's Annual Report cannot be finalised until the audit of the financial statements is complete.

Other areas

Work continues on grant claims submitted to Grant Thornton for review covering the pooling of capital housing receipts, the housing benefit subsidy claim and Teachers' pensions.

Meetings

As part of the 2024-25 audit, we hold weekly meetings with the Head of Finance and the Deputy Director, Corporate & Financial Planning to review progress and address any emerging issues on the audit. In addition, Sophia meets quarterly with the Corporate Director Finance & Resources and Chief Executive to receive updates on the Council's financial performance and to discuss the Council's strategic challenges and priorities.

Events

We provide a range of workshops and network events. On 4 June 2025 we held a webinar providing updates on local government re-organisation and devolution; and lessons from our 2023-24 value for money audits. A recording of the event is available here: [Audit committee webinar](#)

Audit deliverables

Below are some of the audit deliverables planned for 2024-25

2024-25 Deliverables	Planned date	Status
Audit Plan We are required to issue a detailed audit plan to the Audit & Standards Committee setting out our proposed approach in order to give an opinion on the Council’s 2024-25 financial statements.	April 2025	Complete
Audit Findings Report The Audit Findings Report will be reported to the Audit & Standards Committee on 3 December 2025.	TBC	Not yet due
Auditor’s Report This includes the opinion on your financial statements.	TBC	Not yet due
Auditor’s Annual Report This report communicates the key outputs of the audit, including our commentary on the Council's value for money arrangements.	September 2025	Complete

Sector updates

Lessons from 2023-24 auditors' annual reports

Recommended reading for audit committees:

In August 2025, we published a review of 100 Auditors' Annual Reports (AARs) produced by Grant Thornton for our local government audited bodies across England. This represents about a third of all councils in the country. The AARs offer a wealth of insights on what works, and what doesn't, when it comes to value for money and governance.

The reports in our sample showed that financial sustainability remains the major challenge for the majority of councils. Poor governance has led to some councils depleting their reserves and others incurring excessive borrowing, which current government policies around exceptional financial support and statutory override for dedicated schools grant deficits are not helping.

Common challenges for councils include gaps in risk management; high vacancy rates in internal audit; de-centralised contract management; under-supported project management; and the need for stronger, timelier data on performance. For councils with Housing Revenue Accounts, there are also significant challenges with identifying, costing and managing high volumes of backlog repairs and maintenance work needed to meet regulatory standards.

However, with this being the second year of reporting on lessons from AARs, we also charted notable examples of cases where arrangements have been strengthened since 2022-23, yielding benefits. As well as good practice questions and reminders, the report includes case studies showing better: control over transformation planning; approach to internal audit; project management; key performance indicator reporting; and right-sized workforce.

AAR findings in August 2025 can be compared to those from one year earlier by accessing the two years of full reporting here:

[Lessons from 2023-24 auditors' annual reports](#)

[Lessons from recent auditor's annual reports](#)



Fair Funding Review 2.0

Key questions for audit committee to ask officers:

- ❖ What impact do we expect the Fair Funding Review to have on our medium-term financial plan?
- ❖ Have we calculated what level of support we will need from transitional arrangements?
- ❖ What mitigations are we planning if we don't receive transitional support?

Background:

Between June and August 2025, the government ran a [public Fair Funding Review consultation](#) on how it should implement Fair Funding Review 2.0, including on how the local government grant system should be made fairer and how transitional arrangements should work.

Under the Fair Funding Review, significant changes to the grant funding system for English local government are now expected to take effect on 1 April 2026, for the 2026-27 financial year. It is expected that grant funding will be allocated to English local authorities using a three-part system, consisting of an assessment of relative need, based on socio-economic indicators; an area costs adjustment; and a resource assessment, measuring the capacity of each council to raise council tax.

It is expected that:

- ❖ There will be no further retained business rates revenue;
- ❖ Recent spending on social care and deprivation will influence the formula; and
- ❖ There will be reduced funding for councils with higher capacity to raise council tax.

The new methodology will apply to the Revenue Support Grant, which will also swallow up several other smaller grants that councils currently receive.

Because the existing system has been untouched for many years, and because no new money will accompany the review, there are likely to be some very large changes to some councils' funding allocations.

The [Local Government Information Unit](#) recently argued that “in many ways (the changes) will start to put England back onto its pre-2013 footing”; and a three-year transitional period has been proposed.

Nevertheless, the changes are going to be difficult for some councils to absorb, especially those that already have other issues with their financial sustainability.



Local government financial sustainability

Key information for audit committees to be aware of:

On 18 June 2025, the Committee of Public Accounts reported that “MHCLG has implemented short-term and unsustainable approaches to keep local government afloat”.

As evidence, the Committee reported that:

- ❖ Forty-two local authorities had to receive exceptional financial support; and
- ❖ Spending on special educational needs and disabilities has outstripped the money available from the Department for Education to pay for it.

Adding to concern, the Committee also reported:

- ❖ MHCLG does not know if the billions spent delivering services locally results in better outcomes for people;
- ❖ Neither MHCLG nor HM Treasury have assessed the impact that increases in national insurance contributions will have; and
- ❖ There is significant uncertainty around how the proposed local government finance reforms and reorganisation will be implemented.

Two days later, on 20 June 2025, the government announced that the statutory override for dedicated schools grant deficits will be extended by another two years, until 31 March 2028. There is no clarity yet about how the debt associated with the grant will be managed once this new period of statutory override ends.

For wider debt burdens, the [LocalGov daily bulletin 19 August 2025](#), reported that Freedom of Information request responses from 254 councils found that:

- ❖ There has been a 60% increase in council debt over the last sixty years; and
- ❖ Roughly a fifth of council tax revenue is being spent on payments for debt interest.

For a full copy of the Committee of Public Accounts report see [Local Government Financial Sustainability](#).



The Spending Review

Key questions for audit committees to ask officers:

- ❖ Have we calculated what impact the Spending Review will have on the assumptions in our medium-term financial plan?
- ❖ If the impact is negative, what mitigation is planned?

The Spending Review also announced a new £3.25 billion Transformation Fund to support the reform of public services so that they are focused on prevention, including for special educational needs and disability and homelessness.

Background:

The Spending Review on 12 February 2025 did not directly address local government debt (other than that in some cases exceptional financial support increases the debt). However, the Spending Review did provide an additional £3.3 billion of grant funding in real terms for local authorities in 2028-29 compared with 2023-24. This included:

- ❖ Over £4 billion of funding available for adult social care in 2028-29 compared to 2025-26.
- ❖ £555 million to help more children stay with their families; and £560 million, between 2026-27 and 2029-30, to refurbish and expand children's homes and foster care placements.
- ❖ £39 billion for a successor to the Affordable Homes Programme over 10 years from 2026-27 to 2035-36.
- ❖ £100 million for a new community partnership approach to spending on adults with complex needs.

The intention is that investment in digital technology and artificial intelligence transformation programmes will drive productivity improvements and help to deliver the government's missions.

[Spending Review 2025 \(HTML\) - GOV.UK](#)



Financial instruments in local government accounts (1)

Recommended reading for audit committees:

Financial instruments are contracts that give rise to a financial asset for one party and a financial liability or equity instrument for another. In local government, these include a wide range of arrangements such as cash, loans, trade receivables and payables, pooled investments, financial guarantees, and more complex instruments like derivatives or loans with embedded features.

These instruments are governed by accounting standards and can significantly influence how a council's financial position and performance are presented in the accounts. Proper identification and treatment of these instruments are essential to ensure that financial statements reflect the true nature of the authority's financial commitments and exposures.

The accounting for financial instruments is not just a technical exercise. It has real implications for financial planning, risk management, and public accountability. Misclassification or incorrect measurement can lead to material misstatements, unexpected financial impacts, or audit challenges. Financial instruments can affect key areas such as the General Fund, usable reserves, and statutory reporting.

Ensuring that these instruments are correctly accounted for supports transparency, compliance with professional and statutory requirements, and the safeguarding of public resources.

We recently released a thought leadership report, "Local authority accounting: Avoiding pitfalls in financial instruments" which covers financial instruments in detail.

Our full report includes insight about some of the potential pitfalls relating to financial instruments that can occur in local authority accounts. In addition, each section includes a range of challenge questions for authorities to consider.

The table on the next page highlights key areas of focus in accounting for financial instruments, along with explanatory context and suggested questions that audit committee members may wish to raise with management.

The full report is available here:

[Local authority accounting: Avoiding pitfalls in financial instruments | Grant Thornton](#)



Financial instruments in local government accounts (2)

Key areas of focus in accounting for financial instruments, along with explanatory context and suggested questions for audit committees to ask:

Area of focus	Description	Challenge questions
Identification	Proper identification ensures that all relevant instruments are captured in the financial statements and assessed for risk and impact. While some items like loans and investments are obvious, others may be less visible.	<ul style="list-style-type: none"> How have you ensured that all financial instruments, including less obvious or complex arrangements, have been identified? What controls are in place? Have any new or unusual arrangements been reviewed for potential financial instrument implications?
Classification	Financial instruments must be classified based on how they are managed and the nature of their cash flows. Classification determines how movements are reported in the financial statements and can influence the volatility of reported results.	<ul style="list-style-type: none"> What process is followed to determine the classification of financial instruments, and how do you ensure that the classification reflects the nature of the financial instrument, including both business purpose and characteristics? Have any instruments been classified differently this year, and if so, why?
Measurement	Once identified and classified, financial instruments must be measured appropriately. Measurement affects reported balances and income, and errors can lead to misstatements.	<ul style="list-style-type: none"> What valuation methods are used for financial instruments, and how are they validated? Were any experts required during this process? Do changes in assumptions or market conditions require remeasurement?
Disclosure	Disclosures help users of the financial statements understand the nature, significance, and risks of financial instruments. Disclosures should be tailored to your specific circumstances, avoiding unnecessary complexity or boilerplate language.	<ul style="list-style-type: none"> How do you ensure that disclosures are tailored to reflect the authority's specific financial instruments and risks, and are any additional disclosures required for unusual or complex financial instruments, or for particular risks? Are disclosures complete, clear, and free from unnecessary detail?
Other Considerations	Other considerations include soft loans, capital treatment of financial assets, statutory overrides, and the requirement to make prudent minimum revenue provisions (MRP) for certain losses. These adjustments can have a direct impact on financial planning and budget setting.	<ul style="list-style-type: none"> Have all relevant statutory overrides and adjustments been correctly applied and disclosed, and what impact have these adjustments had on the General Fund or other usable reserves? Are expected credit losses / impairments reflected in the financial strategy?

The local authority backstop

Key information for audit committees to be aware of:

On 5 June 2025, the National Audit Office published [Local Audit Reset and Recovery Implementation Guidance \(LARRIG 06I\)](#). This followed on from the fact that on 28 February 2025, approximately 40% of local authorities received an unqualified opinion on their financial statements for 2023-24; and the remaining 60% of audits were disclaimed as auditors had not been able to conclude work by the deadline.

We are pleased to report that Grant Thornton issued unqualified opinions on 65% of our local authority audits, well ahead of the national average. Nevertheless, all audit committees need to be aware of work currently ongoing across the sector to help rebuild assurance for stakeholders.

How you can support us

Timely preparation of draft accounts and high quality supporting working papers is fundamental to the success of audit closedown. We look for all local authorities to prioritise this in enabling the sector to return to balance.

Reorganisation update



Key reorganisation dates for audit committees to be aware of:

Key dates that audit committees need to be aware of for councils other than those in Surrey (for which deadline was 9 May 2025) are listed below:

26 September 2025: Deadline for areas in the Devolution Priority Programme to submit final proposals for reorganisation.

08 November 2025: Deadline for all other areas to submit final proposals for reorganisation.



Comments from Unison for audit committees be aware of, June 2025:

Reorganisation “poses a risk for thousands of local government jobs. Crucial services on which some of society’s most vulnerable people rely could also be disrupted”. The union called for workers to be protected and for the support of residents and staff to be engaged.



August 2025: [Lessons from 2023-24 auditors’ annual reports](#)

Among the 100 AARs we reviewed in August 2025, were eight AARs for relatively new unitary authorities formed during or since the local government reorganisation of 2019. Our report analyses recommendations made to these councils in 2023-24 for insights that will be useful to others as they embark on their reorganisation journey.



Other recommended materials to support audit committees:

September 2024: [Learning from the new unitary councils](#)

March 2025: [Navigating the future: The dual challenge of local government reorganisation and devolution | Grant Thornton](#)

June 2025: [Audit committee webinar](#)

May 2025: We also directly shared a technical briefing on reorganisation with statutory officers in May 2025. Audit committees can obtain a copy of the briefing note now from their Section 151 officer, or from their audit engagement lead or audit manager.

Other structural changes

Key information for audit committees to be aware of:



Multi-year allocations – 11 June 2025

The Spending Review on 11 June 2025 committed to multi-year allocations through the upcoming 2026-27 local government finance settlement. An assessment of each council's needs and resources was also committed to.

[Spending Review 2025 \(HTML\) - GOV.UK](#)

Additional information on the Spending Review and Fair Funding Review can be seen on pages 19 and 20 of this update.



Simplified local structures – 24 June 2025

The Minister of State for Housing, Communities and Local Government announced on 24 June 2025 that councils with a committee system will be required to transition to a leader and cabinet model. He also announced a ban on creating new directly elected council mayors.

[Written statements - Written questions, answers and statements - UK Parliament](#)



Pensions pooling – 11 August 2025

Seven councils' pension funds announced plans to join the Border to Coast Pool on 11 August 2025. The government has committed to allow some "limited flexibility" to other administering authorities looking for new asset pools (moving away from Access and Brunel) but does expect all to conform as closely as possible to the 31 March 2026 deadline for meeting new minimum standards set for asset pooling.

[Pension Investment Review final report](#)



English devolution and community empowerment

The English Devolution and Community Empowerment Bill was presented to the House of Commons and given its first reading on 10 July 2025; and its second reading on 2 September 2025. With ayes of 365 and noes of 164 on 2 September, the Bill now moves to Committee stage.

[English Devolution and Community Empowerment Bill](#)

Public procurement

Key questions for audit committees to ask officers:

- ❖ How much do we currently spend per annum on contracts with small and medium-sized enterprises and voluntary, community and social enterprises?
- ❖ Do we test whether our suppliers pay their creditors within appropriate timescales?
- ❖ Which outsourced services, if any, have we assessed to test whether outsourcing is still the best solution?

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Background:

Between June and September 2025, the government consulted on public procurement. With an estimated £385 billion spent through public procurement every year, the consultation is intended to support implementation of the new National Procurement Policy Statement.



Cabinet Office

Proposals that are being consulted on include:

- ❖ Mandating large contracting authorities with procurement spend over £100 million per annum to publish their own 3-year target for direct spend with small and medium-sized enterprises and voluntary, community and social enterprises; and report against it annually;
- ❖ excluding suppliers from bidding for major contracts (over £5 million per annum) if they cannot demonstrate they pay their invoices within an average of 60 days;
- ❖ requiring contracting authorities to make a standard assessment before procuring a major contract to test whether service delivery should be inhouse or outsourced;
- ❖ mandating contracting authorities to carry out a public interest test prior to making a sourcing decision on major service contracts; and
- ❖ requiring contracting authorities to publish the results of the public interest test in the tender notice.

The government states that the proposals will “open up more opportunities for small and medium-sized enterprises (SMEs) and voluntary, community, and social enterprises (VCSEs), which are vital for driving the UK economy”.

For a full understanding of the proposals that were put forward, follow this link: [Public Procurement: Growing British industry, jobs and skills](#)

Keeping fit for the future



Key question for audit committees to ask officers:

- ❖ What changes to governance structures do we expect the new ten-year health plan to have on us?
- ❖ How are we preparing?

Background:

On 3 July 2025, the government outlined the new ten-year NHS plan [Fit for the future](#). The plan points to a closer working partnership between local government and Integrated Care Board (ICBs), stating that:

- ❖ The number of ICBs will be reduced from 42 and the remaining ICBs will then be encouraged to adjust their boundaries to match those of new combined authorities;
- ❖ the government's aim over ten years is that ICBs will be coterminous with strategic authorities wherever feasibly possible;
- ❖ Integrated Care Partnerships will be abolished but in future, a neighbourhood health plan will be drawn up by local government, the NHS and its partners at single or upper-tier authority level under the leadership of the Health and Wellbeing Board, incorporating public health, social care, and the Better Care Fund;
- ❖ Mayors are going to replace local government representatives on ICB Boards;
- ❖ Local authorities are going to take up Local HealthWatch social care functions; and
- ❖ From 2026, every single or upper tier local authority will be required to participate in an external public health peer review exercise, on a 5-year cycle, with the results directly informing local plans.

Keeping the leisure estate fit for the future

Key question for audit committees to ask officers:

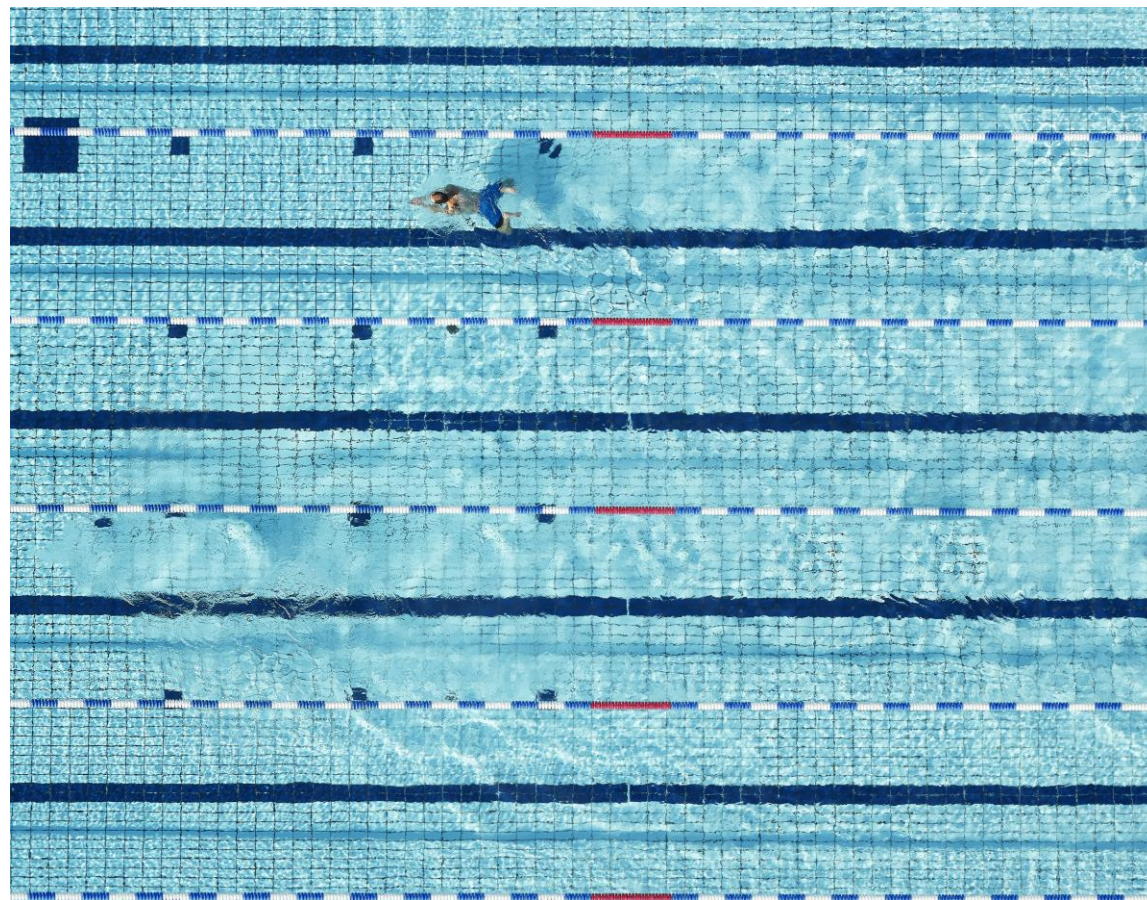
- ❖ How are repairs and maintenance and replacement costs for our leisure estate reflected in our medium-term financial plan?
- ❖ Are we on track to cover replacement costs for the leisure estate?

Background:

Some £400 million was announced in [Fit for the future](#) for grassroots sports facilities, but it is not yet clear how much of that will be directed to local authorities. On 2 August 2025, the [Local Government Association](#) reported that:

- ❖ Since 2010, 500 swimming pools have closed, representing a loss of over 34,000 square metres of water space. Nearly half of the closures occurred in the last five years.
- ❖ 63 percent of main sports halls and 60 per cent of swimming pools are beyond their expected lifespans or in need of refurbishment.
- ❖ 24 percent of council areas face the risk of reducing or closing leisure services due to rising energy and operational costs.

An early understanding of the condition of the estate will help to maximise the effectiveness of any funding that does become available to councils.



Asylum seekers update

Key questions for audit committees to ask their officers:

- ❖ How do we capture and report accommodation costs?
- ❖ Have we calculated whether costs are matched by grant income received?
How are we managing any difference?
- ❖ What are our safeguarding responsibilities? What assurance do we have that we are meeting them?
- ❖ What assurance do we have that we are meeting our duty of care to children and vulnerable adults?

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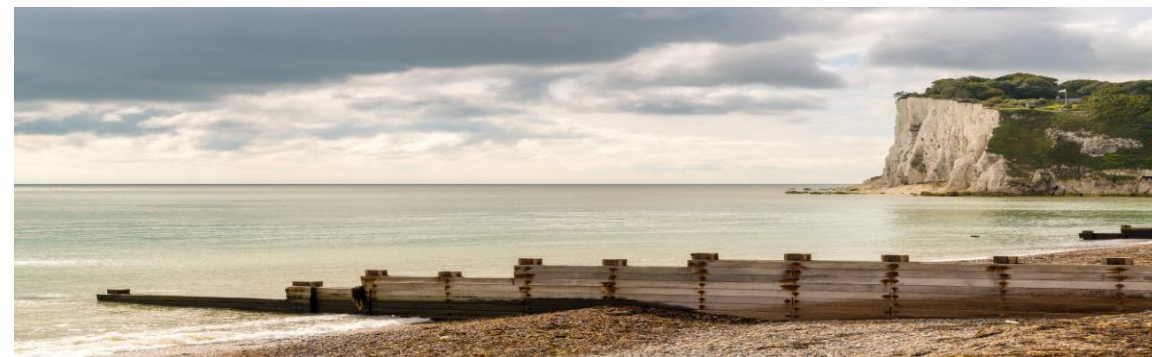
Background:

On 29 August 2025, the Court of Appeal ruled that The Bell Hotel in Epping Forest can continue to house asylum seekers, overturning an interim injunction that Epping Forest District Council had secured ten days previously to restrain the use of the hotel for such a purpose unless planning permission was granted. The Council was then denied the opportunity to appeal to the Supreme Court.

[Home Office data](#) published on 21 August 2025 shows that 115 other councils currently have hotels within their areas that are housing asylum seekers. Those councils may have been watching the outcome of The Bell Hotel case closely.

[The National Audit Office](#) recently estimated that it costs £15.3 billion per annum to house asylum seekers in hotels; and that hotel accommodation accounts for 76% of the annual cost of asylum contracts but houses only 35% of people in asylum accommodation system.

The [Spending Review 2025](#) committed to ending government use of asylum hotels during the current Parliament. The expectation is that these will be replaced by central government owned accommodation, probably delivered by purchasing tower blocks and former student accommodation. However, no timeline has been set for this initiative yet. Without a timeline, hotel costs are likely to be incurred and need managing for some time yet.



Future webinars for members of audit committees

We plan to hold a webinar for members of audit committees on 27 January 2026. Invitations will be available shortly on our website or can be obtained from your Engagement Lead or Audit Manager.

Areas our webinar will help with include:

Managing debt:

- Understanding the true level of debt across all sources;
- Assessing the viability of plans for debt repayment;
- Understanding and assessing current and future exposure to risk; and
- Best practice for councils managing debt.

Local government reorganisation:

- Understanding and anticipating outcomes from the latest submissions;
- Managing change whilst waiting for decision announcements; and
- Preparing for next steps after decision announcements.



Audit committee resources

The Audit Committee and organisational effectiveness in local authorities (CIPFA):

<https://www.cipfa.org/services/support-for-audit-committees/local-authority-audit-committees>

LGA Regional Audit Forums for Audit Committee Chairs

These are convened at least three times a year and are supported by the LGA. The forums provide an opportunity to share good practice, discuss common issues and offer training on key topics. Forums are organised by a lead authority in each region. Please email ami.beeton@local.gov.uk LGA Senior Adviser, for more information.

Public Sector Internal Audit Standards

<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

Code of Audit Practice for local auditors (NAO):

<https://www.nao.org.uk/code-audit-practice/>

Governance risk and resilience framework: material for those with a leadership responsibility on good governance (CfGS):

<https://www.cfgs.org.uk/material-for-those-with-a-leadership-responsibility-on-good-governance/>

The Three Lines of Defence Model (IAA)

<https://www.theiia.org/globalassets/documents/resources/the-iias-three-lines-model-an-update-of-the-three-lines-of-defense-july-2020/three-lines-model-updated-english.pdf>

Risk Management Guidance / The Orange Book (UK Government):

<https://www.gov.uk/government/publications/orange-book>

CIPFA Guidance and Codes

The following all have a charge, so do make enquiries to determine if copies are available within your organisation.

Audit Committees: Practical Guidance For Local Authorities And Police

<https://www.cipfa.org/policy-and-guidance/publications/a/audit-committees-practical-guidance-for-local-authorities-and-police-2022-edition>

Delivering Good Governance in Local Government

<https://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition>

Financial Management Code

<https://www.cipfa.org/fmcode>

Prudential Code

<https://www.cipfa.org/policy-and-guidance/publications/t/the-prudential-code-for-capital-finance-in-local-authorities-2021-edition>

Treasury Management Code

<https://www.cipfa.org/policy-and-guidance/publications/t/treasury-management-in-the-public-services-code-of-practice-and-crossectoral-guidance-notes-2021-edition>



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	A	E	F	G	H	I	J
1	ASAC FORWARD PLAN / WORK PROGRAMME / UPCOMING AGENDA 2025-26						
2	Topic / Date	16-Jun-25	23-Jul-25	25-Sep-25	03-Dec-25	03-Feb-26	24-Mar-26
3	Internal Audit & Investigations						
4	Internal Audit Annual Report, including Annual Head of Audit Opinion	X					
5	Annual/Interim Counter Fraud Report	X			X		
6	Internal Audit Plan Progress Update				X		
7	Internal Audit Strategy & Plan						X
8	External Audit						
9	External Audit progress report		X				X
10	Audit Findings Report Council & Pension Fund Accounts 2024-25			X*			
11	Draft External Audit Plan 2025-26 (incl Pension Fund)	X					X
12	Annual Auditor's Report			X			
13	Financial Reporting						
14	Treasury Management Mid-term Report				X		
15	Treasury Management Strategy				X		
16	Statement of Accounts & Pension Fund Accounts		X		X*		
17	Treasury Management Outturn Report		X				
18	Progress on implementation of FM Code		X				
19	Governance						
20	To review performance & management of i4B Holdings Ltd and First Wave Housing Ltd			X			X
21	Procurement review including arrangements for securing value of money, community wealth & social value		X			X	
22	Social Housing Regulator and Building Risk Assessment	X		X			
23	Review of the use of RIPA Powers						X
24	Receive and agree the Annual Governance Statement	X*					
25	Risk Management						
26	Strategic Risk Register Update			X			X
27	Emergency Preparedness		X				
28	Audit Committee Effectiveness						
29	Review the Committee's Forward Plan	X	X	X	X	X	X
30	Review the performance of the Committee (self-assessment)		X				X
31	Chair's Annual Report	X					
32	Training Requirements for Audit Committee Members (as required)						
33	Standards Matters						
34	Standards Report (including gifts & hospitality)	X		X	X		X
35	Annual Standards Report						X
36	Complaints & Code of Conduct					X	
37	Review of the Member Development Programme and Members' Expenses (incorporating Review of the Financial and Procedural Rules governing the Mayor's Charity Appeal)						X
38	Committee Development						
39	Treasury Management Training						
40	Levels of Control and Lines of Defence Training						
41	Review of Committee performance linked to Global Internal Audit Standards						
42	Role of External Audit & Committee						
43							
44	* Requires approval by Audit & Standards Committee						

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