Public Document Pack

Audit and Standards Advisory Committee

Monday 27 July 2026 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	Substitute Members
David Ewart (Independent Chair)	
Councillors:	**Councillors:**
Choudry (Vice-Chair) Bajwa Blackman Brown Donnelly-Jackson J.Patel Perrin	Agha, S Butt, De Souza and Ibrahim Councillors: A.Patel and H.Patel Councillors: Georgiou and Want Councillors: Ahmadi Moghaddam and Mitchell

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 of trade union).

(b) The interests a 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.

7	**Emergency Preparedness Report**	35 - 58

This report continues the cycle of regular updates that the Emergency Planning team provide for the Audit and Standards Advisory Committee. The report provides the Committee with an update on the work and priorities of the team since the last update in July 2025.

Finance items

8	**Treasury Management Outturn Report 2025-26**	59 - 94

This report sets out the outturn for the Council's Treasury Management Activities for 2025-26 updating members on both borrowing and investment decisions in the context of prevailing economic conditions and the Council's Treasury Management performance.

(Agenda pack republished on the 20th of July 2026 to include this item)

9	**Update on statement of accounts and External Audit Progress Report**	95 - 98

This report provides an update on the progress made towards completing the annual statement of account.

The report will also include a verbal update from Grant Thornton as the Council's external auditors, on developments relevant to Brent.

10	**Audit & Standards Advisory Committee Forward Plan & Work Programme 2026-27**	99 - 100

To consider the Committee's work programme for the 2026 -27 Municipal Year and note the dates identified (as set out below) for future meetings:

- Wednesday 23 September 2026
- Monday 30 November 2026
- Tuesday 2 February 2027
- Wednesday 24 March 2027

Please note all of the above meetings are scheduled to commence at 6pm and will be held in person at Brent Civic Centre.

In considering the work programme, members views will also be sought on any areas of training they would like to be provided as part of the sessions allocated during 2026-27.

11 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 23 September 2026**

- Please remember to ***SWITCH OFF*** your mobile phone during the meeting.
- The meeting room is accessible by lift and seats will be provided for members of the public. Alternatively, it will be possible to follow proceedings via the live webcast **HERE**

Brent

MINUTES OF THE AUDIT AND STANDARDS ADVISORY COMMITTEE

Held in the Conference Hall, Brent Civic Centre on Tuesday 16 June 2026 at 6.00 pm

PRESENT: David Ewart (Independent Chair), Councillor Choudry (Vice-Chair) and Councillors Bajwa, Donnelly-Jackson, Georgiou, Ibrahim and Mitchell.

Independent Co-opted Members: Sebastian Evans and Stephen Ross.

Also Present: Councillor Grahl (Deputy Leader & Cabinet Member for Finance and Resources), Councillor Jayanti Patel, Sophia Brown (Key Audit Partner, Grant Thornton), Matt Dean (Key Audit Partner – Pension Fund, Grant Thornton) and Sheena Phillips (Senior Audit Manager, Grant Thornton).

1. **Apologies for absence and clarification of alternate members**

Apologies for absence were received from Councillors Blackman, Brown and Kansagra, and from Rhys Jarvis (Independent co-opted member).

Members noted that Councillor Ibraham was attending as a substitute for Councillor Brown with Councillor Ibrahim attending as a substitute for Councillor Blackman.

In addition, it was reported that Councillor Jayanti Patel was attending in an informal capacity to represent Councillor Kansagra.

2. **Declarations of Interest**

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

Councillor Donnelly-Jackson declared a personal interest in relation to item 3 - Minutes of the Previous Meeting & Action Log, given that she was in the process of being appointed as a Council representative to the boards of the Council owned subsidiary companies i4B Holdings Ltd and First Wave Housing Ltd.

No other declarations of interest were made by members during the meeting.

3. **Deputations (if any)**

There were no deputations considered at the meeting.

4. **Minutes of the previous meeting and action log**

7. In reviewing the minutes from the 24 March 2026, two corrections were identified in relation to Min 7: External Audit Update Report, which were as follows:

- Under the 3rd bullet point reference to the statutory deadline for signing off the 2025–26 accounts should have been recorded as the 31st January (rather than 21st) and Grant Thornton's internal target being to have signed all local authority audits by the end of November (rather than the 20th November).

Subject to the above corrections, it was **RESOLVED** that the minutes of the previous meeting of the Committee held on Tuesday 24th March 2026 be approved as a correct record.

Members noted the update provided in relation to the Action Log of issues identified at previous meetings, which it was noted would remain subject to ongoing review by the Chair and Vice-Chair. The Chair advised that he had received a number of queries regarding three outstanding items. One, relating to environmental risk, which was noted as having been responded to, and two other queries relating to council procurement and fire safety/gas safety logs for i4B. These actions were being progressed, with officers confirming they would be followed up with responses to be provided for the Committee in advance of the next meeting.

5. **Matters arising (if any)**

None.

6. **Annual Standards Report for 2025 (including Standards Quarter Two and Three updates on gifts and hospitality 2025/26**

Bianca Robinson (Principal Lawyer, Constitution, Governance and Finance) introduced a report from the Corporate Director Finance & Resources presenting the Monitoring Officer's Annual 2025 which provided an update on Member conduct issues and the work of the Monitoring Officer during 2025 together with the Q2 & Q3 quarterly reports on gifts and hospitality registered by Members and status of Member training following the May 2026 elections. In presenting the report, the following key points were highlighted:

- The summary of the Committee's work on standards-related issues during 2025, including monitoring of member declarations of gifts and hospitality, attendance at mandatory training, standards-related case law, use of RIPA powers, the Annual Governance Statement, and the consultation on changes to the national standards regime undertaken during 2025, as detailed within sections 3.2 and 3.3 of the report.

- The summary of gifts and hospitality declared by members during Q3 & 4 2025–26, as detailed within Appendix B of the report.

- The summary of complaints (totalling ten) which had been received by the Monitoring Officer during 2025 alleging breaches of the Members' Code of Conduct. Of these complaints, members were advised three had not progressed beyond the Initial Assessment Stage; six had not progressed beyond the Assessment Criteria Stage and one had not progressed beyond the Review Stage with a summary of each complaint and outcome detailed within Appendix A of the report.

Having reviewed the experience in dealing with the complaints received, members were advised of the time consuming nature in their investigation and assessment with the disposal of complaints even at relatively early stages of the process often identified as requiring the need for engagement and consultation with an Independent Person. Whilst the current Code of Conduct Complaints Procedure required the Monitoring Officer to carry out an initial assessment of complaints within 10 working days officers were now of the view (based on the number and nature of complaints being received) that a more realistic timescale was required in order to better manage expectations and reflect the time required for assessment, with it therefore recommended to the Audit and Standards Committee that the normal timeframe for carrying out initial assessments be increased from 10 to 15 working days.

- One Monitoring Officer advice note had been issued during 2025 providing practical guidance on the behaviours that would and would not constitute bullying (under paragraph 8 of the Code) and intimidation (under paragraph 9 of the Code).

- All mandatory member training had been completed during 2025. Following the May 2026 local borough elections, a new mandatory member programme was underway, on which updates would continue to be provided for the Committee.

Having thanked Bianca Robinson for the report, the Chair invited questions and comments from the Committee, with the following issues raised:

- Whilst supportive of the recommended extension of the timescale for initial assessment of complaints by the Monitoring Officer under the Code of Conduct procedure, members were keen to ensure this was subject to ongoing review to ensure the extended period improved the quality of assessments, rather than simply extending processing time with assurance sought regarding how performance and compliance in this respect would continue to be monitored against the new deadline. In response, members were advised that the date each complaint was received and responded to was already tracked with future reports to include an assessment of compliance against the 15-day target.

- The need identified to ensure members were reminded about the importance of timeliness in relation to the declaring of gifts and hospitality, with members having noted the delay in certain gifts being declared in the latest monitoring update within Appendix B of the report. In addition, it was noted that the name of the person donating the gift registered under Item 6 within Appendix B required correction, which officers advised would be amended.

- In response to a query regarding the application of sanctions under the Members Code of Conduct Complaints Procedure identified within case 7 in Appendix A of the report, members requested that further details were provided for the Committee (outside of the meeting) on the way in which sanctions were applied when assessing the outcome of different types of complaint, which officers advised would be arranged.

With no further questions raised, it was **RESOLVED**:

(1) To note the contents of the Annual Standards Report for 2025; and

(2) To approve the recommendation to the Audit and Standards Committee that the normal deadline for carrying out an initial assessment under the Members' Code of Conduct Complaints Procedure be extended to 15 working days.

7. **Internal Audit Annual Report 2025-26 (including Annual Head of Internal Audit Opinion)**

Darren Armstrong (Deputy Director Organisational Assurance and Resilience) introduced a report from the Corporate Director Finance & Resources which outlined the activity undertaken by Internal Audit during 2025-26 (and work undertaken since the previous update in December 2025) and included the Annual Audit opinion provided by the Deputy Director Organisational Assurance and Resilience (as Head of Internal Audit) on the adequacy and effectiveness of the Council's framework for governance, risk management and internal control used to support the Annual Governance Statement.

Members were advised that the report provided a consolidated overview of Internal Audit activity during 2025-26 including delivery of the Internal Audit Plan, key findings arising from audit work, and the extent to which agreed management actions had been implemented. The Chair advised that questions on the Annual Report would be taken first, followed by separate consideration of the Head of Internal Audit Opinion.

In considering the Internal Audit Annual Report (as detailed within Appendix 1 of the report) the Committee noted the following key points:

- The ongoing scale and complexity of the Council's operations with Internal Audit continuing to deliver its work through a risk-based and flexible approach enabling the function to balance the need to provide assurance over core systems and controls while responding to emerging risks, organisational priorities and management requests. As in previous years the 2025-26 Internal Audit Plan (approved by the Committee in March 2025) had been structured across four components: Core assurance**-** providing assurance over key financial systems and fundamental controls; Agile risk-based work – enabling responsive coverage of emerging and priority risk areas; Consultancy and advisory work – supporting management in strengthening control design and governance and Follow-up activity – confirming that agreed audit actions had been implemented and embedded. Members were reminded that the approach outlined had been designed to reflect Internal Audit's move towards a more agile and risk-focused model, ensuring that assurance activity remained aligned to the Council's evolving risk profile while maintaining appropriate coverage of core systems.

- In terms of the approach outlined, members were advised that the Internal Audit Plan had therefore been designed to address key risk areas identified with the potential to impact on delivery of the Council's objectives, drawing on the Strategic Risk Register, prior audit findings, sector intelligence and consultation with senior management with delivery of the Plan providing assurance across a broad range of areas, including - key financial systems;

high inherent risk areas; ICT and cyber controls; major programmes and operational services as well as cross-cutting corporate functions such as procurement and contract management. At the same time, the plan had also retained flexibility to respond to emerging risks and priorities which had enabled Internal Audit to undertake additional work, including advisory reviews and management-requested assurance, where this has been identified as beneficial, with the Internal Audit structure including the ability to utilise external specialist expertise through the ongoing co-sourced provider arrangements providing a structure able to cover the full breadth of council risk.

Taken together the programme of work had been used to inform the Head of Internal Audit's opinion, alongside insights from follow-up activity and other sources of assurance across the Council with further details on the outcomes delivered, including individual audit findings and assurance opinions, set out within the Annual Report in Appendix 1 of the report.

- In terms of the programme of work delivered during 2025–26, members were advised that a total of 53 reviews had been completed during the year comprising 11 core assurance reviews; 12 reviews of key inherent and emerging risk areas; 4 school audits; 5 consultancy and advisory engagements and 21 follow-up reviews, which it was felt had provided a robust and comprehensive evidence base to support the Head of Internal Audit's annual opinion. The reviews had resulted in a mix of assurance opinions being provided, with the majority concluding moderate or limited assurance reflecting the focus of audit work on higher-risk and more complex areas, where control environments were typically less mature or subject to ongoing change. This work had also resulted in a significant number of improvement actions being identified, including high and medium risk findings requiring management attention with members advised that 100% of audit recommendations raised had been accepted by management, which ti was felt had also demonstrated a strong commitment to addressing identified issues.

- In terms of Follow-up work, this continued to remain a key component of Internal Audit activity. During 2025–26 this had involved 90 actions being followed up. Whilst this had resulted in an overall improvement in implementation rates to 79% within original timescales, members were assured that performance (with a focus on high-risk actions) continued to be closely monitored with a small number of actions still identified as overdue. Whilst these were not considered significant in aggregate to the overall control environment, it was felt they demonstrated the importance of sustained management focus to ensure timely implementation of agreed improvements and need for ongoing monitoring by the Committee to ensure any control weaknesses identified, particularly in relation to higher-risk, complex or cross-cutting areas, were addressed.

  Whilst noting that the Annual Report had identified the Council as having a sound framework of governance, risk management and internal control, it was recognised that areas for improvement remained. Whilst seeking to address these through management action and improvement programmes it was noted that Internal Audit would also continue to monitor progress in addressing identified issues in order to provide ongoing assurance, advice and insight to support and further strengthen the Council's governance and control environment.

The Chair thanked Darren Armstrong for the report along with the internal audit team for their work over the year recognising the level of activity undertaken and outcomes achieved within the resource available before inviting comments on the outline provided of the Internal Audit Annual Report, with the following issues raised by the Committee:

- Members raised queries on the overdue health and safety compliance actions identified within Section 9c of the Annual Report; with officers explaining the delay had related to a cross-cutting review of the Council's corporate health and safety arrangements and management capacity, with progress now being made and updates to follow.

- Moving to the subject of the four findings relating to children's safeguarding as part of the core assurance activity undertaken during 2025-29 (as detailed in section 5c of the Annual Report, officers were asked to explain why each had been rated medium rather than high risk. In response, officers explained that risk ratings were determined according to a defined methodology considering factors such as the presence of mitigating or compensating controls, management's response, and other sources of assurance (including Ofsted's more detailed, targeted review of this area) as a result of the issue raised officers agreed to provide further clarification as part of next Internal Audit Plan update around the basis on which the summary of findings from the Core Assurance (inherent risk) audit work undertaken in relation to Children's Safeguarding had been classified as Medium Risk and on the associated assurance process.

- Further clarification was provided on the meaning of the assurance ratings used (substantial, moderate, limited and no assurance) and on the follow-up process associated with each. Officers explained that limited assurance ratings, typically driven by a higher number of high-risk findings, resulted in prioritised follow-up of those high-risk actions together with a fuller end-to-end review of the area to address underlying root causes, whereas moderate assurance findings were followed up on a more piecemeal basis specific to the issue identified. Officers also clarified that the summary of follow up actions detailed within section 9b of the Annual Report for each audit completed in 2024–25, set out the number of actions agreed with management and the number subsequently implemented at follow-up.

- Follow up questions were asked about the significant weaknesses concerning financial sustainability and the self-referral to the Regulator of Social Housing referenced within the basis of the Head of Internal Audit Opinion. Officers confirmed these had previously been reported to the Committee by External Audit (Grant Thornton) and had subsequently been referenced within the Annual Report as part of the evidence base for the Head of Internal Audit opinion rather than as new matters. In noting that the areas identified had been subject to regular monitoring by the Committee, members were assured that progress in addressing the weaknesses identified would continue to be monitored as part of the Committee's work programme and through the Annual Governance Statement.

- In highlighting the increase in high-risk findings raised within individual audit reviews, details were sought on any longer-term trends identified with officers responding that year-on-year comparison was difficult given that different areas were audited each year, and that the increase was not considered a cause for concern in itself, since this reflected the risk-based focus of the audit plan. Having acknowledged the concerns identified, however, officers advised they would review the future presentation of trends in relation to the issuing of Limited Assurance opinions and High Risk findings as part of the Interim update on the Audit Plan in order to provide further clarification against the context relating to the risk based nature of the internal audit approach and their relationship to the Council's overall governance arrangements and system of internal control.

- In response to clarification being sought on the Limited Assurance and progress in addressing High and Medium Risk findings as an outcome of the risk-based audit activity relating to Deputyship/Appointees, officers confirmed that a comprehensive improvement plan was in place on which a further update would be included as part of next Internal Audit Plan update.

- Members noted the summary of consultancy and advisory and School Audit activity delivered by the audit function during 2025-26 as detailed within sections 7 and 8 of the Annual Report with members advised that the selection of schools for audit remained a collaborative process with in Children's Services based primarily on Internal Audit's own risk assessment (operating on a semi-cyclical basis), informed by factors such as time since the last audit, changes in headteacher or business manager, and recent Ofsted outcomes.

- The structure of the Internal Audit function was also outlined as comprising a small in-house team (the Head of Internal Audit, a Deputy Head of Assurance and three principal auditors acting as in-house subject matter experts for the Council) supplemented by a co-sourced provider for specialist areas such as cyber security and financial management which it was considered represented the most effective structure for covering the full breadth of council risk.

The Chair then moved on to the Head of Internal Audit Opinion, noting the importance of assurance to the Council. In presenting the opinion, the Committee noted:

- As detailed within section 10 of the Annual Report, the Head of Internal Audit had been satisfied that the work undertaken by Internal Audit during 2025-26, as well as wider governance arrangements, had enabled a "reasonable assurance" audit opinion to be provided on the Council's control framework, risk management and governance arrangements, which had been consistent with the opinion issued in prior years.

  In noting the basis of the opinion provided, which had been primarily supported by internal audit activity undertaken during 2025-26 the Committee were also advised of the limitations identified given it was not possible for the

Plan to address all risks facing the Council and represented the deployment of a limited audit resource. In addition, it was recognised that the assurance provided could never be absolute given the difficulty in internal audit being able to identify and address all issues and weaknesses that may exist and the responsibility for maintaining adequate and appropriate systems of control residing with management as opposed to internal audit. In outlining the basis of the opinion, the Committee were also advised of the other sources of assurance which had been considered which included the Corporate Peer Challenge, External Audit Annual Report, Procurement Peer Review, counter fraud activity and assessment of the Council's framework of governance against the Delivering Good Governance in Local Government guidance.

- In determining the annual opinion, the Head of Internal Audit had considered which key themes from audit work undertaken in 2025-26 could be enhanced in the future to better support the Council's governance, risk management and internal control frameworks. The areas of improvement identified as a result had been detailed within section 10 of the Annual Report and included:

    - The need to ensure a complete and accurate asset register was maintained to ensure robust financial reporting, effective asset management and compliance with CIPFA requirements given the substantial and diverse property portfolio held by the Council which underpinned service delivery, regeneration activity and income generation and significant weaknesses previously identified in the governance and control environment supporting the Council's two key registers: the Finance-led Fixed Asset Register (FAR) and the Property-led Property Asset Register (PAR).
    - The ongoing work being undertaken to strengthen the governance and assurance of the Council's housing compliance responsibilities following the self-referral to the Regulator of Social Housing.
    - The need to ensure (given the scale and cross-cutting nature of the improvements identified as required) consistent implementation of the Procurement Improvement Programme across Directorates to achieve the intended benefits.
    - The need to maintain a focus on cross-council ownership, collaboration and control integration in order to strengthen cross-council collaboration, clarify single-point accountability for shared risks, and embed second-line oversight more fully into service-level processes as operational complexity and delivery pressures continued to increase.

- The Head of Internal Audit's opinion had concluded that the Council's governance, risk management and control arrangements were generally adequate and effective, with some improvement required with the opinion forming a key source of assurance supporting the Council's Annual Governance Statement.

Having once again thanked Darren Armstrong for presenting the Head of Internal Audit Annual Opinion, the chair then invited comments, with the following issue raised:

- Details were sought on the level of strategic oversight in terms of breaking down departmental silos and improving cross-council collaboration. Darren

Armstrong confirmed this remained an area of ongoing focus, with work already underway across the Council (including through the Local Government Association Peer Review) to improve collective ownership and address gaps, and that Internal Audit would continue to report where target dates were missed for this reason. It was asked whether these cross-cutting findings influenced the following year's audit plan with officers confirming that the degree of collective ownership of an area was now one of the risk factors considered as part of Internal Audit's ongoing risk assessment when allocating resources.

With no further issues raised, the Chaired once again thanked Darren Armstrong and the Internal Audit team for the work undertaken to deliver the Plan whilst also recognising the ongoing challenges and risks identified involving not only core assurance activity but also identified through the more agile risk based approach, including the ongoing focus on issues relating to the second line of defence and implementation of audit findings.

Having commended and welcomed the update provided the Committee **RESOLVED** to note:

(1) the outcomes of the internal audit work completed in 2025-26.

(2) the Annual Internal Audit opinion on the adequacy and effectiveness of the Council's framework for governance, risk management and control.

9. **Annual Counter Fraud Report 2025-26**

Darren Armstrong, Deputy Director Organisational Assurance & Resilience, introduced a report from the Corporate Director Finance & Resources presenting the Council's Annual Counter Fraud Report for 2025-26, which summarised the counter fraud activity undertaken across multiple fraud types (including internal fraud, housing tenancy fraud, external fraud and proactive work) and had been designed to support the Committee in obtaining assurance on the robustness of the Council's counter fraud arrangements. The report also fulfilled the requirements of the Local Government Transparency Code 2015, which required local authorities to publish details of their counter-fraud activity.

In considering the report the following key issues were noted:

- The high priority identified in terms of counter fraud activity given the inherent and significant level of risk posed by fraud to the Council, with the Council having established a well developed approach towards tackling fraud and corruption based on a combination of reactive and proactive prevention and detection activities in line with best practice.

- The Annual Counter Fraud Plan had been designed to ensure that resources were being effectively targeted and deployed to prevent and detect fraud, underpinned by the Council's Anti-Fraud and Bribery & Whistleblowing policies. A summary of all reactive and proactive counter fraud activity undertaken in 2025-26 had been detailed within the Annual Counter Fraud Report attached as Appendix 1 to the report.

- The broad programme of counter fraud activity undertaken during 2025–26 which had included reactive investigations as well as proactive preventative work across all major fraud risk areas involving 34 internal fraud referrals which members were advised had involved 31 cases concluded;152 housing fraud cases, with 133 cases closed and 40 external fraud referrals, with 61 cases concluded.

- Across these areas, fraud and/or irregularity had been identified in a number of cases, with outcomes ranging from recovery of assets and prevention of financial loss through to strengthening of controls and referral for further action. Members were advised that tenancy and housing fraud remained one of the Council's highest priority fraud risks due to its direct financial impact and the importance of ensuring that social housing continued to be allocated fairly and to those in genuine need. During 2025–26, the Counter Fraud and Investigation activity had delivered strong outcomes in this area, including the conclusion of 22 fraudulent housing cases, resulting in the recovery or protection of properties and a notional financial benefit of approximately £1.45 million. This work had included the recovery of properties where tenants were no longer in occupation, prevention of fraudulent succession claims and identification of unauthorised occupants. In response to emerging risks, members were advised the service had also strengthened preventative controls, including introduction of enhanced verification for Right to Buy applications, implementation of a structured verification process for tenancy succession applications and increased use of data and intelligence tools to identify anomalies and improve assurance with the approach not only felt to support the recovery of properties but also strengthen the integrity of the housing allocation processes, reducing the risk of future fraud.

- Whilst referrals in relation to external fraud activity had reduced, following a change in process and redirection of resource in relation to the investigation of blue badge fraud, members were advised that work in this area included a broad range of risks affecting the Council including council tax and business rates fraud, grant fraud, direct payments, insurance, and other financial irregularities focussed on both investigation of suspected fraud and strengthening preventative controls across services.

- The service had also maintained a strong focus on proactive and preventative activity which during 2025-26 had included delivery of the National Fraud Initiative (NFI) data matching exercise, identifying financial savings and strengthening data integrity; participation in the London FraudHub, enabling real-time cross-authority data matching and fraud detection; targeted reviews, including housing allocation analysis and fleet asset verification and enhanced fraud awareness and support provided to high-risk service areas.

  Members were advised that the NFI exercise had delivered measurable outcomes. This had included significant notional savings through the cancellation of fraudulent or invalid Blue Badges; identification of council tax reduction overpayments and undeclared income; and improvements in data accuracy across key systems with the proactive activity demonstrating the shift towards a more intelligence-led and preventative model, enabling the Council to identify risks earlier, improve control environments and reduce exposure to fraud.

Overall, the counter fraud activity undertaken during 2025–26 was felt to highlight a number of key themes (identified as follows) demonstrating a function that was continuing to develop and enhance its approach, with increasing emphasis on prevention, intelligence and integration with wider governance and assurance frameworks:

- Housing fraud remaining the area of greatest financial impact, with strong outcomes achieved through both investigation and prevention.
- Proactive activity becoming increasingly important, with data-led approaches improving early detection and reducing reliance on reactive investigations.
- Internal fraud, while lower in volume, continuing to present higher complexity and governance risk, requiring robust investigation and follow-up.
- Improvement in cross-service collaboration, particularly in housing, resident support and verification processes, strengthening overall assurance arrangements.

Having noted the update provided, the Chair then invited the Committee to raise questions on the report, with the responses summarised as follows:

- Further clarification was sought on the basis of the reduction in new external fraud referrals, which it was confirmed had related to the change in approach towards the investigation of blud badge fraud (which had previously accounted for a significant proportion of direct referrals) with a majority of these now being picked up directly through the Council's Healthy Streets and Parking Service following the upskilling of officers in that area with a resulting reduction in referrals from 300 (2023-24) to 204 during 2024-25.

As no further comments were raised the Chair thanked Darren Armstrong and his team for their hard work in relation to the ongoing delivery of Brent's Counter Fraud Activity (including the less visible proactive work undertaken to prevent and detect fraud) and it was **RESOLVED** to note the outcomes of the activity undertaken during 2025-26

9. **Chair's Annual Report 2025-26**

David Ewart, as Chair, introduced the Annual report produced as Chair of the Audit & Standards Advisory Committee which covered the work of both the Advisory and Audit & Standards Committee during the 2025-26 Municipal Year, in line with the requirements and principles set out within CIPFA's Position Statement regarding Audit Committees.

In noting the report was the fourth annual report produced under the current requirements David Ewart (as Chair) highlighted the following as key issues identified through the work undertaken across both Committee's during 2025-26:

- Thanks were recorded to members of the previous committee for their work during the year, and to the independent members for their continued support.

- The high and increasing level of risks being faced by the Council and across local government as a whole, given the continuing pressures on local authority finances and need to ensure robust system of governance and financial control were maintained.

- The Council's financial resilience and sustainability. Whilst noting that Brent remained in a relatively good position with regard to financial sustainability, with an adequate (albeit reducing) level of reserves, it was recognised that the Council had not been able to contain expenditure within budget during 2024-25. In commending the efforts made to ensure Brent had been one of the few authorities to have the external audit of its accounts signed off before the backstop date, the Committee had noted there remained a number of ongoing issues which may lead to future problems in terms of the Council's financial resilience. These included ongoing pressures on demand for Council services (which had been recognised as a key issue by the External Auditors in their annual (Value for Money) report and accompanying recommendations for action) along with level of external debt given the impact of higher interest rates.

- The Council's governance and internal control arrangements. Whilst confirmed as sound within both the External Auditor's Value for Money report for 2024-25 (with the exception of their findings concerning Financial Sustainability and the improvements in the Housing service) and Head of Internal Audits report and opinion issued in June 2025 a number of areas had been identified for ongoing review particularly in relation to the continuing need (whilst recognising the improvements made) to address the 'second line' of defence (i.e. the monitoring and reporting of information and data, by management, in respect of the effectiveness of the 'first line' of defence) and implementation of internal audit recommendations/actions and need to address the management of Housing Compliance, following the Council's self-referral to the Housing Regulator. In addition, the Committee had also noted the recommendations made by the Corporate Peer Challenge focussed around strengthening the Council's financial management in relation to development of the Medium-Term Financial Strategy (MTFS), use and restoring of General Fund and Housing Revenue Account (HRA) reserves to sustainable levels and financial processes to improve income generation, productivity, and efficiency.

- The focus on delivery of the Internal Audit Plan and move towards a more agile and risk-focused model, ensuring that assurance activity remained aligned to the Council's evolving risk profile while maintaining appropriate coverage of core systems.

- The available resource within the Internal Audit function for 2025-26 which it was noted comprised an estimated 700 days spread across delivery of the Internal Audit Plan with the function continuing to operate a co-sourced model, with a portion of the plan (approx. 200 days) delivered through these arrangements and recognised as providing a number of benefits, including an in-depth understanding of the Council, its strategies and objectives, and it's governance, risk management and control processes via the in-house team; increased flexibility and resilience in the resourcing of the function; access to specialist resource, such as IT/Cyber specialisms as well as increased benchmarking opportunities with other Councils who call off the same framework.

- The continuing need for both Committees to review and improve their own performance, to further improve the Council's risk management. As part of this process, a self-assessment had been completed by members at the end of 2025-26 with had identified the implementation gap, the capacity of Internal Audit and the lateness and scale of reports as ongoing areas of concern, together with proposals for improvement, including widening engagement beyond the Corporate Director of Finance and Resources and closing follow-up loops more effectively. Members were advised that these areas would be subject to ongoing discussion and reflection as part of the longer-term development of the Committee.

Comments were then invited from the Committee, with the following issues raised:

- Recognising the importance in being able to maintain the level of audit resource, details were sough on any benchmarking undertaken with other London boroughs. Officers confirmed that informal benchmarking placed Brent in the lower-middle range in terms of audit resource compared with other London authorities. Given the ongoing scale and complexity of the Council's operations members were reminded that the focus of the Internal Audit Plan had therefore been adjusted to provide a more agile risk-based and flexible approach enabling the function to balance the need to provide assurance over core systems and controls while responding to emerging risks, organisational priorities and management requests within available resources.

- Reflecting on the outcome of the self-assessment and comments regarding the need to develop a wider focus beyond Finance & Resources members advised they were keen to explore how this approach could be developed. In response, the Chair felt it important to recognise the activity already undertaken in this respect, which had included undertaking a range of deep dive reviews enabling engagement on specific issues and with a wider range of officers with specific examples provided ion relation to housing compliance, AI and the Procurement Strategy, which it was hoped to be able to continue moving forward.

With no further comments raised, the Committee welcomed the report which was felt to provide a good summary of the activity undertaken and in thanking all members and officers involved for their ongoing support in the work across both Committees it was **RESOLVED** to note the contents of the Annual Report ahead of it being presented to Full Council on 6 July 2026.

10. **Annual Governance Statement 2025-26**

Darren Armstrong (Deputy Director Organisational Assurance & Resilience) introduced a report from the Corporate Director finance & Resources that set out the draft Annual Governance Statement (AGS) for 2025-26 as required by the Accounts and Audit Regulations 2015.

In presenting the report the Committee noted that the Annual Governance Statement (AGS) was a statutory requirement bringing together the outcome of the annual review of the Council's governance framework and system of internal control with the statement having been developed collaboratively between Organisational Assurance, Legal, Finance and senior management across the Council, ensuring it reflected a full council perspective and a balanced body of evidence. Members were advised that the format had changed significantly this year, aligning to the CIPFA/SOLACE “Delivering Good Governance” framework and its 2024 addendum to improve clarity and strengthen the link between governance principles, evidence and outcomes for residents.

Pameel Crowther Newman (Head of Litigation and Dispute Resolution & Acting Monitoring Officer) then presented the statement in detail, with the following key points noted:

- The AGS evidence compliance with the Accounts and Audit Regulations in providing a structured evaluation of how the Council's governance arrangements, including internal control, risk management and organisational structure, supported delivery of its priorities. The statement was noted to have been prepared with reference to the seven core principles of the CIPFA/SOLACE “Delivering Good Governance in Local Government” framework.

- In developing the 2025–26 AGS, particular emphasis had been placed on moving away from a standardised, compliance-based approach towards a more organisation-specific and reflective narrative. The aim had been for the Statement to present a clear and transparent account of how governance arrangements had operated in practice over the course of the year. Accordingly, the AGS had been positioned not only as a statement of compliance, but as a narrative of assurance, improvement, and accountability including a clear, comprehensive and transparent account of how the Council’s governance arrangements had operated, how their effectiveness has been reviewed and how the Council intended to strengthen them further moving forward.

- The Council was reported to have continued to operate in a challenging financial, economic and regulatory environment, with sustained demand-led pressures (particularly in temporary accommodation and social care) and increased regulatory expectations relating to housing safety compliance and financial reporting. Despite this, the Council had maintained a robust and mature governance framework, supported by strong statutory officer leadership, effective member oversight and well-established assurance arrangements. The Significant governance issues identified had been identified in Section 6 of the AGS, which members noted had related to housing compliance (including the Council's self-referral to the Regulator of Social Housing), the Procurement Improvement Plan (following the procurement peer review), and the asset register and valuation process with an Improvement Action Plan having been developed to address the main issues and key actions identified as a result, as detailed within Appendix 1 of the AGS.

- Details were also provided in relation to progress made in delivery of the Improvement Plan from 2024-25, as set out in Section 5 of the AGS. This had included action to strengthen housing compliance (fire safety, water safety and asbestos management) in collaboration with the Regulator of Social Housing, continued development of the corporate performance framework incorporating Corporate Peer Challenge recommendations, delivery of the Procurement Improvement Programme, and the launch of the new People Strategy. The AGS had also focussed on key governance achievements during 2025–26 which were noted to have included the Embrace Change portfolio, the Digital Transformation Roadmap, improvements to AI governance and the Housing and Tenant Satisfaction Improvement Programme alongside continued delivery of the Youth and People Strategy Member Induction and Senior Leadership development and progress in procurement practice, performance management and financial resilience.

- Looking forward the Section 7 of the AGS included a focus on activity during 2026-27 which had been focussed on strengthening the governance foundations set out in the 205-26 assessment and ensuring that improvements identified through the review process were fully embedded across the organisation. This included a continued emphasis on enhancing transparency, refining the Council's assurance mechanisms, and developing the capacity and capability needed to meet emerging strategic, financial and regulatory challenges based on an approach designed to ensure decision-making arrangements remained resilient, responsive and aligned with long-term organisational priorities.

Having thanked Darren Armstrong and Pameel Crowther Newman for presentation of the report, the Chair advised members that they were being invited to comment on the draft AGS in advance of its formal consideration and approval by the Audit and Standards Committee. As a result, the following issues were highlighted:

- In beginning the discussion, two significant areas of progress were highlighted: the Procurement Improvement Programme, which had improved oversight of the procurement process and value for money for residents, and the Council's work with the Regulator of Social Housing, noting the Committee was now in a more robust position in respect of the self-referral. Officers were asked how the Committee would monitor progress against improvement actions identified in the statement during 2026–27 which it was confirmed, in response, would be achieved through the ongoing and planned work of Internal Audit and the Committee continuing to maintain overview of progress in monitoring delivery of key actions 2026-27 identified within the Significant Governance Issues Improvement Action Plan (as set out within Appendix 1 of AGS).

- In response to a query, it was confirmed that reference to 3 week delay in completion of 2024-25 external audit and Statemen of Accounts as a result of work required to complete reconciliation process in relation to PPE Assets and Valuation referenced at paragraphs 142 and 148 within the AGS would be checked and updated (as required) prior to final sign off.

- Regarding the Council's self-referral to the Housing Regulator, members queried how the Regulator of Social Housing would continue to engage with the Council following the C3 judgement in May 2025, and how this would align with the Committee's wider governance oversight. In response, it was agreed to request that details of ongoing engagement between the Council and Regulator of Social Housing as part of ongoing delivery of Housing Compliance Improvement Plan be included as part of the next progress update on the issue scheduled for Committee.

- Following on from this, it was queried how a proposed new Housing Scrutiny Committee would interact with this Committee's role, given the crossover on housing-related issues such as the self-referral. The Chair confirmed that a clear distinction was maintained between scrutiny of operational activity and the Committee's independent oversight of governance arrangements, with regular meetings held between the Committee Chair and Vice Chair and Scrutiny Committee Chairs to clarify boundaries and avoid duplication of resources, with the Vice-chair also highlighting a need to update reference to scrutiny within the AGS to the proposed Housing Scrutiny Committee. Officers confirmed that consultation was underway with the Group Leaders on establishment of the proposed Housing Scrutiny Committee, with a report expected to Full Council in July 2026 clarifying its remit and seeking approval to its establishment.

As there were no further comments raised, the Chair thanked officers for the report and it was **RESOLVED** to recommend the Annual Governance Statement to the Audit & Standards Committee for formal approval, subject to the comments detailed above and clarification regarding the delay in completion of 2024-25 external audit and Statemen of Accounts as a result of work required to complete reconciliation process in relation to PPE Assets and Valuation referenced at paragraphs 142 and 148.

11. **Draft External Audit Plan (including the Pension Fund) year ending 31 March 2026**

Sophia Brown (Key Audit Partner, Grant Thornton) introduced the External Audit Progress update for the Council including the External Audit Plan for both the Council and Pension Fund for year ending 31 March 2026. In presenting the report the following key points were highlighted:

- The significant risks identified for the 2025–26 audit were standard risks for local authorities, with no Brent-specific risks this year; the fraud risk relating to income recognition had been fully rebutted, with audit work focused on the risk relating to cut-off of non-pay expenditure.

- A change to the accounting code meant land and buildings would, in intervening years between five-yearly valuations, be revalued using an appropriate index (or desktop valuation where no suitable index existed) for the first time in 2025–26 as a change applying to all local authorities with the audit team working closely with finance officers on the processes and controls supporting this and the fixed asset register.

- Regarding the audit fee, which was set via Public Sector Audit Appointments (PSAA), this was noted to be £560,502. Planning materiality for the Council had been set at £23.2 million (subject to revision once gross expenditure for the year was confirmed), with a “clearly trivial” threshold of £1.16 million and a specific, lower materiality of £20,000 applied to senior officer remuneration and termination benefits, given the public sensitivity of this information.

- Two significant weaknesses had been raised in relation to 2024–25: one concerning financial sustainability (medium-term financial planning and the development of a pipeline of recurrent savings and income generation) and one on the “economy, efficiency and effectiveness” area, relating to the Council's self-referral to the Regulator of Social Housing. Improvement recommendations had also been raised regarding the property strategy, reflecting the Dedicated Schools Grant deficit and Housing Revenue Account planning within the Medium-Term Financial Plan, and strengthening capacity and capability within the finance team to meet statutory reporting deadlines.

- As an update on progress, the draft 2025–26 financial statements were confirmed to have been received from the finance team, representing welcome progress. Whilst the statutory deadline for completing the 2025–26 audit remained the end of January 2027, Grant Thornton were aiming to have substantially complete their work by mid-September 2026 with the findings reported to the Committee in September, a considerably shorter timeframe than in recent years, supported by early interim audit work already undertaken.

- An independence consideration was noted: Sophia Brown had previously been part of the audit team prior to becoming Key Audit Partner for the Council, representing a potential familiarity threat; a two-year extension to the standard five-year engagement period had been approved by Grant Thornton's ethics function and by PSAA, with agreed safeguards set out in the plan.

Having thanked Sophia Brown for the plan, the Chair invited questions, with the following issues raised:

- In seeking further clarification relating to the independence disclosures, officers assured members that the specific point regarding the standard cap on non-audit work did not apply to housing benefits work, which formed the majority of the other work identified, and confirmed the point being raised related specifically to the continuity safeguard described above.

- Moving on, members inquired over the specific risks associated with using an index, rather than a full valuation, for land and buildings in intervening years. Officers explained that this would prompt new lines of audit enquiry, including whether the most appropriate index had been used and whether alternative indices might have been more suitable, with these questions being discussed with the valuer in advance. Officers were asked whether the implementation of IFRS16 presented issues unique to Brent. Officers confirmed this had been implemented for the first time across all local authorities in the 2024–25 financial statements, representing a significant risk at the time, and noted that NHS bodies had implemented the standard slightly earlier, providing a useful point of comparison. The Chair clarified, for the avoidance of doubt, that the draft financial statements referred to were not yet complete or final, with the majority of single entity accounts provided so far; the statements would be published once finalised, and final approval resting with the Audit and Standards Committee.

Matt Dean (Key Audit Partner – Pension Fund) was then invited to present the indicative audit plan for the Pension Fund, noting the following key points:

- The principal significant risk related to the valuation of Level 3 investments (those valued by fund managers or other experts, in the absence of an observable market price, such as private equity holdings), reflecting the greater estimation uncertainty involved.

- A triennial actuarial valuation of the Fund's assets and liabilities had been completed during the year, as required of all Local Government Pension Scheme funds every three years, the results of which would be reflected in the 2025–26 accounts and would set employer contribution levels from 2026–27 onwards; this had required additional audit testing of the data used by the actuary and an associated additional fee, applicable to all LGPS funds nationally.

- Materiality for the Fund had been revised this year. This had involved planning materiality of £23.9 million for the Fund Account, with separate, lower materialities for contributions (£8 million) and benefits payable (£5.9 million), based on 10% of prior year values (a change from the blanket 5% approach applied last year), and a “clearly trivial” threshold of £1.1 million.

- Recommendations raised in the prior year's audit remained in progress and would be revisited as part of the year-end audit. A standard PSAA fee uplift applied, together with a standard additional charge applied nationally to all clients in relation to testing of the triennial valuation.

Having thanked Matt Dean for the update the Chair the invited questions, with the following issues raised:

- As clarification, Members were advised that whilst the Pension Fund was managed through a separate Sub Committee oversight of the Fund's external audit and accounts currently remained with the Audit and Standards Advisory Committee pending the implementation of a wider programme of “Fit for the Future” reform which would include separation of oversight for the Pension Fund and Council Statement of Accounts. Members asked whether issues arising from the Pension Fund audit would ever feed into the Council's Value for Money conclusion with officers confirming that whilst the Pension Fund was not subject to its own VFM opinion, a formal link existed enabling any significant Pension Fund issue to be included as part of the Council's VFM work.

Sheena Phillips (Senior Audit Manager) then presented the External Audit Progress and Sector Update report, noting the following key points:

- Planning work on the audit of the Council’s Statement of Accounts had been completed in April 2026, with interim testing now underway and the requested evidence having been provided, subject to accruals and housing benefits evidence still being outstanding. The External Audit team at Grant Thornton was aiming to substantially complete the 2025–26 audit in September 2026, with Value for Money work running alongside the financial statements audit.

- Key deliverables remained the Audit Findings Report in September 2026 and Auditor's Annual Report covering Value for Money in November 2026.

- In relation to grants work, the 2024–25 Housing Benefit subsidy claim audit remained under review by the engagement lead with the 2025–26 grants audit work having not yet started and audit of Teachers' Pensions returns for 2022–23 and 2024–25 remained ongoing.

With no further questions or comments raised, the Chair concluded the discussion and thanked Sophia Brown, Matt Dean and Sheena Phillips for their update and work in support of the audit process. The Committee then **RESOLVED** to note the indicative audit plans for the London Borough of Brent and Brent Pension Fund for the year ending 31 March 2026 and the External Audit Progress and Sector Update report.

12. **Audit & Standards Advisory Committee Forward Plan & Work Programme for 2026-27**

It was **RESOLVED** to note the Committee's Forward Plan and Work Programme for the 2026-27 Municipal Year with the dates for further meetings noted as:

- Wednesday 27 July 2026
- Wednesday 23 Septembers 2026
- Monday 30 November 2026
- Tuesday 2 February 2027
- Wednesday 24 March 2027

It was noted that development of the Committee's work programme would continue to be kept under close review with the Chair and Vice Chair working closely with officers to ensure sufficient balance capacity was maintained to allow for the appropriate consideration of each item at future meetings and members invited to raise any additional items they considered should be included, as part of the ongoing review of the Committee's effectiveness.

15. **Any other urgent business**

There were no items of urgent business raised for consideration at the meeting.

The meeting closed at 7.45 pm

David Ewart
Independent Chair

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London Borough of Brent
Audit & Standards Advisory Committee – Action Log June 2026

Meeting Date	Agenda No.	Item	Actions	Lead Officer and Timescale	Progress
16 Jun 26	4.2	Action Log	• Update on outstanding action identified in relation to register for smoke and carbon monoxide alarms to be provided for members. • Update on outstanding actions from review of Procurement Strategy to be provided for members	Natoyah Vincent/Jon Cartwright Edwin Mensah	Completed
16 Jun 26	6	Annual Standards Report 2025 (including Q 2 & 3 updates on gifts and hospitality 2025/26)	• Further details to be provided for members of the Committee on the way in which sanctions available under the Members Code of Conduct Complaints Procedure are applied when assessing outcome of different types of complaint	Biancia Robertson	In progress
			• Register of Gifts & Hospitality (Appendix B Item 6) – name of person donating gift registered in name of Cllr Benea to be corrected.	Biancia Robertson	Completed
16 Jun 26	7	Internal Audit Annual Report 2025-26 (including Annual Head of Internal Audit Opinion)	• Further clarification to be provided as part of next Internal Audit Plan update about the basis on which the summary of findings from the Core Assurance (inherent risk) audit work undertaken in relation to Children's Safeguarding had been classified as Medium Risk and on the associated assurance process. • Officer to review the future presentation of trends in relation to the issuing of	Darren Armstrong/Matteo Biondi	In progress

London Borough of Brent
Audit & Standards Advisory Committee – Action Log June 2026

			Limited Assurance opinions and High Risk findings as part of the Interim update on the Audit Plan in order to provide further clarification against the context relating to the risk based nature of the internal audit approach and their to the Council's overall governance arrangements and system of internal control. • Update on Limited Assurance and progress in addressing High and Medium Risk findings as an outcome of the risk based audit activity relating to Deputyship/Appointees to be included as part of next Internal Audit Plan update	Darren Armstrong/Matteo Biondi Darren Armstrong/Matteo Biondi	In progress In progress
16 Jun 26	10	Annual Governance Statement 2025-26	• Committee to maintain overview of progress in monitoring delivery of key actions 2026-27 identified within the Significant Governance Issues Improvement Action Plan (as set out within Appendix 1 of AGS)	Minesh Patel/Darren Armstrong	Ongoing
			• Reference to 3 week delay in completion of 2024-25 external audit and Statemen of Accounts as a result of work required to complete reconciliation process in relation to PPE Assets and Valuation referenced at paragraphs 142 and 148 of the Annual Governance Statement to be checked and updated within final AGS prior to sign off	Darren Armstong/Minesh Patel	Completed

			• Details of ongoing engagement between the Council and Regulator of Social Housing as part of ongoing delivery of Housing Compliance Improvement Plan to be included as part of next update scheduled for Committee	Spencer Randolph	In Progress
24 Mar 26	5	Performance & management of i4B Holdings Ltd and First Wave Housing Ltd	• Current Shareholder and guarantor reports to be circulated to members. • To review the headings of columns in the risk registers to ensure that the post-mitigation score reflects that those mitigations may not yet be completed and represents the RAG rating for successful implementation of the mitigations • To review number 13 of the i4B risk register in light of the latest information regarding discussions with developers and mitigations in place at the next risk register review.	Natoyah Vincent/Jon Cartwright Natoyah Vincent/Jon Cartwright Natoyah Vincent/Jon Cartwright	In progress In progress In progress
24 Mar 26	7	Procurement Strategy Progress Review	• For the Committee to receive a further progress update at a future meeting (date to be confirmed) addressing the following issues: - to expand and provide further explanation on the Council's sustainability approach in the context of procurement and	Edwin Mensah/Rhodri Rowlands	In progress

			commissioning within section 13 of the report. - The strategy for sole sourcing in relation to section 7.5 of the report. - The total spend on procurement. - The work and progress in filling procurement support vacancies - Consideration to be given to the inclusion of Social Value & Community Wealth considerations within the Council's corporate report (identified as action 23 July 25)		
3 Feb 26	7.	Update on the Response to Housing regulator findings and Brent graded at C3	(1) Future updates to include an outline of the dashboard being used to monitor progress in delivery of the compliance framework, workstreams and associated KPIs including relevant timescales and details on the structure of resources to support the work being undertaken. (2) Further progress update to be provided at appropriate stage identified (within the next 6 months)	Thomas Cattermole/ Spencer Randolph Thomas Cattermole/ Spencer Randolph	In Progress
3 Dec 25	8.	Treasury Management	Officers to review and report back on any changes proposed under the Capital Receipts Regulations to enable more flexible use of	Amanda Healy/Oliver Simms	Completed

		Mid-Year Report 2025-26	receipts and the potential impact including any and whether this included any proposal to allow the contribution of up to 10% of receipts towards revenue		
3 Dec 25	8.	Treasury Management Strategy 2026-27	The Treasury Management Strategy 2026-27 to be circulated to all members of the Audit and Standards Advisory Committee once finalised	Amanda Healy/Oliver Simms	Completed
25 Sep 25	8	Strategic Risk Report	(1) Feedback in relation to Risk E: Climate and Ecological Emergency Mitigation be relayed to the relevant risk owners, with a view to providing more specific updates on progress and outcomes. (2) Comments concerning the need for mitigation measures in the event of a decline in the independent sector, arising from increased pressures on the SEND system and growing reliance on independent provision be relayed to the relevant risk owners, with a view to providing more detailed updates and outcomes. (3) Comments regarding the implications of outsourcing cyber security services be relayed to the relevant risk owners.	Darren Armstrong	Complete - Comments and feedback have been relayed to the relevant risk owners, who have been asked to reflect these points in future updates, including providing greater detail on mitigation activity, progress and outcomes where appropriate
25 Sep 25	10	London Borough of Brent Interim Auditor's Annual Report 2025	Existing formula for calculating recommended reserve levels be circulated to committee members.	Minesh Patel	In progress

London Borough of Brent
Audit & Standards Advisory Committee – Action Log June 2026

23 Jul 25	6	Procurement Review Update	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
25 March 2025	11	Strategic Risk Report	• To review Climate Change and Environmental considerations within future cover report to ensure they reflect any related risks identified within the register	Darren Armstrong	Complete. Climate Change and Environmental considerations have been reviewed and will be reflected in future cover reports, where relevant, to ensure alignment with risks identified within the Corporate Risk Register.
04 Dec 24	9	Internal Audit Interim Report – 2024-25	• 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.	Darren Armstrong	Complete. The Committee's expectation has been communicated to management, and arrangements are now in place to require attendance at

					Committee where there is significant non-engagement with the audit process or where the risks arising from non-implementation of agreed actions are assessed as critical.
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	Complete. The preparation of the Accounts has been considered as part of Internal Audit planning, with relevant areas of focus incorporated into the Internal Audit Work Programme where appropriate.

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Brent	**Audit and Standards Advisory Committee** 27 July 2026
	Report from the Director of Law
	Lead Member - Deputy Leader and Cabinet Member for Finance & Resources (Councillor Grahl)

Standards Report (Quarter one update on gifts & hospitality)

Wards Affected:	All
Key or Non-Key Decision:	Not applicable
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	1) **Appendix A: Appendix A**: Gifts & Hospitality Register (Qtr. 1)
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	(1) **Marsha Henry**, Director of Law (ext. 4078) 020 8937 4078, Marsha.henry@brent.gov.uk. (2) **Pameel Crowther-Newman**, Head of Law, Litigation 020 8937 4102, Pameel.Crowther-Newman@brent.gov.uk (3) **Biancia Robinson**, Principal Constitutional, Governance & Finance Lawyer 02089371544, Biancia.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 and communications from the Investigatory Powers Commissioner's Office (IPCO) regarding Regulation of Investigatory Powers Act 2000 (RIPA) Inspections.

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 quarter one of 2026/27 (April – June 2026) three councillors have declared gifts and hospitality as being received. These are set out in further detail in Appendix A, together with the details of the receiving Councillors.

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.

RIPA Inspection

3.6 The Regulation of Investigatory Powers Act 2000 (RIPA) gave the Council significant powers in order to investigate serious matters and offences. It enables the Council to use covert surveillance, covert human intelligence sources (CHIS) and the acquisition of service user or subscriber information in relation to communications data in a manner which is compatible with Article 8 of the European Convention on Human Rights (which governs an individual's right to respect for their private and family life). Before the Council may undertake covert surveillance, there are various criteria which must be met including approval of the application by a Magistrate.

3.7. Covert surveillance techniques include static surveillance (e.g. taking up an observer post to monitor the activities and movements of those suspected of having committed criminal offences); mobile surveillance (e.g. following someone to see where they are going without their knowledge) and using hidden CCTV at a crime hotspot. RIPA refers to these techniques as 'directed surveillance'. It also extends to the use of undercover officers and informants. RIPA refers to these as 'Covert Human Intelligence Sources' (more commonly referred to as CHISs).

3.8. The Council is periodically inspected by Investigatory Powers Commissioner's Office (IPCO). Inspections focus on RIPA policies, procedures and practice. The last inspection was undertaken on 9 March 2020; when the Inspector was happy with his findings.

3.9 For 2026, the Investigatory Powers Commissioner has agreed:

“each local authority should, in the first instance, provide a written update on its compliance with the legislation. This will enable us to assess whether further remote, or on-site inspection is required. This approach takes cognisance of the general decline in the use of covert powers by many local authorities, and seems the right approach for now, based upon our assessment of risk and where our resources are best directed for the coming year.”

Generally, *if you have not used the powers since your last inspection, and your responses to the questions …assure us of having maintained good levels of compliance, we shall likely require no further engagement. Where the powers have been used, or you are planning to use them, an appropriate discussion with an Inspector may be arranged to help us form a view of the approach you are taking*.”

Officers have prepared a response on compliance with RIPA and in line with the report considered by this Committee, at its meeting in the 24.03.26, can confirm there have been zero RIPA Directed Surveillance or CHIS authorisations. Officer anticipate a no further engagement response, but will update the Committee once the IPCO response is received.

4.0 Financial Implications

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

5.0 Legal Implications

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.

The legislative requirements regarding RIPA are contained within the body of this report.

6.0 Equity, diversity and inclusion Implications

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.

Report sign off:

Pameel Crowther- Newman
Deputy Director of Law & Monitoring Officer

Legal Implications

Biancia Robinson,
Principal Constitutional, Governance & Finance Lawyer

Financial Implications

No financial implications arising out of this report

Appendix A: Qtr 1 - 13.06.2026 - 20.07.2026				
Councillor	**Date of gift**	**Gift received**	**Value £**	**From**
Cllr Deborah Unger	18.06.2026	Dinner and Gift bag	55.95	Mr Fish, restaurant at 30th Annuversary, Salusbury Road, NW6
Cllr Shah	21.06.2026	Gala Lunch, 3 course meal at Brit Hair Awards.	125.00	Brit Hair Awards
Cllr Bajwa	22.06.2026	Complementary invitation to SME4 Labour Gala and Awards	180.00	SME4 Labour.org

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Brent	**Audit and Standards Advisory Committee** 27 July 2026
	Report from the Corporate Director of Finance and Resources
	Lead Member - Leader of the Council and Cabinet Member for Adult Social Care (Councillor Muhammed Butt)

Emergency Planning & Resilience – Annual Update

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
List of Appendices:	One Appendix 1: Delivered / Planned Training and Exercising
Background Papers:	None
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1.0 Executive Summary

1.1 This report provides an update on the Council's emergency planning, resilience and business continuity arrangements since July 2025. During the reporting period, the Council has continued to strengthen its preparedness and response capability through increased training and exercising activity, enhancements to business continuity planning, improvements to emergency response arrangements, and active engagement with borough, London-wide, and community resilience partners.

1.2 The Council has responded to a number of significant incidents, including residential fires, utility disruptions, severe weather events, and evacuations, providing valuable opportunities to test arrangements and identify areas for further improvement. Progress has also been made in enhancing on-call capacity, developing Member awareness, preparing for the requirements of Martyn's Law, and improving support available to residents affected by emergencies.

1.3 While overall assurance remains positive, further work is required to increase resilience in some emergency response roles, complete outstanding business continuity plans, continue to enhance preparations for emerging risks such as cyber disruption and extreme heat, and implement the requirements of Martyn's Law.

2.0 Recommendation

2.1 The Committee is asked to note the report and to consider whether there are any areas where the Committee require further information or would like to explore further.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 The update provided in this report aligns with the following relevant priorities and outcomes within the Borough Plan:

- **Prosperity and Stability in Brent** – Building stronger partnerships with local organisations, emergency services, voluntary and community sector organisations, and other resilience partners to strengthen the borough's ability to prepare for, respond to, and recover from emergencies and disruptive events.
- **Thriving Communities** – Supporting the creation of a safer and more resilient borough through proactive emergency planning, business continuity management, community resilience initiatives and interventions designed to reduce the impact of emergencies on residents, businesses and local communities.
- **A Cleaner, Greener Future** – Contributing to the Council's preparedness for the increasing impacts of climate change, including extreme heat, flooding and severe weather events, and supporting the development of arrangements that help communities adapt to and recover from climate-related incidents.

3.1.2 The work outlined in this report contributes to the Council's statutory duties under the Civil Contingencies Act 2004 and supports the delivery of wider organisational resilience objectives. It also demonstrates the Council's commitment to continuous improvement through learning from incidents, exercises, external assurance reviews and emerging risks, including cyber security threats, climate change and counter-terrorism requirements.

3.2 Background

3.2.1 Local authorities are designated as Category 1 Responders under the Civil Contingencies Act 2004 (CCA). As such, the Council has a statutory duty to assess local risks, maintain emergency plans, establish business continuity arrangements, warn and inform the public, and work in partnership with other responding organisations to prepare for, respond to, and recover from emergencies. These duties are delivered through local, sub-regional, and London-wide resilience arrangements, ensuring a coordinated multi-agency approach to managing incidents that may affect residents, communities, and critical services.

3.2.2 The Council's emergency planning and resilience arrangements are further informed by the Resilience Standards for London, which provide a consistent framework for assessing and improving preparedness across London's local authorities. The standards set expectations across a range of areas including governance, emergency response, business continuity, training and exercising, community resilience and recovery planning. The Council undertakes periodic self-assessments against these standards and uses the findings, together with lessons identified from incidents, exercises, and external reviews, to drive continuous improvement.

3.3 On Call Arrangements

3.3.1 A key component of the Council's emergency planning and resilience arrangements is the maintenance of robust on-call arrangements, ensuring that a sufficient number of appropriately trained officers are available to sustain an effective response to emergency incidents. The London Resilience Standards require boroughs to maintain adequate numbers of staff across core emergency response roles to support operations for a minimum of 48 hours. Officers undertaking these roles must be suitably trained, equipped and empowered to fulfil their responsibilities effectively.

3.3.2 Over recent years significant emphasis has been placed on strengthening the training, exercising, and development of officers who undertake these critical functions. *Appendix 1* provides a summary of the training courses and exercises delivered or attended since the previous update in July 2025, as well as those planned before the end of the year. Table 1 below also shows the number of officers who have been trained in key roles.

3.3.3 The Council currently operates a weekly standby rota, with volunteer officers providing cover for the Local Authority Liaison Officer (LALO) and Emergency Centre Manager (ECM) roles. Responses to incidents, including the fire in Elm Road (January 2024), the gas leak in Malvern Road (January 2024) and the fire at Tillet Close (May 2025), demonstrated that whilst the Council was able to mobilise an initial response effectively, there was limited resilience within the rota to sustain a prolonged response beyond the first operational shift. Although officers consistently demonstrate a strong commitment and willingness to support incidents beyond their scheduled hours, reliance on this approach is not sustainable and can create welfare and resilience risks during extended emergencies.

3.3.4 Whilst maintaining sufficient resilience remains challenging during holiday periods and bank holiday weekends, the number of trained officers available to support emergency response activities has continued to increase over the past year. This improvement has been supported by the successful review of standby payment arrangements, resulting in a more consistent approach across the Council and helping to support recruitment and retention within the pool of emergency response volunteers.

3.3.5 To further support consistency and fairness, Human Resources have recently completed an evaluation of the Emergency Response Officer role, which encompasses both LALO and ECM responsibilities. This review has assessed the appropriate grading for overtime payments, ensuring that all officers undertaking these duties are rewarded on a consistent basis.

3.3.6 Partnership working with the London Fire Brigade has also strengthened the capability of the emergency response cohort. During the year, officers attended two visits to a local fire station, including briefings on the growing risks associated with lithium-ion battery fires and the Council's role in supporting recovery and disposal arrangements. This is an increasingly important area of resilience planning given the rise in e-bike and e-scooter battery-related incidents across London.

3.3.7 Further work is required to increase the number of trained Humanitarian Assistance Lead Officers (HALOs) and Borough Emergency Control Centre (BECC) staff. Two existing HALOs are scheduled to attend refresher training to maintain competence, and at least one additional officer has been booked onto a future training course. Opportunities are also being explored for additional members of the Adult Social Care management team to undertake HALO training, recognising the critical role they play in supporting vulnerable residents during emergencies.

3.3.8 In July 2026, a further six officers completed Silver Command training, significantly increasing the Council's command and control capacity. This enhanced resilience provides greater flexibility within the Silver rota and will enable officers with both Silver and HALO qualifications to focus on humanitarian assistance responsibilities where required during a response.

3.3.9 To support the long-term sustainability of the Council's emergency planning arrangements, emergency management responsibilities are now explicitly referenced within all newly created Hay-evaluated senior management roles. Role profiles include the following statement:

> *The position is expected to be part of the Councils' emergency planning and resilience arrangement, including being on call Gold/Silver, and to demonstrate a commitment to embedding ownership throughout of this being everybody's business.*

Table 1: Key On-Call Role Training Completion (Last 3 Years)

Role	Numbers trained in last 3 years
▪ Gold / Strategic	9
▪ Silver / Tactical	16
▪ Humanitarian Assistance Lead Officer	3
▪ Resilience Advisors	7
▪ Emergency Response Officer (Trained as both LALO and ECM – On the rota)	23
▪ Local Authority Liaison Officers (LALO)	16
▪ Emergency Centre Manager (ECM)	9
▪ Emergency Centre Officer (ECO)	28
▪ Loggist	29
▪ Humanitarian Assistance Officer	15
▪ Borough Emergency Control Centre (BECC) Staff	17

3.4 Business Continuity

3.4.1 Business Continuity continues to be a key priority for the Emergency Planning and Resilience Team, informed by the Council's self-assessment against the Resilience Standards for London, the findings of the external assurance review undertaken in 2023, and the growing range of risks that could disrupt service delivery. These risks include cyber incidents, extreme weather events, supply chain disruption, utility failures, workforce challenges, and increasing global geopolitical instability. Collectively, these threats reinforce the importance of ensuring that the Council can maintain or rapidly recover critical services during periods of disruption.

3.4.2 As part of the Council's ongoing programme of improvement, the Business Continuity Plan (BCP) *templates* used by services have been further enhanced. This has included the incorporation of additional considerations recommended by Procurement colleagues, strengthening the Council's understanding of key supplier dependencies and supply chain risks. The team is also supporting services to migrate their plans into a revised format designed to improve accessibility, usability, and consistency across the organisation. The new format will make plans easier to navigate during an incident and provide a more practical document for both electronic and printed use.

3.4.3 Following challenges in securing timely plan reviews and updates across all services during 2025, the annual review process commenced earlier this year, with all services asked to complete a full review of their Business Continuity Plan and contact lists, undertake a team-based exercise to test their arrangements, and obtain Director approval by the end of June. This earlier commencement has provided services with additional time to complete the process and embed lessons identified through exercising activity.

3.4.4 While the majority of services have completed the required actions, a number of plans remain outstanding. The Emergency Planning and Resilience Team is continuing to provide targeted support to these services to ensure that all plans are completed and approved as soon as possible.

3.4.5 To ensure the quality of the plans, the team has scheduled a dedicated review exercise at the end of July to assess all submitted plans for accuracy, completeness, and consistency. This review will help identify good practice, areas requiring further development and any common themes that may require a corporate response.

3.4.6 As part of this exercise, the team will also collate and review the recovery objectives identified by services for their critical IT systems. This information will be assessed collaboratively with colleagues from Shared Technology Services (STS), Information Technology, and Emergency Planning to ensure that recovery expectations are realistic, achievable, and aligned to technical recovery capabilities. Where recovery objectives are found to be overly ambitious or unsupported by existing arrangements, services will be provided with advice on alternative mitigation measures and additional recovery strategies to strengthen their resilience and reduce the risk of prolonged service disruption. This work will provide a stronger evidence base for future investment and resilience planning, whilst ensuring that business continuity arrangements remain proportionate to the risks faced by individual services and the Council as a whole.

3.4.7 To continue to improve assurance around business continuity arrangements, opportunities are being explored to work more closely with Internal Audit in reviewing Business Continuity Plans (BCPs) within high-risk service areas. To support this, the Deputy Head of Resilience and the Deputy Head of Assurance are scheduled to meet in July to review the annual audit plan and identify opportunities to incorporate targeted BCP assurance activity where appropriate.

3.5 Borough Resilience Forum

3.5.1 Following concerns raised by Brent regarding the effectiveness of Borough Resilience Forum (BRF) arrangements, particularly in the context of lessons identified following the Grenfell Tower Inquiry, the Council has been actively engaged in the London Resilience Governance and Accountability Strategy Working Group. This group has been exploring opportunities to strengthen the effectiveness, consistency, and impact of Borough Resilience Forums and sector panels across the London Resilience Partnership.

3.5.2 Over recent months, a number of alternative approaches have been piloted to improve engagement and collaboration between partners. These have included the introduction of sub-regional meetings, themed BRF sessions focused on specific risk areas, and the use of online forums as an alternative to traditional meetings. As part of this programme of work, Brent will host a themed BRF meeting later this year focused on Mass Evacuation and Shelter arrangements, providing an opportunity for partners to review current capabilities, explore emerging challenges, and strengthen multi-agency preparedness.

3.5.3 The Brent BRF delivered its annual multi-agency exercise in February, based on a large-scale power outage scenario. The exercise provided valuable assurance regarding existing response arrangements whilst also identifying a number of areas where plans, procedures, and supporting documentation could be strengthened. Work is underway with relevant partners to address these findings and further enhance preparedness for prolonged utility disruption incidents.

3.5.4 In March, the BRF hosted a Community Resilience Event funded through the London Resilience Trailblazer Programme. The event brought together almost 30 organisations from across the borough to share learning from funded projects, explore what community resilience looks like in practice, and discuss the role that community groups can play in supporting preparedness, response and recovery activities. The event demonstrated a clear appetite for stronger collaboration between community organisations and statutory responders, with many participants expressing a preference for ongoing engagement through the BRF rather than through a separate advisory group structure.

3.5.5 Discussions also explored how resilience arrangements can better reflect the needs of Brent's diverse communities, particularly those residents who may experience barriers in accessing information or support during emergencies. Participants highlighted the important role that voluntary, community, and faith organisations play in reaching vulnerable groups, providing culturally appropriate support, and helping statutory responders understand emerging community impacts. At a practical level, this included discussion regarding the new Resilience Hub website developed by CVS Brent. Participants emphasised the importance of ensuring information is available in a range of languages commonly spoken across the borough and noted that there are opportunities to further strengthen the accessibility and inclusivity of the site as it continues to develop.

3.5.6 As a result, a number of organisations that participated in the event have been invited to attend future BRF meetings to broaden community representation and strengthen local resilience networks. Participants also suggested the creation of a BRF WhatsApp group to enable more timely sharing of information regarding incidents, emerging risks, and community impacts. This proposal will be considered at a future BRF meeting as part of wider discussions on improving communication and information-sharing arrangements between partners.

3.5.7 Whilst there is broad support for greater information sharing, some Category 1 responders have raised concerns regarding the dissemination of sensitive or operationally restricted information to a wider group of stakeholders who do not have statutory responsibilities under the Civil Contingencies Act 2004. To address these concerns, the Emergency Planning and Resilience Team is exploring the establishment of separate communication and distribution channels. This would enable statutory responders to continue sharing information required for emergency planning and response purposes, whilst facilitating appropriate engagement with voluntary, community, and faith sector organisations and other local partners. This approach seeks to balance the benefits of greater collaboration and situational awareness with the need to maintain appropriate information governance and security arrangements.

3.5.8 The continued development of the BRF remains an important element of the Council's wider resilience agenda, helping to strengthen relationships across the borough, improve multi-agency preparedness, and ensure that local communities play an active role in building resilience to future emergencies.

3.6 Member Training

3.6.1 One of the requirements within the Resilience Standards for London relates to political leadership and the role elected members play in supporting effective emergency preparedness, response and recovery arrangements. Previous self-assessments identified that additional training would further strengthen Members' understanding of these responsibilities. In light of the local elections, it was recommended that emergency planning and resilience form part of the Member induction programme.

3.6.2 A dedicated emergency planning and resilience briefing was delivered in June, providing Members with an introduction to the Council's emergency planning arrangements and the important role elected representatives play before, during and after an incident. The session covered the Council's statutory responsibilities under the Civil Contingencies Act 2004, how emergency planning and response arrangements operate at both borough and London-wide levels, and the processes that are activated when a major incident occurs. The briefing also explored the role Members can play in supporting residents, communicating local concerns, and providing community leadership during emergencies.

3.6.3 A consistent theme emerging from the session was the desire for improved communication with Members during incidents. Members highlighted the importance of receiving timely and relevant information to enable them to support affected residents and respond to enquiries from their communities. While the immediate priority during any incident will always be the safety of residents and the coordination of the operational response, there is an opportunity to further strengthen arrangements for keeping Members informed. To address this, the Emergency Planning and Resilience Team will work with Member Support and Communications colleagues to review current arrangements and develop a communication approach that is both proportionate and effective. The aim will be to ensure Members receive appropriate updates during significant incidents without creating additional pressures on operational responders during the critical stages of an emergency.

3.6.4 The session also reinforced the important role that Members can play in identifying and escalating incidents affecting their communities. Members were therefore encouraged to report any incidents or emerging concerns of which they become aware to the on-call Resilience Advisor via the Council's switchboard. This will help ensure that relevant officers are notified promptly, situational awareness is maintained, and any necessary response actions can be considered and implemented at the earliest opportunity.

3.6.5 Overall, the session was positively received and represented an important step in strengthening the Council's political leadership capability, further embedding resilience as a shared responsibility across the organisation.

3.7 Counter Terrorism

3.7.1 In response to the introduction of Martyn's Law and the continued rollout of the Action Counters Terrorism (ACT) for Local Authorities programme, the Emergency Planning and Resilience Team has continued to facilitate cross-service discussions on the Council's preparedness, identifying areas for improvement and strengthening organisational resilience to terrorist threats and hostile acts.

3.7.2 The national threat environment remains a significant consideration within the Council's resilience planning. Following the increase in the UK National Terrorism Threat Level from SUBSTANTIAL to SEVERE on 30 April 2026, the Council reviewed its preparedness arrangements and associated response procedures. This included a review of the Council's Move to Critical Action Card and further discussions with Facilities Management colleagues regarding the practical measures that may need to be implemented in response to an elevated threat level. These discussions have helped to ensure that responsibilities are understood and that arrangements remain aligned with the current threat picture.

3.7.3 To support organisational awareness and preparedness, the borough's Counter Terrorism Protect Officer (CTPO) has continued to deliver specialist training and engagement activities. To date, officers have received one ACT Awareness session and two See, Check, and Notify (SCaN) sessions, with further training events scheduled later in the year. Details of all completed and planned counter-terrorism training activities are provided in *Appendix 1*. These sessions have helped improve staff awareness of hostile reconnaissance, suspicious behaviour, and the actions that can be taken to identify and report potential threats.

3.7.4 The CTPO is also currently developing a Hostile Information Plan (HIP) for the Civic Centre, with completion anticipated by the end of July. The HIP will assess how the Council can further strengthen its resilience against hostile reconnaissance and other security-related threats. Given the Civic Centre's proximity to Wembley Stadium, counter-terrorism considerations were incorporated into the building's design and construction, with advice provided at the time by a Counter Terrorism Security Adviser (CTSA). However, threat profiles evolve over time, and the HIP will provide an updated assessment of risks, together with recommendations for any additional protective security measures that may be appropriate. Consideration is also being given to whether similar assessments should be undertaken for other key Council buildings.

3.7.5 The publication of guidance supporting the implementation of Martyn's Law has provided greater clarity regarding the responsibilities of organisations operating qualifying premises. The guidance confirms that the responsible person may be an organisation rather than an individual. However, for premises falling within the Enhanced Tier requirements, such as the Civic Centre, the legislation requires the responsible person to designate a senior individual responsible for ensuring compliance with the Act. Whilst operational tasks can be delegated, the designated individual retains overall accountability for meeting the organisation's statutory obligations.

3.7.6 A key next step for the Council will therefore be to identify and formally designate the senior individual who will oversee compliance with Martyn's Law. Establishing clear leadership and accountability arrangements will be essential to ensuring that compliance activity is effectively coordinated and embedded across the organisation.

3.7.7 Further statutory guidance and supporting information from the Security Industry Authority (SIA) is still awaited. The Emergency Planning and Resilience Team will continue to monitor developments, assess the implications for the Council and coordinate the work required to ensure compliance with the new legislative requirements as additional guidance becomes available.

3.8 Training and Exercises

3.8.1 As detailed in *Appendix 1*, a substantial programme of training, exercising, and professional development activity has been delivered or attended since the previous update in July 2025. This investment continues to strengthen both individual capability and organisational resilience, ensuring that officers across a range of services are better prepared to respond to and recover from emergencies. Further training and exercising priorities have also been identified and are being incorporated into work programmes for 2026 and 2027.

3.8.2 Two particularly valuable exercising activities during the reporting period were the Climate Change Exercise, coordinated by the Climate Action Team in March, and Exercise Sentinel, delivered by London Resilience to test the London Local Authority Gold (LLAG) arrangements through a cyber incident scenario.

Climate Change Exercise

3.8.3 The Climate Change Exercise provided an opportunity to explore the Council's preparedness, response, and recovery arrangements for the impacts of extreme weather, particularly prolonged periods of extreme heat. The post-exercise report has recently been received and identified a number of actions where the Emergency Planning and Resilience Team can support further organisational preparedness. These recommendations include:

- Strengthening documented arrangements for extreme heat incidents, with greater emphasis on preparedness, mitigation, and recovery activities.
- Ensuring that services consider prolonged periods of extreme heat and other climate-related risks within their Business Continuity Plans.
- Developing a coordinated communications plan to provide consistent, accurate, and tailored messaging for staff, partners, and residents during periods of extreme weather.
- Working with key partners to establish a borough-wide approach to extreme heat preparedness, response, and recovery.

3.8.4 The exercise also highlighted the importance and complexity of identifying and supporting vulnerable residents during periods of extreme heat. Participants considered the potential impacts on a wide range of groups, including older people, disabled residents, children, those with long-term health conditions, people living alone, and residents living in poor-quality or insecure housing. Discussions reinforced that vulnerability is not static and can increase as incidents progress, with residents' health and circumstances deteriorating over time.

3.8.5 The exercise identified opportunities to strengthen arrangements for identifying residents who may not already be known to services, including those who are socially isolated or otherwise at risk of "slipping through the net". It also highlighted the value of community intelligence from voluntary, community, and faith sector organisations, commissioned providers, and local networks in identifying emerging vulnerabilities. In response, colleagues from Public Health, Social Care, and the Climate Action Team are developing a coordinated approach to identifying and supporting residents most vulnerable to extreme heat, including the use of service-level data, community intelligence, and agreed processes for monitoring changing vulnerability during prolonged heatwave events.

3.8.6 Since the exercise, the Council has responded to both a Red Heat-Health Alert issued by the UK Health Security Agency (UKHSA) and a Red Extreme Heat Warning issued by the Met Office. These incidents provided a valuable opportunity to assess how services responded in practice compared with the assumptions made during the exercise. They also enabled further discussions with services and partners regarding lessons identified and additional measures that could be implemented to strengthen preparedness for future extreme heat events. This real-world experience has reinforced in some areas the importance of integrating climate resilience considerations into both business continuity and emergency response planning.

Exercise Sentinel

3.8.7 Exercise Sentinel was coordinated by London Resilience and primarily designed to test the operation of the London Local Authority Gold arrangements during a significant cyber incident. The exercise also provided a valuable opportunity to involve Adult and Children's Social Care colleagues in a realistic scenario examining the impact of a prolonged loss of IT systems and digital services. Emergency Planning deliberately included disruption to Mosaic, enabling participants to consider the implications for residents who rely on care and support services, and to explore how vulnerable residents would continue to be identified, prioritised, and supported during a prolonged technology outage.

3.8.8 The exercise highlighted that the implications of an extended technology outage had not always been fully reflected within existing business continuity arrangements. Discussions explored how critical services would continue to operate if access to core systems was unavailable for a prolonged period and identified opportunities to strengthen resilience planning in this area. Particular focus was given to maintaining support for vulnerable residents, including how services would access key information, prioritise welfare interventions, manage safeguarding concerns, and identify emerging risks where normal digital systems were unavailable.

3.8.9 One positive outcome of the exercise was the identification of a report routinely produced by Adult Social Care for operational purposes, which could also provide critical information on vulnerable residents during a cyber incident. Consideration is now being given to how this information could be made available during periods of system disruption, ensuring that vulnerable residents continue to receive appropriate support even where access to core systems is unavailable.

3.8.10 The exercise also highlighted the value of learning directly from organisations that have experienced significant cyber incidents. Participants identified an opportunity to engage with London boroughs that have been affected by recent cyber-attacks, including Hackney, Westminster and Kensington & Chelsea, to better understand the operational challenges and lessons identified by frontline services. While considerable learning has already been shared through IT and emergency planning networks, there is particular value in hearing directly from specialist service areas such as Adult Social Care and Children's Services regarding the practical impacts of cyber disruption on service delivery. The Emergency Planning and Resilience Team will seek to progress this work through London resilience networks and explore opportunities to facilitate wider learning across boroughs. This will help ensure that business continuity planning continues to evolve based on real-world experiences and emerging threats.

3.9 Incidents

3.9.1 The Emergency Planning and Resilience Team has continued to support the Council's response to a range of incidents over the past year, providing coordination, advice and operational support to services, partners and affected residents. This report highlights some of the more significant incidents managed during the reporting period, together with key learning identified. The team has also continued to draw on lessons from incidents affecting other local authorities, most notably the Tri-Borough cyber incident in November 2025, to strengthen local preparedness and resilience arrangements. Significant incidents responded to during the reporting period include:

- **Thames Court Fire (July 2025)** – A Local Authority Liaison Officer (LALO) was deployed to support residents displaced by the fire. Following assessment by the out-of-hours repairs service, the property could not be made safe enough for residents to return. Emergency hotel accommodation was arranged for a small number of affected residents by the Resilience Advisor, with transport provided to ensure their immediate welfare needs were met.
- **Christchurch Avenue Fire (September 2025)** – An emergency Rest Centre was established at the Civic Centre to support six residents from four affected flats. The Rest Centre provided a place of safety and welfare support while temporary accommodation arrangements were made with Housing Needs.
- **Flooding at William Dunbar House (November 2025)** – A LALO attended the scene to support affected residents. The Resilience Advisor arranged emergency hotel accommodation for four families displaced by the flooding, while repairs and recovery issues were escalated to the out-of-hours Housing Repairs Team to expedite remedial action.
- **Chamberlayne Mansion Fire (November 2025)** – Following a request for accommodation support, a LALO attended the incident. On arrival, it was confirmed that affected residents had already arranged alternative accommodation. Outstanding repairs and recovery issues were escalated to the out-of-hours Housing Repairs Team for follow-up.
- **Multiple Burst Water Mains (January–February 2026)** – Emergency Planning liaised with Thames Water and Highways colleagues to maintain situational awareness. Adult and Children's Social Care teams were asked to review records for vulnerable residents living within the affected blocks. Whilst Adult Social Care identified no residents requiring intervention, Children's Social Care identified vulnerable families and undertook welfare calls. Local schools were also contacted to ensure they were aware of potential disruption and able to implement any necessary contingency arrangements.
- **Kingsbury High School Incident (February 2026)** – Emergency Planning supported Strategic (Gold) Coordinating Group meetings throughout the incident and facilitated specialist recovery advice from Professor Lucy Easthope for the Director leading the Recovery Group.

- **Unite Student Accommodation Evacuation (May 2026)** – Following initial confusion among partner agencies regarding the availability of the Civic Centre as a Rest Centre, a LALO was deployed to the scene. Alternative arrangements were coordinated with a local hotel, providing students with a safe and comfortable location while awaiting further information and updates.
- **Atlas Business Centre Fire (June 2026)** – A LALO was deployed to the scene and an Emergency Centre Manager mobilised to open a Rest Centre for evacuated residents. Due to the original venue needing to resume business-as-usual operations, the Rest Centre was relocated to the Civic Centre the following morning. Hotel accommodation was arranged by the Resilience Advisor for those with children. As the damage was confined to the business centre and did not affect neighbouring residential properties that had been evacuated, residents were able to return home the next day.
- **Heatwave Response (May–June 2026)** – Emergency Planning coordinated the council's response to two Amber Heat-Health Alerts and one Red Heat-Health Alert, the latter being a particularly rare occurrence. During the period leading up to and throughout the Red Alert, Strategic (Gold) meetings coordinated key messaging to managers and staff, monitored operational impacts across services, and facilitated additional support where required to maintain service delivery and protect vulnerable residents.

3.9.2 The frequency and variety of incidents continue to demonstrate the importance of maintaining effective emergency response arrangements and ensuring the Council has sufficient trained staff available to respond to both planned and no-notice events.

3.9.3 During the year, Local Authority Liaison Officers (LALOs) have been deployed on at least five occasions to support emergency services at the scene of incidents. The Council has experienced a noticeable increase in requests from the London Fire Brigade (LFB) for LALO support. Following discussions with LFB colleagues, it has become apparent that these requests are often made where there is uncertainty about which specific Council service may be required, with the LALO role acting as the default point of contact.

3.9.4 To ensure resources are used effectively and that incidents receive the most appropriate support as quickly as possible, Resilience Advisors now seek additional information from LFB representatives at the scene before confirming deployments. This approach helps clarify the nature of the support required and enables the Council to deploy the most relevant service directly, particularly during normal working hours when specialist services are readily available. In many cases, this additional triage process has resulted in a quicker and more targeted response.

3.9.5 The Council also established Rest Centres on two occasions during the reporting period to support residents who had been evacuated from their homes. These incidents provided valuable learning and have prompted a review of current arrangements. One area of focus is increasing the number and geographical spread of venues identified as potential Rest Centres. While the Council has access to several suitable locations, there remain areas of the borough with more limited coverage, and some venues are less suitable during certain periods of the year due to heating, cooling, or operational constraints. Accessibility is also a key consideration when assessing potential venues. Whilst the Civic Centre is often used as a Rest Centre due to its accessibility, step-free access and ability to accommodate a wide range of welfare and support services, this can mean that residents are not always able to remain close to the area affected by an incident. The Emergency Planning and Resilience Team is therefore seeking to identify and assess additional venues across the borough that are both geographically suitable and capable of meeting accessibility requirements, helping to ensure that emergency welfare support remains as local, inclusive and accessible as possible.

3.9.6 The team is also exploring the feasibility of pre-positioning small emergency welfare packs at Rest Centre locations. Access to refreshments, toiletries, and other essential items can make a significant difference to residents who have been suddenly displaced from their homes, particularly during the initial stages of an incident. While additional supplies would still need to be sourced as incidents develop, having a small stock of essential items available on site would enable more immediate support to be provided. The viability of this proposal will depend on the availability of secure storage facilities at each venue.

3.9.7 A further area of improvement identified through both the Council's review of the Grenfell Inquiry findings and the response to the Tillet Close fire related to the availability and flexibility of emergency financial assistance for affected residents. Previously, limitations associated with procurement card spending thresholds had the potential to restrict the Council's ability to respond quickly to emerging welfare needs.

3.9.8 Significant progress has now been made in this area. The spending limit on the Emergency Planning and Resilience Team's procurement card has been substantially increased, providing greater flexibility to meet urgent requirements during incidents. In addition, the team has been working with Finance colleagues to gain access to the Council's pre-paid card system and establish arrangements for cards to be loaded outside normal working hours where necessary. This will complement the existing provision of Tesco vouchers, enabling a broader range of emergency financial support to be provided to residents affected by incidents and ensuring assistance can be delivered more quickly and flexibly when needed.

3.9.9 The Council's response to periods of hot weather during May and June 2026 also provided valuable learning which will inform future heatwave planning. Whilst feedback from services and partners is still being gathered, initial findings highlight the importance of services taking earlier and more proactive action when severe weather warnings are issued. This includes making timely arrangements for equipment such as cooling units and fans, as demand across supply chains can increase significantly during periods of extreme heat, affecting availability. Learning has also identified the need to increase the number and geographical distribution of Cool Spaces across the borough. The

Emergency Planning and Resilience Team is working with Climate Action colleagues to support four local organisations that recently applied to participate in a London Resilience programme aimed at expanding the Cool Spaces network. Although none of the Brent applications were successful, opportunities are being explored to identify local support that could help these organisations develop suitable facilities and strengthen community resilience to future heatwave events.

3.9.10 A further emerging issue relates to the increasing number of fires involving lithium-ion batteries, reflecting a trend being experienced across London. Following such incidents, the London Fire Brigade has advised that local authorities are often expected to arrange for the safe collection and disposal of damaged batteries due to the ongoing risk they present. This requirement is not currently included within the Council's existing waste management arrangements and, whilst Veolia is able to provide specialist support, this is subject to additional cost. Work is therefore underway to better understand the potential financial and operational implications of this emerging risk and to identify sustainable arrangements for future incidents.

3.9.11 The team has also continued to engage with colleagues from Westminster City Council, the Royal Borough of Kensington and Chelsea, and the London Borough of Hammersmith and Fulham following the cyber incident that affected the Tri-Borough partnership in late 2025. Whilst recovery activity remains ongoing, Westminster colleagues have already shared valuable learning from their experience, providing further insight into the scale and complexity of a major cyber response. A key learning point is the importance of ensuring Business Continuity Plans are based on realistic assumptions about the extent and duration of disruption that could result from a cyber-attack. The incident demonstrated that services may need to operate under significantly constrained arrangements for prolonged periods, with substantial backlogs developing across a range of functions. This learning will be incorporated into the planned review of Business Continuity Plans during the coming year.

3.9.12 The response arrangements established by the affected authorities have also provided useful learning for Brent. In particular, the scale of the response, the length of time organisations remained in formal response structures, and the additional specialist resources required to support recovery have highlighted considerations that are not always reflected in local planning assumptions. The incident also demonstrated the importance of understanding the implications of missed statutory deadlines and regulatory requirements, including areas such as planning applications and other time-sensitive services. A further lesson related to the need for robust prioritisation and risk-based decision-making. Recognising that all services viewed their activities as critical, the authorities established a dedicated group to assess and prioritise competing demands. This enabled technical specialists and system engineers to focus on work according to agreed corporate priorities rather than responding to individual requests as they arose, resulting in a more coordinated and effective recovery effort.

3.9.13 The learning identified from incidents over the past year continues to inform improvements to the Council's emergency response arrangements. The increasing complexity and frequency of incidents reinforces the importance of maintaining strong partnerships, investing in staff capability, and continually reviewing plans, procedures, and resources to ensure the Council remains well positioned to support residents and communities during times of crisis.

4.0 Stakeholder and ward member consultation and engagement

4.1 None

5.0 Financial Considerations

5.1 The Emergency Planning & Resilience service is provided with an annual budget which it is expected to operate within, which it did so in the 2025/26 financial year. The budget has been reviewed and set for the 2026/27 to ensure the staffing budget is sufficient to cover the expected on-call costs for the year.

5.2 Should there be any increased demand or changes required to the way the service operates, then the cost of these changes will need to be reviewed. If they are expected to create a financial pressure, then service will need to be reviewed and possible additional funding sourced.

6.0 Legal Considerations

6.1 The Civil Contingencies Act 2004 (CCA) provides the primary framework for dealing with large-scale emergencies under UK law and, Part 1 concerns the responsibility of various public bodies and certain private bodies (e.g., energy suppliers or telecommunications providers) to undertake contingency planning for emergencies.

6.2 The Act recognises an emergency as an event or situation that threatens damage to human welfare for the purposes of The Act only if it may cause:

- loss of human life
- human illness or injury
- homelessness
- damage to property
- disruption of a supply of money, food, water, energy or fuel
- disruption of a system of communication
- disruption of facilities for transport, or
- disruption of services relating to health

6.3 It is apparent that the definition of ‘emergency’ under the Act is capable of covering an extremely broad range of circumstances, ranging from disasters that are life-threatening and large-scale (e.g., a hurricane, major earthquake or nuclear attack), to relatively small-scale, discrete events that cause ‘disruption’ rather than outright damage a fuel strike or power failure affecting telephone lines.

6.4 Emergency planning should aim where possible to prevent emergencies occurring, and when they do occur, good planning should reduce, control or mitigate the effects of the emergency. It is a systematic and ongoing process which should evolve as lessons are learnt, and circumstances change.

6.5 According to the Cabinet Office guidance, Category 1 responders are required to:

- Put in place emergency plans business continuity management arrangements informed by risk assessment.
- Put in place arrangements to make information available to the public concerning civil protection matters and maintain arrangements to warn, inform and advise the public in the event of an emergency.
- Co-operate and share information with other local responders to enhance co-ordination and efficiency.

6.6 Local authorities are also expected to provide advice and assistance about business continuity management to businesses and voluntary organisations.

6.7 The CCA creates a legal framework for sharing information between responding organisations where necessary for emergency planning and response. This is important because it provides a statutory basis for information exchange that might otherwise be restricted by confidentiality or data protection concerns, provided the sharing is lawful and proportionate.

6.8 The CCA creates legally enforceable duties for emergency preparedness and cooperation, provides the Government with exceptional emergency powers in serious crises, and drives resilience and business continuity planning across both the public and private sectors.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

7.1 The Council, as a Category 1 Responder under the Civil Contingencies Act 2004, has a statutory responsibility to plan for, respond to, and recover from emergencies in a way that takes account of the needs of all residents. The activities outlined in this report support the Council's obligations under the Equality Act 2010 and the Public Sector Equality Duty by helping to ensure that emergency preparedness, response, and recovery arrangements are accessible, inclusive, and responsive to the diverse needs of Brent's communities.

7.2 The continued development of emergency response capabilities, humanitarian assistance arrangements, business continuity planning, and community resilience activities is intended to improve outcomes for all residents during emergencies, with particular regard to those who may be more vulnerable to the impacts of incidents.

7.3 The continued strengthening of the Council's resilience arrangements is expected to have a positive impact by supporting equitable access to assistance, information, and services during emergencies and periods of significant disruption.

8.0 Climate Change and Environmental Considerations

8.1 Adaptation and resilience to the effects of extreme weather form a key part of the council's Climate and Ecological Emergency programme. A new cross council Climate Wellbeing and Adaptation working group has been set up to underpin this work, which itself reports to the Corporate Sustainability Board. The council adopted its new Climate Adaptation and Resilience Framework earlier this year and has completed a number of actions within this framework in coordination with colleagues from Emergency Planning, which are set out within predominantly within section 3.8 of this report. Risks the borough posed by extreme weather also form part of the council's overarching risk register which is report to Audit Committee. The significance of this agenda to Brent is only going to continue in the years to come, and therefore the key link with Emergency Planning remains crucial to this process.

9.0 Human Resources Considerations

9.1 The Council's emergency response arrangements rely on the availability of appropriately trained officers to undertake on-call, command, coordination, humanitarian assistance, and emergency centre roles. Continued investment in training, exercising, and staff development remains essential to maintaining sufficient organisational resilience and ensuring that officers are equipped and supported to respond effectively during emergencies.

9.2 Human Resources have recently completed an evaluation of the Emergency Response Officer role, covering both Local Authority Liaison Officer and Emergency Centre Manager responsibilities. This supports a consistent approach to grading and overtime payments for officers undertaking these duties and helps strengthen fairness, transparency, and sustainability within the on-call arrangements.

9.3 The report also highlights the importance of embedding emergency planning responsibilities within relevant senior management roles, particularly those involved in Gold and Silver command arrangements. This will help ensure that resilience responsibilities are recognised as part of wider corporate leadership expectations and that sufficient capacity is maintained across the organisation.

10.0 Communication Considerations

10.1 None

Report sign off:

Minesh Patel
Corporate Director of Finance and Resources

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Appendix 1- Delivered / Planned Training and Exercising

2025 / 2026 – Training and Exercising Delivered

Date	Activity
July 2025	
9th July	Loggist Training
7th Sept	STS Cyber Exercise
29th July	Emergency Centre Manager Training
Aug 2025	
5th August	BECC Training
12th August	Emergency Centre Officer Training
Sept 2025	
9th Sept	Resilience Advisor Training
9th Sept	Martyn's Law Briefing (SAFE)
10th Sept	Loggist Training
22nd Sept	Peter Apps – Grenfell Response
23rd Sept	Emergency Centre Officer Training
24th Sept	UKHSA Cold Weather Briefing
24th Sept	Intro to LALO Training
26th Sept	Identification of Vulnerable People Exercise
Oct 2025	
Oct / Nov	Exercise Pegasus (Pandemic Exercise) – Several Sessions
2nd Oct	On- Call Briefing (Housing Repairs
15th Oct	Recovery Training (Lucy Easthope)
21st Oct	On-Call Briefing (Housing Needs)
28th Oct	Emergency Centre Manager Training
Nov 2025	
5th Nov	Intro to LALO Training
5th Nov	West Sub Region – Communications Exercise
25th Nov	Gold Training
27th Nov	Emergency Centre Officer Training
Dec 2025	
2nd Dec	Loggist Training
11th Dec	Resilience Advisor Training
11th Dec	Emergency Centre Manager Training

Jan 2026	
15th Jan	New BECC Staff Training
19th Jan	ACT Operational
20th Jan	New BECC Staff Training
20th Jan	Emergency Centre Officer Training
21st Jan	Elections Team Tabletop Exercise
22nd Jan	Loggist Refresher
26th Jan	Events Gold and Silver Briefing
27th Jan	New BECC Staff Training
Feb 2026	
Feb / Mar	Exercise Sentinel
3rd Feb	Airwave Training
4th Feb	Introduction to LALO training
11th Feb	Brent Borough Resilience Forum Exercise – Power Outage
12th Feb	Emergency Centre Officer Training
17th Feb	Introduction to LALO training
20th Feb	LALO Refresher - LFB Visit
25th Feb	All Staff ACT Awareness Session
26th Feb	Emergency Centre Manager Training
Mar 2026	
4th Mar	West London Cyber Collaboration: Session 3 Desktop incident response exercise
6th Mar	School Business Continuity Session
10th Mar	Climate Change Exercise
10th Mar	Emergency Centre Officer Training
12th Mar	Intro to LALO Training
26th Mar	Police Exercise
26th Mar	Emergency Centre Manager Training
27th Mar	Council and CVS Brent – Website Launch Event
Apr 2026	
15th April	SCAN (AM & PM Sessions)
23rd April	Emergency Centre Officer Training
May 2026	
11th May	Emergency Centre Lego Workshop
12th May	Airwave ISSI Training
20th May	Intro to LALO Training
28th May	Emergency Centre Officer Training

June 2026	
1st June	Elected Members Induction
9th June	Loggist Refresher
11th June	Loggist Refresher
12th June	LALO Fire Station Visit
16th June	Emergency Centre Manager Training
July 2026	
1st July	Exercise Vesta
2nd July	Silver Training
2nd July	Emergency Centre Officer Training

2026 – Planned Training and Exercising

July 2026	
13th July	Wembley Stadium Exercise
21st July	ACT Awareness / SCAN – (Security)
23rd July	ACT Awareness / SCAN – (Security)
August 2026	
September 2026	
9th Sept	All Staff ACT Awareness
16th Sept	Intro to LALO Training
16th Sept	JESIP Incident Commander Course
30th Sept	JESIP Incident Commander Course
30th Sept	ACT Operational
October 2026	
7th Oct	LALO Refresher
14th Oct	SCAN Operational (AM & PM Session)
20th Oct	New Loggist Training
21st Oct	BECC Exercise
November 2026	
4th Nov	Loggist Refresher
17th Nov	Intro to LALO Training
17th Nov	LALO Refresher
December 2026	

Brent	**Audit and Standards Advisory Committee** 27 July 2026
	Report from the Corporate Director, Finance and Resources
	Lead Cabinet Member – Deputy Leader & Cabinet Member for Finance & Resources

Treasury Management Outturn 2025/26

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
List of Appendices:	Four: Appendix 1: Economic Commentary Appendix 2: Debt and Investments Portfolio Appendix 3: Average Rate vs Credit Risk Appendix 4: Prudential Indicators
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Karima Mbarak, Senior Finance Analyst Capital, Treasury & Commercial Email: Karima.mbarak@brent.gov.uk Tel: 020 8937 1192 Oliver Simms Head of Finance (Capital, Treasury and Commercial) Capital, Treasury & Commercial Email: Oliver.Simms@brent.gov.uk Tel: 020 8937 1679

1.0 Executive Summary

1.1 This report presents the outturn for the Council's Treasury Management activities for 2025/26. The Council undertakes its treasury management activities in accordance with the CIPFA Treasury Management in the Public Services: Code of Practice, as required under the Local Government Act 2003 and associated Regulations. Regular reporting to the relevant Committee forms part of this framework and supports transparency, accountability and prudent financial management.

1.2 This report updates Members on both the borrowing and investment decisions made by the Corporate Director, Finance and Resources under delegated authority and considers the Council's Treasury Management performance. The Council can only borrow for capital investment, it cannot borrow to fund operational, day to day expenditure. The borrowing supports the Council's capital investment programmes for both Council Housing (HRA) and General Fund.

1.3 Key emerging points are as follows:

- The Council has complied with its Prudential Indicators for 2025/26.
- Borrowing at 31 March 2026 was £1,074.0m an increase of £174.0m compared to 31 March 2025.
- Cash Investments at 31 March 2026 was £43.8m, a decrease of £3.5m compared to £47.3m at 31 March 2025.
- The Council's Capital Financing Requirement (CFR), representing the underlying need to borrow, increased by £58.5m to £1,412.3m.
- The average rate for the Council's total borrowing was 3.9% as at 31 March 2026, an increase from 3.85% at 31 March 2025, caused by high interest rates.
- The Council's rate of return on cash investments decreased during the year from 4.53% (31 March 2025) to 3.81% (31 March 2026).
- Minimum Revenue Provision (MRP) charge (excluding PFI/Leases) to the General Fund for 2025/26 was £16.5m.

2.0 Recommendation(s)

That Audit and Standard Committee:

2.1 Note and comment on the overall financial performance for 2025/26.

2.2 Note that the Council has complied with the prudential indicators set by Council in February 2025.

2.3 Approve the submission of the report to Cabinet and Full Council for approval in accordance with the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 The regular reporting of treasury management activities assists Members to scrutinise officer decisions and monitor progress on the implementation of the borrowing and investment strategy approved by Full Council. Effective governance and scrutiny of treasury management activities supports achievement of the borough plan as it reduces risk and controls costs ensuring resources are available to deliver the Council’s priorities.

3.1.2 Treasury management plays a key role in the delivery of the Council’s ambitious Capital programme as it ensures funds are available and borrowing is affordable. The Capital Programme represents the Council's strategic investment designed to address key Council priorities, from improving the public realm to investing in affordable housing.

3.1.3 The Council’s treasury management activity is underpinned by the CIPFA Code, which requires authorities to produce annually Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity.

3.2 Background

3.2.1 The Council borrows money over the long term to support investment in the Council’s ambitious capital programme and invests cash balances held for short periods. It is therefore exposed to financial risks including the loss of invested funds, insufficient cash balances to meet payment obligations, and the revenue impact of changing interest rates. The successful identification, monitoring and control of risk are central to the Council’s treasury management strategy.

3.2.2 In line with the CIPFA Code, the Council approves three key Treasury Report:

- Treasury Management Strategy (approved alongside the budget) for the upcoming year;
- Mid-year Treasury Outturn Report which provides a half-year update on Treasury Performance; and
- Treasury Management Outturn Report which updates Members on the full years activity and Treasury performance

3.2.3 The 2021 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Council's Capital Strategy and Treasury Management Strategy were approved by full Council at a Budget and Council Tax Setting Council meeting on 10 February 2025.

3.3 Economic Background

3.3.1 Appendix 1 provides a full and detailed economic commentary for the financial year

3.3.2 UK annual Consumer Price Index (CPI) inflation generally eased during the year but remained above the Bank of England's 2% target. The US/Israel-Iran conflict increased inflationary risks through higher oil and commodity prices.

3.3.3 The Bank of England's Monetary Policy Committee (MPC) Bank Rate at the start of the financial year was 4.5% and at the end of the year was 3.75% . It has been held at this level since due to uncertainty following escalating geopolitical tensions.

3.3.4 Credit conditions remained resilient despite market volatility. Arlingclose, the Council's Treasury Advisors, maintained their recommended counterparty duration limits, with the Authority continuing to invest within approved credit risk parameters.

3.4 Local Context

3.4.1 At 31 March 2026, the Council had a net borrowing position of £1,030.3m. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). This is the amount of the Capital Programme, past and present, that is funded by borrowing. Alternatively, the Capital Programme can be funded by internal borrowing. Internal borrowing is the use of an authority's own cash resources, such as revenue balances, reserves, and earmarked funds (including General Fund balances and Community Infrastructure Levy (CIL) receipts), to temporarily finance capital expenditure instead of taking out external borrowing. Internal borrowing reduces interest costs in the short-term because it reduces the need to finance the capital programme through borrowing. Balance sheet resources are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31-Mar-25	**31-Mar-26**
	Actual	**Actual**
	£m	**£m**
General Fund CFR	1,010.5	1,044.0
HRA CFR	343.3	368.3

Loan CFR	**1,353.8**	**1,412.3**
PFI & Lease Liabilities	70.6	61.7
Total Loan CFR	**1,424.4**	**1,474.0**
External borrowing (Excluding accrued interest and PFI/Leases) *	900.0	1,074.1
Less Usable Reserves	(496.1)	(453.6)
Less Working Capital	89.6	159.2
Investments (or new borrowing)	47.3	43.8
Internal Borrowing (Loans CFR less external borrowing)	453.8	338.2
Net borrowing (borrowing less investments)	**852.7**	**1,030.3**

3.4.2 The General Fund CFR was reduced by £16.5m following the application of Minimum Revenue Provision (MRP) charges excluding PFI/Leases. MRP is a prudent charge to revenue for the repayment of borrowing in the General Fund. When we charge MRP, we are effectively setting aside money from the revenue budget to repay part of that borrowing need. This reduces our underlying need to borrow, so the CFR reduces as well.

3.4.3 The Housing Revenue Account is a ringfenced account to record income and expenditure related to social housing. As permitted by regulations, the Council appropriates HRA land to the General Fund for the purposes of regeneration and development. During the year, several completed housing schemes appropriated from the General Fund to the HRA. In total, assets with a certified value of £30.0m were appropriated from the General Fund to the HRA and the respective CFRs were adjusted.

3.4.4 The movement in the Loan CFR of £58.5m between 31 March 2025 and 31 March 2026 is detailed below.

3.4.5 In addition, working capital increased from £89.6m at 31 March 2025 to £159.2m at 31 March 2026, primarily due to a £70m increase in debtors during the year. This was partially offset by a £10m reduction in creditors, resulting in an overall increase in net working capital. Working capital represents the difference between current assets and current liabilities and is an important indicator of the Council's short-term liquidity position. An increase in working capital generally reflects a higher level of resources due to the Council relative to obligations falling due in the short term. While these balances are expected to convert into cash in due course, the timing of receipt can influence the Council's cash flow and treasury management activities, including the level of investments held and the need for short-term borrowing. As such, movements in working capital are an important consideration in managing the Council's day-to-day liquidity.

3.4.6 As a result, the Council’s net borrowing position (less investments) changed from £852.7m to £1,030.3m. The Council’s external borrowing as 31 March 2026 £1,074.1m excluding £61.7m PFI and Leases and was within the

Prudential Indicator for external borrowing. Actual loan CFR as at 31 March 2026 stood at £1,412.3m. This can be split between the General Fund (£1,044.0m) and the HRA (£368.3m). The difference between the Loan CFR and external loans is internal borrowing. Internal borrowing occurs due to timing differences when capital expenditure that is meant to be financed through external debt is instead paid for through cash resources that are intended for other purposes. Cash is replenished later. The Council's borrowing position is further discussed later in the report in the borrowing section.

Table 2: Movement in CFR

Movement in CFR	£m
Opening Loan CFR 1 April 2025	1,353.8
Closing Loan CFR 31 March 2026	1,412.3
Change in Loan CFR	**58.5**
Capital expenditure 2025/26	209.9
Capital expenditure Financing	(108.8)
MRP	(16.5)
Service Loans Repaid	0.0
Accounting adjustments (PFI/Leases)	(26.1)
Total Movements in CFR	**58.5**

3.4.7 The treasury management position at 31st March 2026 and the change during the year is shown in Table 3 below.

Table 3: Treasury Management Summary

	31-Mar-25 Actual	**Movement**	**31-Mar-26 Actual**
	£m	**£m**	**£m**
Short-term Borrowing	130.4	11.6	152.2
Long-term Borrowing	769.6	152.2	921.9
Total External Debt	**900.0**	**174.1**	**1,074.1**
Money Market Funds	47.3	(3.5)	43.8
Local Authority Cash Investments	0.0	0.0	0.0
Total Cash Investments	**47.3**	**(3.5)**	**43.8**
Net Debt	**852.7**	**177.6**	**1,030.3**

3.4.8 Borrowing increased during 2025/26 to support the Council's long-term capital investment programme as internal cash resources continued to be utilised. The additional borrowing requirement was driven by the delivery of the capital programme where expenditure was not funded through grants, contributions, capital receipts or reserves. New borrowing was undertaken throughout the year in line with the Council's treasury management strategy, adopting a "little and often" approach to manage exposure to continued interest rate volatility. Although market interest rates remained volatile during the year, this approach enabled the Council to secure funding as required while managing borrowing costs and ensuring sufficient liquidity to support the delivery of the capital programme. More detail on borrowing is provided in section 3.5 onwards.

3.4.9 Cash investments decreased over the year following the repayment of maturing debt and ongoing investment in the Council's capital programme. Although the Council's working capital increased during 2025/26, this was primarily driven by higher year-end debtor balances rather than additional cash resources. As a result, the increase in working capital did not translate into higher cash available for investment, with cash balances continuing to be utilised to support the capital programme and debt repayments.

3.4.10 Appendix 2 details the debt and investment portfolio as at 31 March 2026.

3.5 Borrowing Strategy and Activity

3.5.1 As outlined in the Treasury Management Strategy, the Council's main objective when borrowing is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective. The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.

3.5.2 Gilt yields slightly decreased over most of the period; reflecting expectations of lower interest rates, limited economic growth and, to some extent, an improvement in the UK governments fiscal position following tax rises in the autumn budget. Subsequent to the war in the Middle East however, gilt yields rose rapidly.

3.5.3 The PWLB certainty rate for 10-year maturity loans was 5.38% at the beginning of the period and 5.72% at the end. Rates for 50-year maturity loans ranged from 5.46% to 6.24%. The cost of short-term borrowing from other local authorities has been a little above Base Rate for most of the period, with interest rates between 4.0% and 4.5%. However, as is commonly seen due to high demand level, rates on inter-authority borrowing rose higher towards the end of the financial year to rates of over 5.0%

3.5.4 The average interest rate on the Council's external borrowing increased marginally from 3.85% at 31 March 2025 to 3.90% at 31 March 2026. This was primarily due to the Council undertaking new borrowing to finance its capital programme. Whilst interest rates fell during the year, the rates available for new PWLB borrowing remained higher than the average rate payable across the Council's existing debt portfolio. Consequently, the addition of new borrowing increased the overall weighted average cost of debt, albeit only marginally. The table below shows the interest rate changes in Bank rate and PWLB rates between financial year ends provided by Arlingclose.

Table 4: Interest rate changes

Interest rate changes	31-Mar-25	31-Mar-26
Bank Rate	4.5%	3.8%
1-year PWLB certainty rate, maturity loans	4.8%	5.0%
5-year PWLB certainty rate, maturity loans	4.9%	5.3%
10-year PWLB certainty rate, maturity loans	5.4%	5.7%
20-year PWLB certainty rate, maturity loans	5.9%	6.2%
50-year PWLB certainty rate, maturity loans	5.6%	6.1%

3.5.5 The CIPFA code of practice (2025/26) defines the Housing Revenue Account as statutory obligation to maintain a revenue account for local authority housing provision in accordance with Part 6 of the Local Government and Housing Act 1989 (England and Wales) (Section 3.5.11 of the Code). The PWLB currently provide a discounted a rate for new HRA loans.

3.5.6 The PWLB HRA rate which is 0.4% below the certainty rate is available up to March 2027. This discounted rate is to support local authorities borrowing for the HRA and for refinancing existing HRA loans. In 2025/26, the Council did not take out any new HRA loans. However, the Council will continue to monitor the opportunity to do so in line with the treasury management strategy and the council's HRA business plan and objectives.

3.5.7 CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Council. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing or regeneration purposes. The Council has not invested in assets primarily for financial return or that are not primarily related to the functions of the Council and has no plans to do so.

3.5.8 The Council held loans of £1,074.1m as at 31 March 2026, an increase of £174.1m in year. Table 6 provides the breakdown of loan balances.

Table 5: Borrowing Position

Loan Type	01-Apr-25	New Loans	Repaid loans	31-Mar-26
	£m	**£m**	**£m**	**£m**
PWLB	675.5	230.0	(31.0)	874.5
LOBO	59.5	0.0	(20.0)	39.5
Banks & Pension Funds	95.0	0.0	0.0	95.0
Local Authority	70.0	65.0	(70.0)	65.0
Total Debt Outstanding	**900.0**	**295.0**	**(121.0)**	**1,074.1**

3.5.9 External borrowing increased from £900.0m to £1,074.1m during the year, reflecting the raising of £295.0m of new loans and the repayment of £121.0m of existing debt. Of the new borrowing undertaken, £230.0m was raised from the Public Works Loan Board (PWLB) on an Equal Instalment Principal (EIP) basis to support the Council's approved capital programme. EIP borrowing was preferred as it provides a structured repayment profile, with debt reducing progressively over the life of the loan, helping to manage the Council's long-term borrowing requirement and limiting future refinancing risk. No maturity (MAT) loans were raised during the year. Whilst MAT loans defer principal repayment until the end of the loan term, prevailing rates remained relatively high and would have locked the Council into higher long-term borrowing costs. The use of EIP borrowing therefore provided a more balanced approach, supporting capital investment while managing both financing costs and future debt repayment obligations.

3.5.10 In addition, £65.0m of short-term loans were raised from local authorities as part of the Council's treasury management strategy. Maintaining a proportion of borrowing on a short-term basis provides flexibility in managing cash flow requirements and the debt portfolio, while benefiting from lower borrowing rates than those available on longer-term loans. This approach helps balance cost and risk within the overall borrowing strategy. Local authority loans were raised at an average rate of 4.4% with an average duration of 365 days.

3.5.11 **Loan Restructuring:** No loans were restructured during 2025/26. The Council will continue to monitor and evaluate the opportunity to reschedule existing loans.

3.5.12 **LOBO Loans:** LOBO loans give the lender the option of increasing rates at a specified date and the Council the option to either accept the increased rate or repay the loan without penalty. As at 31 March 2026 the Council was holding £39.5m of LOBO loans. The Council repaid two LOBO loans in 2025/26 after the lender exercised their option. As a result, the Council's borrowing requirement increased, with the additional financing being met through borrowing from the Public Works Loan Board (PWLB) during the year within our overall borrowing need. The table below shows further information on the 2 LOBO loans repaid in 2025/26.

Table 6: LOBO Loans repaid:

LOBO loans repaid 2025/26	Amount £m	Rate %	Original Maturity	LOBO Call date 2025/26	New rate proposed	Action taken by Authority
Loan 1 - Dexia	10.0	4.1%	19/05/2055	19/05/2025	6.41%	Repaid
Loan 2 - Dexia	10.0	5.2%	26/02/2066	27/02/2025	6.24%	Repaid

3.5.13 The authority has one LOBO loan totalling £9.5m that is due for an interest rate review in 2026/27. The Authority has liaised with our treasury management advisors Arlingclose over the likelihood of the options being exercised. If the option is exercised, the Council will undertake an analysis, in consultation with Arlingclose, over whether to repay the loan with available cash or further borrowing or accept the higher interest rates.

3.5.14 **Forward Borrowing:** There were no forward agreed loans as at 31 March 2026.

3.5.15 **Other loans:** The council has explored further opportunity to mitigate against interest rate risk. In early 2026/27, the GLA's Green Finance Fund approved a £12.0m loan at reduced interest rates to support the financing of the South Kilburn District Heat Network.

3.5.16 **Maturity Profile of Debt**

3.5.17 The table below shows the maturity profile for the Council's debt at 31 March 2026.

Table 7: Debt maturity profile

Maturity Profile at 31 March 2026 (£m)	2025/26	Proportion as a percentage %
<1 Year	152.1	14.2%
1-2 Years	114.8	10.7%
2-5 years	106.7	9.9%
5-10 Years	191.1	17.8%
10-20 Years	93.8	8.7%

20-30 Years	198.3	18.5%
30-40 Years	112.3	10.5%
40+ Years	105.1	9.8%
Total Debt	**1,074.1**	**100.0%**

3.5.18 The Councils average debt pool rate at 31 March 2026 was 3.9%. Further detail is shown in Appendix 2.

3.6 Treasury Management Investment Activity

3.6.1 **Investment Activity**

3.6.2 The CIPFA Treasury Management Code now defines treasury management investments as those investments which arise from the Authority's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business. The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves. Cash balances as at 31 March 2026 was £43.8m held primarily in liquid money market funds. The treasury investment position is shown in table 7 below.

Table 8: Treasury investment position

Treasury Investment Activity	31-Mar-25	Movement	31-Mar-26
	£m	£m	£m
Money Market Funds	47.3	(3.5)	43.8
Total Cash Investments (Excluding accrued interest)	**47.3**	**(3.5)**	**43.8**

3.6.3 The CIPFA Treasury Management Code requires local authorities to consider their counterparty policies in light of environmental, social and governance (ESG) information. The council makes additional considerations when investing in banks and funds for greater than a year, the Council will prioritise banks that are signatories to the UN Principles for responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

3.6.4 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. As a result, the Council invests in short-term investments with high credit ratings, providing security and liquidity.

3.6.5 The Authority is a long-term borrower, and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of money market funds will be maintained to allow access to cash to fund daily cashflow outgoings.

3.6.6 The progression of risk and return metrics are shown in the extracts from Arlingclose quarterly investment benchmarking in the table 9 below.

Table 9: Investment benchmarking

	Credit Score	**Credit Rating**	**Bail-in Exposure**	**Weighted Average Maturity (days)**	**Rate of Return**
31.03.2025	4.88	A+	100%	1	4.53%
31.03.2026	4.85	A+	100%	1	3.80%
Similar Local Authorities*	4.62	A+	80%	192	4.29%
All Local Authorities*	4.60	A+	64%	10	4.46%

**Arlingclose clients only*

3.6.7 The Council's investment security remains strong and is broadly comparable with both similar London authorities and the wider group of local authorities advised by Arlingclose. Brent continues to maintain a slightly stronger average credit score (4.85) than both comparable London authorities (4.62) and the wider local authority average (4.60), whilst maintaining an average credit rating of A+. The weighted average maturity of investments remained at 1 day, significantly shorter than comparable London authorities (192 days) and the wider local authority average (10 days). The Council’s cash balances naturally fluctuated throughout the year, ranging from £28.0m to £98.5m, reflecting the volatility in the timing of significant cash inflows and outflows. Variations are driven by the receipt of income, such as grants and local taxation, and payments relating to operational services, capital investment and borrowing.

3.6.8 Bail-in exposure is the risk that, if a financial institution experiences financial difficulty, certain liabilities may be written down or converted into equity to absorb losses. For local authorities, this means that investments with institutions subject to the bail-in regime could be at risk if the institution were to fail.

3.6.9 Whilst this highly liquid investment strategy provides maximum flexibility, it also means that 100% of Brent's investments remain subject to bail-in exposure, compared with 80% for similar London authorities and 64% across all Arlingclose local authority clients. Other authorities achieve lower bail-in exposure by diversifying into instruments such as strategic pooled funds, covered bonds and other non- -in investments. Brent's rate of return reduced from 4.53% to 3.80% during the year, reflecting the general decline in short-term investment rates as Bank of England interest rates eased.

3.6.10 Although this return is lower than the benchmark groups (4.29% and 4.46%), it is consistent with the Council's low-risk, highly liquid investment strategy. Although this return is lower than the benchmark groups (4.29% and 4.46%), it is consistent with the Council's low-risk, highly liquid investment strategy. The Council's significant capital programme, coupled with the volatility of daily cash flows and relatively limited surplus cash balances, requires investments to remain readily accessible. Consequently, the Council invests predominantly in same-day access money market funds, in line with the CIPFA Treasury Management Code's requirement to prioritise security and liquidity over yield. As liquidity improves and longer-term surplus cash becomes available, opportunities to diversify into alternative investment products will continue to be kept under review, where this can be achieved without compromising security or liquidity.

3.7 Non-Treasury Investment Activity

3.7.1 The definition of investments in CIPFA’s revised 2021 Treasury Management Code covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e., management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return). All of the Council’s non-treasury investments are held to further service objectives and are therefore categorised as for service purposes. The non-treasury investments are classified under shareholdings to subsidiaries and loans to subsidiaries, detailed in the paragraph below.

3.7.2 Investment Guidance issued by MHCLG and the Welsh Government also broadens the definition of investments to include all such assets held partially or wholly for financial return.

3.7.3 The Council held £287.5m in the following service investments as at 31 March 2026:

- Shareholding in subsidiaries: £43.9m (£36.4m in 2024/25).
- Loans to subsidiaries £212.6m (£216.2m in 2024/25).
- £17.1m loans to Schools academies and colleges
- £13.9m loan to West London Waste Authority.

3.7.4 I4B Holdings Limited is a company wholly owned by Brent Council that was incorporated on 16 December 2016. 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 TA costs.

3.7.5 As of 31st March 2026, the Council had provided loan financing of £179.2m to i4B (£182.4m in 2024/25) which is secured against the company's properties. In 2025/26, I4B converted £3.2m of working capital facility into shares, constituting a loan repayment. No other loans were repaid in 2025/26 as the loans are arranged on a maturity structure and repayable at the end of the loan term. The Council received £5.3m (£5.3m in 2024/25) in interest for loans to I4B. The loans are secured against the properties held within the company. The Council also holds an equity investment of £43.9m (£36.4m in 2024/25) that comprises of £1 shares. The increase in equity investment is the result of the £3.2m working capital conversion and an additional £4.3m shares that were issued by I4B to Brent in the year.

3.7.6 First Wave Housing (FWH) is a registered provider of social housing in Brent and is wholly owned by Brent Council. FWH's primary purpose is to provide good quality, affordable, secure, and well managed homes to Brent residents and to contribute to Brent's Housing Strategy. It does this by managing, maintaining and improving its stock of 216 rental properties.

3.7.7 As at 31 March 2026, Brent Council had loaned FWH £33.4m (£33.8m in 2024/25),secured against the properties held within the company. The Council received £0.7m in interest for loans to FWH (£0.7m in 2024/25) and a capital repayment of £0.4m (£0.4m in 2024/25). There were no new loans advanced to FWH.

3.7.8 These investments generated £6.0m of income for the Council in 2025/26 (£6.0m in 2024/25). This investment income covers the borrowing cost of investing in housing through wholly owned subsidiaries. These borrowing costs would be incurred by the Council regardless of the method through which the Council develops new housing; however, this is the vehicle of choice for such investments.

3.7.9 Additional information is provided in Appendix 4 for West London Waste Authority and School/Academy service loans.

3.8 Treasury Performance: Capital Financing costs

3.8.1 The Authority measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in table 10 below.

Table 10: 2025/26 Capital financing Costs

Capital Financing Costs at Q4 2025/26 (£m)	2025/26 Actual
Total Interest Payable & Expenses	41.1
Total Interest Receivable	(24.1)
Net Interest	17.0
MRP (Excluding PFI)	16.5
Total Interest & MRP	**33.5**
Total Capital Financing Costs	**33.5**
Transfer to earmarked reserves	5.4
Total outturn	**38.9**
Budgeted costs	**38.9**
Variance	**0.0**
Budgeted rate debt	5.0%
Average rate debt* (full portfolio excluding PFI and Leases)	3.1%
Average rate investments	3.8%

**Additional detail available in Appendix 2*

3.8.2 Treasury performance reflects on capital financing costs which primarily comprises interest payable on borrowing and the Minimum Revenue Provision (MRP), which is the statutory charge for the repayment of borrowing used to fund the Council's capital programme. During 2025/26, global economic uncertainty, limited availability of other sources to fund the capital programme and higher interest rates continued to place pressure on borrowing costs and the Council's medium-term financial position.

3.8.3 Forecasting capital financing costs remains complex due to the sensitivity of interest rates, the timing of borrowing, capital programme delivery, grant receipts and capital receipts. The Council's historic portfolio of LOBO loans also adds uncertainty as lenders retain the option to request refinancing under certain conditions.

3.8.4 The Council continues to actively manage these risks through its treasury management strategy by closely monitoring daily and medium-term cash flow requirements and adopting a "little and often" borrowing approach to take advantage of short-term reductions in interest rates and avoid holding cash for longer than necessary. This approach also provides flexibility to respond to changing market conditions and helps minimise overall borrowing costs. While maintaining sufficient funding to support the delivery of the capital programme.

3.9 Compliance

3.9.1 The Corporate Director, Finance and Resources reports that all treasury management activities undertaken during the year complied fully with the

CIPFA Code of Practice and the Council's approved Treasury Management Strategy.

Compliance with the approved prudential indicators, and in particular the authorised limit and operational boundary for external debt is demonstrated within Appendix 4 (Prudential Indicators) as required by the 2021 CIPFA Treasury Management Code.

4.0 Stakeholder and Ward Member Consultation and Engagement

4.1 Given the nature of this report, there has been no stakeholder and ward member consultation and engagement.

5.0 Financial Considerations

5.1 The financial implications are noted in the report.

6.0 Legal Considerations

6.1 The legal basis for producing council reports on its Treasury Management Activities is founded on a combination of statutory requirements and professional codes which ensure that local authorities manage their financial resources effectively, maintaining public trust and uphold the principles of good governance.

6.2 The Local Government Act 2003 and the Local Authorities (Capital Financing and Accounting) Regulations 2003 require that regular reports be submitted to the relevant Council Committee, ensuring transparency, accountability and prudent financial management. Brent Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Sector and operates its treasury management service in compliance with this code. As such, this report forms an element of the Council's reporting structure which involves, in due course and following consideration by Cabinet, a report setting out the Council's Treasury Management activity for the year to be submitted to Full Council for approval.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

7.1 There are no equity, diversity and inclusion considerations arising from this report.

8.0 Climate Change and Environmental Considerations

8.1 As part of the Council's Treasury Management Strategy, the Council will ensure an assessment is made with regards to environmental, social and governance (ESG) matters for the council's long-term investments.

9.0 Communication Considerations

9.1 No additional communication strategies are required for this report.

<u>Report sign off:</u> ***Minesh Patel*** Corporate Director, Finance and Resources

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Appendix 1: Economic Commentary 2025/26

Economic background: The financial year was largely dominated by two periods of significant uncertainty and volatility. The first being the US trade tariff ‘Liberation Day’ in April 2025 and the second was the US/Israel war with Iran at the end of February 2026.

After the initial fallout from US trade tariffs, the following months saw some improvements as equity markets made gains and bond yields eased modestly. However, in the UK this trend in bond yields reversed somewhat as an uncertain economic outlook together with concerns around the government’s fiscal position and autumn Budget saw ‘term premia’ rise as investors demanded a higher return for holding gilts.

The Budget itself was more muted than had been expected. Despite a weak economic outlook, this helped UK markets perform better with gilt yields trending downwards, inflation easing, and expectations for cuts in Bank of England (BoE) Bank Rate increasing.

The end of February 2026 saw the start of the war between US/Israel and Iran. The conflict caused oil and other commodity prices to rise sharply as the shipping lanes in the region became effectively closed, restricting global oil supply. At the end of the period, the economic outlook remained highly uncertain in terms of its impact on inflation as well as countries’ fiscal and monetary policy conditions around the globe.

Prior to the start of the war, headline UK consumer price inflation (CPI) inflation had generally been trending downwards, albeit the 3% in February 2026 was unchanged from January. Core CPI also stayed put at 3.1%. Inflation was expected to fall further over the coming months to the BoE’s 2% target, but the war changed this. Inflation is now expected to rise again, but how quickly and by how much depends on the duration of the war and how long commodity prices are elevated.

The Office for National Statistics (ONS) reported the UK economy expanded by 0.1% in Q4 2025. This followed previous modest gains of 0.2% in Q2 and by 0.1% in Q3. Of the subsequent monthly figures, the ONS estimated that GDP showed no growth in January 2026. As this is from before the war started the impact on growth will not be seen formally in the data for a couple more months.

While the most recent labour market figures were slightly better than expected, the general trend has been one of persistent weakness. In the three months to January 2026, the unemployment rate rose to 5.2% (from 5.1%), while the employment rate held at 75.1%. Despite inflation being expected to rise in the coming months, labour market conditions remain loose and so any upward pressure on wages from general inflation is likely to be tempered by the weaker labour market environment.

After cutting Bank Rate to 3.75% in December 2025, the BoE's Monetary Policy Committee (MPC) voted 5-4 to hold rates in February 2026 and then unanimously to do so again in March. Until the war started, financial markets were expecting Bank Rate to be cut to 3.5% at the March meeting. However, the conflict in the Middle East quickly changed this. The MPC noted the risks to both inflation and growth and indicated they could move rates either up or down depending on the conditions. Financial markets quickly responded to this by pricing in rate hikes.

Following the March MPC meeting, Arlingclose, the authority's treasury adviser, revised its central interest rate view and now predicts Bank Rate will be held at 3.75%. However, the conflict makes the outlook for rates highly uncertain. In the short-term the risks are to the upside with the chance of higher Bank Rate should the MPC decide it wishes to quickly quash potential second-round effects from higher inflation. Further out, if Bank Rate is hiked quickly, the pace and magnitude of subsequent cuts could take it far lower than was previously anticipated as policymakers add significant stimulus to a much weaker economic growth outlook.

The US Federal Reserve had been cutting rates over the period, reducing Fed Funds Rate target range by 0.25% at its December meeting to 3.50%-3.75%. At the three subsequent meetings, the rate was held at the same range. Policymakers noted that while inflation was elevated, economic activity had been expanding but the war with Iran made the path of monetary policy highly uncertain. Despite this, the Fed still suggested that further rate cuts were likely in 2026 and 2027.

The European Central Bank (ECB) has kept its key interest rates on hold since June 2025, maintaining the deposit rate at 2.0% and main refinancing rate at 2.15%. At its March 2026 meeting, the ECB noted the war in the Middle East had significantly increased uncertainty, creating upside risks for inflation and downside risks for growth, leading it to revise up its forecasts accordingly.

Financial markets: After declining sharply early in the financial year following the announcement of US tariffs, sentiment in financial markets had improved but equity and bond markets remained volatile throughout. However, the latter part of the period was dominated by the US/Israel war with Iran, which saw equity markets fall sharply, and bond yields rise as concerns over the inflationary impact from sharply higher oil and other commodity prices outweighed the flight-to-quality into government bonds often seen in conflicts.

Equity markets had been registering gains after the declines during the April sell-off, but the war reversed this and markets saw another sharp drawdown. Both the FTSE 100 and 250 fell by around 10% over the month from the start of the conflict to the end of the financial year.

The period saw significant volatility in gilt yields. The 10-year UK benchmark gilt yield started the year at 4.65% and ended at 4.86%. However, over this time the 10-year yield hit a low of 4.23% and a high of 4.95% in the space of a month. It was a similar picture for the 20-year gilt which started at 5.18% and ended at 5.45% with a low and high of 4.92% and 5.55% respectively. The Sterling Overnight Rate (SONIA) averaged 4.01% over the 12 months to 31st March.

Credit review: Arlingclose maintained its recommended maximum unsecured duration limit on most of the banks on its counterparty list at 6 months. The other banks remain on 100 days.

Earlier in the period, Fitch upgraded NatWest Group and related entities to AA- from A+ and placed Clydesdale Bank's long-term A- rating on Rating Watch Positive. Fitch later upgraded Clydesdale Bank and HSBC, but downgraded Lancashire CC and Close Brothers.

Moody's affirmed OP Corporate's rating at Aa3 In May 2025. Later in the period, Moody's upgraded Transport for London, Allied Irish Banks, Bank of Ireland, Toronto-Dominion Bank, DZ Bank, Nordea and HSBC and downgraded Close Brothers. In the last quarter of 2025 S&P upgraded Clydesdale Bank, Allied Irish Banks and Bank of Ireland, and assigned Warrington Council a BBB+ rating.

After spiking in April 2025 following the US trade tariff announcements, UK credit default swap (CDS) prices had trended down before picking up modestly in October and November. After declining again in December and into the new calendar year, they rose sharply once again when the war in the Middle East started. They were still elevated at the end of the period, but prices for all banks on Arlingclose's counterparty list remained within limits deemed satisfactory for maintaining credit advice at current durations.

Overall, European banks' CDS prices have generally been flatter and lower compared to the UK, as have Singaporean and Australian lenders while some Canadian bank CDS prices have remained elevated since the beginning of the period in part due to ongoing trade tensions with the US.

Financial market volatility is expected to remain, and CDS levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

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Appendix 2

Debt and Investment Portfolio 31/03/26

	Actual Portfolio as at 31 March 2026 (£m)	Average Rate as at 31 March 2026
External Borrowing:		
PWLB Maturity Loans	415.9	4.3%
PWLB Equal Instalment Principal Loans	458.6	
Fixed Rate Market Loans	95.0	2.6%
LOBO Loans	39.5	4.4%
Local Authority Loans	65.0	4.4%
Total External Debt	**1,074.0**	
Accrued Interest	10.2	0.0%
Total External Borrowing and Accrued Interest	**1,084.3**	
Other long-term liabilities		
PFI	34.7	3.78%
Finance Leases	6.1	5.38%
Total Long-term Liabilities	**40.7**	
Total Gross External Debt	**1,125.0**	
Investments		
Money Market Funds	43.8	3.8%
Fixed Term Deposits – LA	0.0	0.0%
Total Investments	**43.8**	
Net Debt	**1,081.2**	

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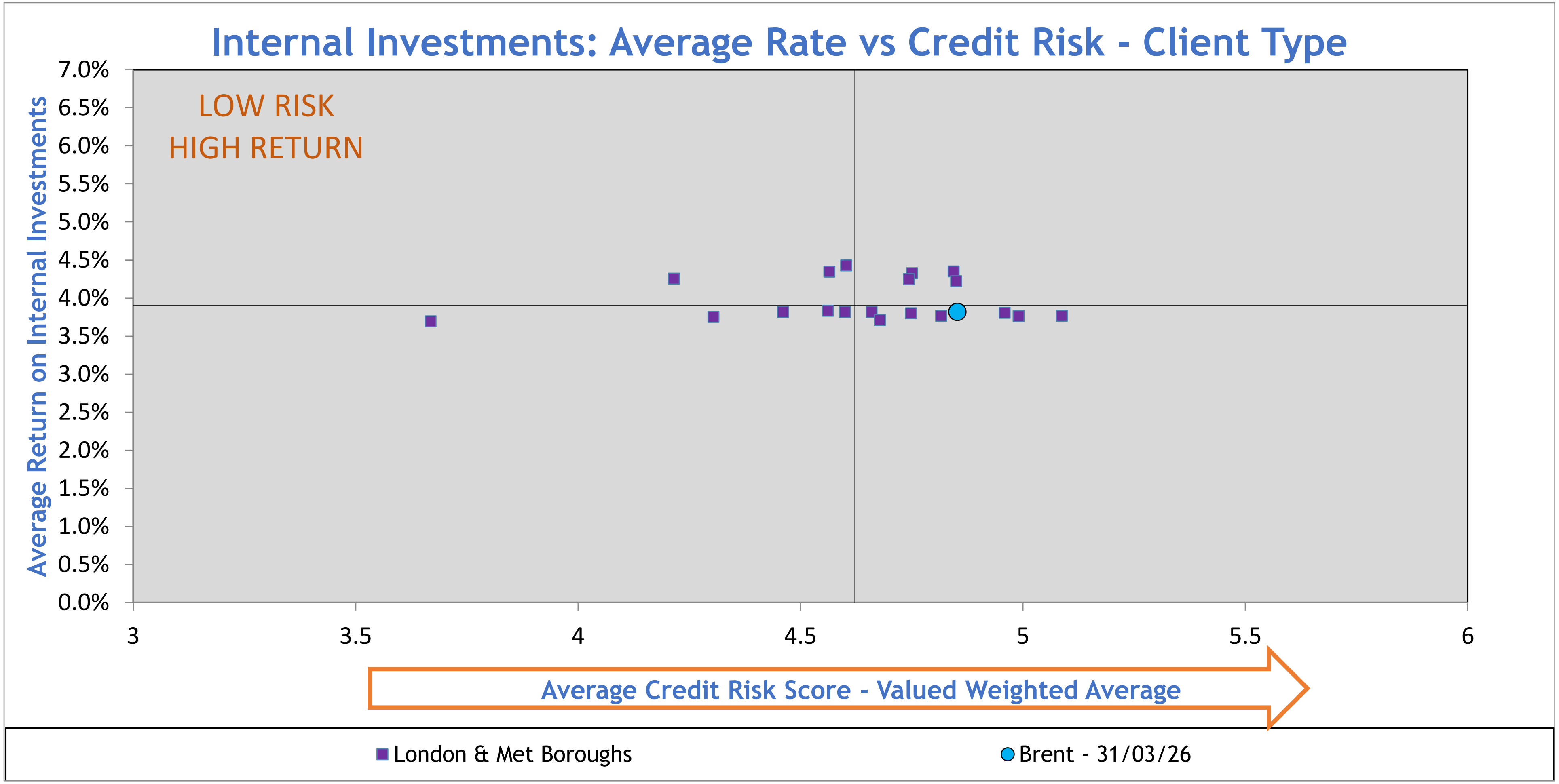
Appendix 3: Internal Investments: Average Rate vs Credit Risk as at 31/03/2026

The Council measures the financial performance of its treasury management activities against similar Council's through benchmarking provided by its Treasury Management Advisor, Arlingclose limited.



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Appendix Four –2025/26 Outturn Prudential Indicators

Legislative Update

In December 2021, CIPFA published its revised Prudential Code and Treasury Management Code of Practice following concerns around the commercial activity undertaken by several local authorities and the affordability of borrowing plans.

The Code required authorities to not borrow to invest primarily for financial return and all capital expenditure undertaken must be related to the functions of the authority. The Council has not undertaken any activities to invest for a yield or have any commercial plans within the capital programme.

The Code required the Prudential Indicators (which are approved as part of the Council's Treasury Management Strategy) to be reported quarterly (from semi-annually) as part of the financial updates and will be a recurring addition to the quarterly financial reports.

Prudential Indicators

The Council has a significant borrowing requirement and balance and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Council's treasury management strategy.

Prudential indicators have been calculated using the capital programme data as at quarter four of 2025/26 (Outturn). Revised capital programme budgets at quarter four for future years have been provided.

Capital Expenditure & Financing at Q4 2025/26 (£m)	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**Total 2024/25 to 2028/29**
	Actual	**Actual**	**Estimated**	**Estimated**	**Estimated**	
Corporate Landlord	11.6	11.9	15.6	12.6	2.7	54.5
Housing GF	71.0	50.1	9.7	21.1	17.5	169.4
Schools	22.1	20.5	29.3	9.3	5.3	86.5
Regeneration	34.6	73.5	92.3	46.5	16.6	263.5
Public Realm	18.0	22.9	10.2	3.7	6.0	60.9
South Kilburn	20.4	12.3	36.8	23.7	11.4	104.6
St Raphael's	0.2	0.4	6.9	12.5	0.0	20.0
Housing HRA	60.9	18.3	88.8	11.6	0.4	180.0

Total Capital Expenditure	**238.8**	**209.9**	**289.5**	**141.1**	**59.9**	**939.2**
Financed By:						
Grants	52.0	65.6	38.3	11.3	6.1	173.4
Section 106	11.9	29.2	37.7	25.4	14.4	118.6
Capital Receipts	17.3	1.2	11.3	34.4	2.1	66.3
Earmarked Reserves	1.2	1.1	4.3	1.0	1.0	8.6
Major Repairs Reserve	16.6	11.2	17.2	0.0	0.0	45.0
Revenue Contributions	11.4	0.5	4.6	1.6	0.6	18.7
Borrowing	128.3	101.1	176.1	67.4	35.8	508.7
Total Capital Financing	**238.8**	**209.9**	**289.5**	**141.1**	**59.9**	**939.2**

(a) Capital Financing Requirement (CFR)

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement. This is the amount of the Capital Programme that is funded by borrowing. The Council’s maximum external borrowing requirement for 2025/26 is shown in the table below. The indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and to consider the impact on Council tax and in the case of the HRA, housing rent levels.

CFR Movement at Q4 2025/26 (£m)	**2024/25**	**2025/26***	**2026/27**	**2027/28**	**2028/29**
	Actual	**Actual**	**Estimated**	**Estimated**	**Estimated**
Opening CFR	**1,254.5**	**1,353.8**	**1,412.3**	**1,570.4**	**1,619.2**
Capital Expenditure	238.8	209.9	289.5	141.1	59.9
External Resources	(63.9)	(94.8)	(76.0)	(36.7)	(20.6)
Internal Resources	(46.5)	(14.0)	(37.4)	(37.0)	(3.6)
MRP	(24.9)	(16.5)	(18.0)	(18.6)	(19.1)
Capital Loans Repaid	(0.8)	0.0	0.0	0.0	0.0
Accounting Adjustments	(3.3)	(26.1)	0.0	0.0	0.0
Closing CFR	**1,353.8**	**1,412.3**	**1,570.4**	**1,619.2**	**1,635.8**

**2025/26 draft accounts*

External resources consist of grants and Developer contributions. Internal resources consist of use of reserves, capital receipts and revenue contributions.

(b) Gross Debt and the Capital Financing Requirement

To ensure that over the medium term, debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence. The table below shows that the Council expects to comply with this recommendation during 2025/26.

Gross Debt & the Capital Financing Requirement at Q4 2025/26 (£m)	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**
	Actual	**Actual**	**Estimated**	**Estimated**	**Estimated**
External Loans	900.0	1,074.1	1,174.0	1,235.2	1,274.6
PFI & Leases	70.6	61.7	60.0	60.0	60.0
Total External Debt Liabilities	**970.6**	**1,135.8**	**1,234.0**	**1,295.2**	**1,334.6**
Internal Borrowing	383.2	276.5	336.5	324.0	301.2
Capital Financing Requirement	**1,353.8**	**1,412.3**	**1,570.4**	**1,619.2**	**1,635.8**

(c) Liability Benchmark

The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

Liability Benchmark at Q4 2025/26 (£m)	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**
	Actual	**Actual**	**Estimated**	**Estimated**	**Estimated**
CFR	**1353.8**	**1412.3**	**1570.4**	**1619.2**	**1635.8**
Less: Balance Sheet Resources	(496.1)	(453.6)	(453.6)	(453.6)	(453.6)
Net Loan Requirement	857.7	958.7	1,116.8	1,165.6	1,182.2
Plus Liquidity Allowance	20.0	20.0	20.0	20.0	20.0
Liability Benchmark	**877.7**	**978.7**	**1,136.8**	**1,185.6**	**1,202.2**

(d) Authorised limit and Operational Boundary for External Debt

The Operational Boundary for External Debt is based on the Council's estimate of most likely i.e. prudent, but not worst-case scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements and is a key management tool for in-year monitoring.

Other long-term liabilities comprise finance leases, Private Finance Initiative contracts and other liabilities that are not borrowing but form part of the Council's debt.

The Authorised Limit for External Debt is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Authorised Limit at Q4 2025/26 (£m)	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**
Authorised Limit	1,700.0	1,800.0	1,800.0	2,000.0	2,000.0
Operational Boundary	1,500.0	1,600.0	1,600.0	1,800.0	1,800.0

The Corporate Director for Finance and Resources confirms that there were no breaches to the Authorised Limit and the Operational Boundary during Quarter four of 2025/26.

(e) Upper Limits on one-year revenue impact of a 1% movement in interest rates

This indicator is set to control the Council's exposure to interest rate risk. The impact of a change in interest rates is calculated on the assumption that maturing loans in the current year will be replaced at current rates.

Upper Limits on one-year revenue impact of a 1% movement in interest rates on Maturing Debt at Q4 2025/26 (£m)	**2025/26**	**2025/26**
	Approved Limit	**Actual**
Upper limit on one-year revenue impact of a 1% rise in interest rates	5.0	0.5
Compliance with limits:		Yes
Upper limit on one-year revenue impact of a 1% fall in interest rates	(5.0)	(0.5)
Compliance with limits:		Yes

(f) Maturity Structure of Fixed Rate Borrowing

This indicator is to limit large concentrations of fixed rate debt needing to be replace at times of uncertainty over interest rates. The Council uses the option date as the maturity date for its LOBO loans. Loans based on existing debt portfolio as at the reported period.

Maturity Structure of Fixed Rate Borrowing at Q4 2025/26	Upper Limit	Lower limit	2025/26		
			Actual borrowing at 31.03.2026	Actual borrowing at 31.03.2026	Compliance with limits
	%	%	£m	%	
Under 12 months	40.0%	0.0%	152.1	14.2%	Yes
12 months & within 24 months	40.0%	0.0%	114.8	10.7%	Yes
24 months and within 5 years	40.0%	0.0%	106.7	9.9%	Yes
5 years and within 10 years	60.0%	0.0%	191.1	17.8%	Yes
10 years and within 20 years	75.0%	0.0%	93.8	8.7%	Yes
20 years and within 30 years	75.0%	0.0%	198.3	18.5%	Yes
30 years and within 40 years	75.0%	0.0%	112.3	10.5%	Yes
Over 40 years	75.0%	0.0%	105.1	9.8%	Yes
Total			**1074.1**	**100.0%**	

(g) Ratio of Financing Costs to Net Revenue Stream

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Financing Costs to Net Revenue Stream at Q4 2025/26	Actual	Actual	Forecast	Forecast	Forecast
	2024/25	2025/26	2026/27	2027/28	2028/29
Financing Costs (Interest & MRP) (£m)	41.5	38.9	41.9	41.9	41.9
Net Revenue Stream (£m)	383.3	431.4	501.8	535.2	568.6
Proportion of net revenue stream (%)	10.8%	9.0%	8.3%	7.8%	7.4%

Financing costs can be further broken down as follows.

Capital Financing Costs at Q4 2025/26 (£m)	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	**Actual**	**Estimated**	**Estimated**	**Estimated**
Total Interest Payable & Expenses	35.3	41.1	47.7	53.4	52.3
Total Interest Receivable	(17.8)	(24.1)	(25.8)	(31.4)	(31.4)
Net Interest	17.5	17.0	22.0	22.0	20.9
MRP (Excluding PFI)	15.1	16.5	18.0	18.6	19.1
Total Interest & MRP	**32.6**	**33.5**	**40.0**	**40.6**	**40.0**
Revenue Contributions to Capital Programme	8.9	0.0	0.0	0.0	0.0
Transfer to earmarked reserves	0.0	5.4	0.0	0.0	0.0
Total Capital Financing Costs	**41.5**	**38.9**	**40.0**	**40.6**	**40.0**

(h) Upper Limit for Total Principal Sums invested over 364 Days

The purpose of this limit is to contain exposure to the possibility of loss that may arise because of the Council having to seek early repayment of the sums invested.

Upper Limit for Total Principal Sums invested over 364 Days at Q4 2025/26 (£m)	2024/25	2024/25	2025/26	2025/26
	Approved	**Actual**	**Approved balance**	**Actual**
Upper Limit for Total Principal Sums Invested Over 364 Days	50.0	0.0	50.0	0.0

(i) Security

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit Risk Indicator at Q4 2025/26	2024/25	2024/25	2025/26	2025/26
	Approved	**Actual**	**Approved**	**Actual**
Portfolio average credit rating	A	A+	A	A+

(j) Liquidity

Liquidity Risk Indicator at Q4 2025/26 (£m)	2024/25	2024/25	2025/26	2025/26
	Approved minimum balance	Actual	Approved minimum balance	Actual
Total cash available within 3 months	20.0	47.3	20.0	43.8

The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

(k) Investment Forecast

This indicator demonstrates the Council's investment exposure broken down by category for Treasury and non-treasury investments. Non-Treasury investments are directed under the Council's Investment Strategy 2025/26, whilst treasury investments are managed under the Treasury Management Strategy 2025/26.

Total Investment Exposure Indicator at Q4 2025/26(£m)	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Actual	Estimated	Estimated	Estimated
Treasury management cash investments	47.3	43.8	20.0	20.0	20.0
Loans and Investments for service purposes	252.6	256.5	296.0	295.6	295.1
Service investments other	32.9	31.0	30.4	29.7	28.9
Commercial investments: Property	0.0	0.0	0.0	0.0	0.0
Total Investments	**332.8**	**331.3**	**346.4**	**345.2**	**344.0**
Commitments to lend	0.0	0.0	0.0	0.0	0.0
Total Exposure	**332.8**	**331.3**	**346.4**	**345.2**	**344.0**

Service investments are further broken down in the tables below.

Loans & Investments for service purposes: Category of borrower at Q4 2025/26 (£m)	2024/25	2025/26	2025/26	2026/27	2027/28	2028/29
	Actual	Approved Balance	Actual	Estimated	Estimated	Estimated
i4b Holdings Ltd Subsidiary Loans*	182.4	500.0	179.2	211.2	211.2	211.2

i4b Holdings Ltd Subsidiary Equity**	36.4		43.9	51.9	51.9	51.9
First Wave Housing Ltd Subsidiary Loans	33.8		33.4	32.9	32.5	32.0
Total	**252.6**	**500.0**	**256.5**	**296.0**	**295.6**	**295.1**

Service Investments Other Loans £m at Q4 2025/26 (£m)	**2024/25**	**2025/26**	**2025/26**	**2026/27**	**2027/28**	**2028/29**
	Actual	**Approved Balance**	**Actual**	**Estimated**	**Estimated**	**Estimated**
Local Businesses	0.0	10.0	0.0	0.0	0.0	0.0
Schools, Academies and Colleges	17.6	55.0	17.1	16.9	16.7	16.4
West London Waste Authority	14.4	20.0	13.9	13.5	13.0	12.5
Local Charities	0.0	10.0	0.0	0.0	0.0	0.0
Housing Associations	0.0	50.0	0.0	0.0	0.0	0.0
Local Residents	0.0	5.0	0.0	0.0	0.0	0.0
Total	**32.0**	**150.0**	**31.0**	**30.4**	**29.7**	**28.9**

(l) Investment Funding

This indicator demonstrates the amount of exposure to borrowing because of investments made for service purposes. These investments are the loans to the Council’s subsidiaries i4B Holdings Ltd and First Wave Housing Ltd.

Investments Funded by Borrowing at Q4 2025/26 (£m)	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**
	Actual	**Actual**	**Estimated**	**Estimated**	**Estimated**
I4B Loans	182.4	179.2	211.2	211.2	211.2
I4B Equity	36.4	43.9	51.9	51.9	51.9
First Wave Housing (FWH)	33.8	33.4	32.9	32.5	32.0
Schools, Academies and Colleges	17.6	17.1	16.9	16.7	16.4
West London Waste Authority	14.4	13.9	13.5	13.0	12.5
Total Service investments	**284.6**	**287.5**	**326.4**	**325.2**	**324.0**
Total Funded by Borrowing	**284.6**	**287.5**	**326.4**	**325.2**	**324.0**

(m) Investment Rate of Return

This indicator demonstrates the rate of return obtained from the different investment categories.

Investments net rate of return at Q4 2025/26	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	**Actual**	**Estimated**	**Estimated**	**Estimated**
Treasury management investments	4.53%	3.82%	3.75%	3.75%	3.75%
Service investments	2.40%	2.60%	3.00%	3.00%	3.00%

(n) Other Investment Indicators

Other investment indicators at Q4 2025/26 (£m)	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	**Actual**	**Estimated**	**Estimated**	**Estimated**
External Debt (Loans)	900.0	1,074.1	1,174.0	1,235.2	1,274.6
Net Service Expenditure	387.3	431.4	501.8	535.2	568.6
Debt to net service expenditure ratio	2.3	2.5	2.3	2.3	2.2

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Brent	**Audit & Standards Advisory Committee** 27 July 2026
	Report from the Director of Finance & Resources
	Lead Member - Deputy Leader & Cabinet Member for Finance and Resources (Councillor Gwen Grahl)

Statement of Accounts 2025-26

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	N/A
Background Papers:	N/A
Contact Officer(s): (Name, Title, Contact Details)	Minesh Patel, Corporate Director of Finance & Resources 020 8937 4043 Minesh.Patel@brent.gov.uk,

1.0 **Purpose of the Report**

1.1 This report provides an update on the audit of the statement of accounts for 2025/26.

2.0 Recommendation(s)

2.1 To note the report.

3.0 Contribution to Borough Plan Priorities and Strategic Context

3.1 The statement of accounts is the formal audited accounts of the Council. The purpose of the statement of accounts is to give clear information on the Council's overall finances and demonstrate stewardship of public money for the year. Being able to independently demonstrate that the Council's financial affairs are sound, will ensure the Council can achieve its Borough Plan priorities and objectives.

3.2 Detail

Statement of Accounts

3.2.1 The Council has met its statutory duty to publish the draft Statement of Accounts for 2025/26 by 30 June 2026, in accordance with the requirements of the Accounts and Audit Regulations 2015 (as amended).

3.2.2 Publishing the draft Statement of Accounts by the statutory deadline demonstrates the Council's commitment to sound financial governance, transparency and accountability, ensuring that stakeholders have timely access to information on the Council's financial performance and position for the year ended 31 March 2026. The accounts have been made available for public inspection in line with legislative requirements and are now subject to external audit.

External Audit

3.2.3 As of the date of despatch of this report (17 July 2026), the external audit has completed week five of its planned programme of work. Progress to date has been positive, with the auditors having completed all planned sample testing and now progressing through the review of evidence returned by the Council. No significant issues have been identified at this stage, and the audit continues to progress broadly in line with the agreed timetable.

3.2.4 Whilst the audit remains on track for completion in time for the September 2026 committee meeting, there is still a risk of delays arising as the audit progresses and any outstanding queries are resolved. This risk is being actively managed through regular progress meetings between Council officers and the external audit team, supported by clearly established escalation routes to ensure that issues are identified and addressed promptly.

3.2.5 The external auditors will provide a verbal update on progress at this meeting. A more detailed Audit Findings Report, setting out the outcomes of the audit and any matters arising, will be presented to the Committee at its September 2026 meeting.

4.0 Stakeholder and ward member consultation and engagement

4.1 There are no direct considerations arising out of this report.

5.0 Financial Consideration

5.1 There are no financial implications arising as result of this report.

6.0 Legal Considerations

6.1 There are no legal implications arising as result of this report.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

7.1 Not applicable.

8.0 Climate Change and Environmental Considerations

8.1 Not applicable.

9.0 Human Resources/Property Considerations

9.1 Not applicable.

10.0 Communication Considerations

10.1 Not applicable

Report sign off:

Minesh Patel
Corporate Director of Finance & Resources

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	A	E	F	G	H	I	J
1	**ASAC FORWARD PLAN & WORK PROGRAMME 2026-27**						
2	Topic / Date	16-Jun-26	27-Jul-26	23-Sep-26	30-Nov-26	02-Feb-27	24-Mar-27
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	X			X
10	Audit Findings Report Council & Pension Fund Statement of Accounts 2025-26				X*		
11	Draft External Audit Plan 2026-27 (incl Pension Fund)	X					
12	Annual Auditor's Report				X		
13	**Financial Reporting**						
14	Treasury Management Mid-term Report				X		
15	Treasury Management Strategy				X		
16	Treasury Management Outturn Report		X				
17	**Governance**						
18	To review performance & management of i4B Holdings Ltd and First Wave Housing Ltd			X			X
19	Procurement Strategy Review Progress Update						
20	Referral to Social Housing Regulator			X			
21	Review of the use of RIPA Powers						X
22	Receive and agree the Annual Governance Statement	X*					
23	**Risk Management**						
24	Strategic Risk Register Update			X			
25	Emergency Preparedness		X				
26	Deep Risk Dive - subject areas to be confirmed						
27	**Audit Committee Effectiveness**						
28	Review the Committee's Forward Plan	X	X	X	X	X	X
29	Review the performance of the Committee (self-assessment)						X
30	Chair's Annual Report	X					
31	Training Requirements for Audit Committee Members (as required)						
32	**Standards Matters**						
33	Standards Report (including gifts & hospitality)	X	X		X		X
34	Annual Standards Report						X
35	Member Complaints & Code of Conduct						X
36	Review of the Member Development Programme and Members' Expenses (incorporating Review of the Financial and Procedural Rules governing the Mayor's Charity Appeal)						X
37	**Committee Development - training sessions to be identified**						
38	Member induction & role of Committee	X					
39							
40							
41							
42							
43	* Requires approval by Audit & Standards Committee						

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