

London Borough of Brent

Audit progress report and sector updates

July 2025



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Audit progress report

Introduction

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

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

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

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

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



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Progress as at July 2025 (1)

An overview of audit progress to date

2024-25 – Audit planning stage

We undertook our initial audit planning work during the months of March and April 2025. In April 2025 we issued an indicative audit plan, setting out our proposed approach to the audit of the Council's 2024-25 financial statements. We will update Audit & Standards Committee at the July meeting if we identified any additional risks to the 2024-25 audit in completing our planning procedures, or if we can finalise the plan issued in April 2025.

2024-25 – Fieldwork stage

We commenced the year-end audit on 16 June 2025, with the objective of completing the audit by the end of September 2025. Management informed us that they were unable to publish the 2024-25 draft financial statements by 30 June 2025, as required by the Accounts and Audit Regulations 2015, as amended by the Accounts and Audit (Amendment) Regulations 2024. Management attributes the delays to ongoing challenges with the Property, Plant and Equipment (PPE) valuation and management's intention to implement audit recommendations from the prior year to avoid a recurrence of previous issues and errors in the PPE note. Management confirms that the draft financial statements will now be published on 18 July 2025.

Impact of delayed accounts on audit work and resources

Despite the absence of draft financial statements, we agreed with management a list of audit areas we could progress. Management provided written assurance to audit that the balances under review will not change. Should any changes occur, we will be required complete additional testing and potentially increase sample sizes. This would result in additional work and fees not included in the current audit budget.

Management informed us in the first week of July that there would be delays with the PPE note, that the final version would not be included with the draft financial statements to be received on 18 July 2025. However, we were updated on 15 July that the draft financial statements will include the final and auditable version of the PPE note. As the PPE note to be received on 18 July is the auditable version we will proceed with our work in this area as soon as it is received. Refer to page 9 for further detail

A table outlining the agreed audit areas and progress to date is included at pages 6-8.

2024-25 – Value for Money work

Our VFM planning procedures and mobilisation of the work commenced in April 2025. The delivery of the final Auditor's Annual Report will be reported at the Audit & Standards Committee meeting on 25 September 2025. To date, we have no matters to report.

Progress as at July 2025 (2)

Agreed areas of audit work	Working papers received from management?	Status of audit work
Investments	Yes	Testing in progress
Govt grants, other grants, reimbursements & contributions	Yes	Sample selection in progress
Capital grants and contributions	Yes	Sample selection in progress
Dedicated schools grant	Yes	Testing in progress
Short-term and long-term borrowing	Yes	Testing in progress
Employee expenditure	Yes	Testing of starters and leavers is complete, subject to review. Sample of changes in circumstances issued and awaiting evidence from management to support the sample.
Pension liability	Yes	Testing in progress
Pensions interest cost and expected return on pensions assets	Yes	Testing in progress
Cash and cash equivalents	Yes	Testing in progress
Bank completeness	Yes	Sampling in progress

Progress as at July 2025 (3)

Agreed areas of audit work	Working papers received from management?	Status of audit work
Completeness of income	Yes	Testing in progress, follow-up queries are with management
Housing Benefit expenditure	Yes	Testing in progress
Debtors	Partially	We received summary working papers and have requested full population listings from management so that we can select our detailed samples.
Creditors	Partially	We received summary working papers and have requested full population listings from management so that we can select our detailed samples.
Collection Fund accounts and disclosures	Yes	Testing in progress
Council tax income	Partially	We received a listing for council tax reliefs. Other aspects of this work are in progress.
Business rates income	Yes	Testing in progress
HRA income	Yes	Testing in progress
Litigation and claims	Yes	Testing in progress

Progress as at July 2025 (4)

Agreed areas of audit work	Working papers received from management?	Status of audit work
Remuneration disclosures (inc. exit disclosures)	Yes	Testing in progress.
Pooled budgets	Yes	Testing in progress
Going concern	Yes	Completed, subject to review
Related parties	Yes	Testing in progress
Capital commitments	No	We will commence testing when we receive working papers

Whilst progress has been reasonable given the circumstances, the audit remains in its early stages. We will keep management updated through our weekly progress update emails, bi-weekly meetings between the audit team and the members of the finance team, and through the meetings between your Corporate Director Finance & Resources and Sophia.

Progress as at July 2025 (5)

Risk of PPE issues after the draft financial statements are published

Management confirmed that the draft financial statements will be published on 18 July 2025. While this is later than the statutory deadline of 30 June 2025, the delay reflects the Council's commitment to incorporating improvements in the valuation and disclosure of Property, Plant and Equipment (PPE), following recommendations from the prior year audit. Management has assured us that the financial statements, as published, will present a true and fair view of the Council's financial position. Management informs us that while some non-material updates to the PPE note remain, these will not be processed post-publication of the draft financial statements, as they are not expected to impact the overall integrity of the accounts. However, we note that risks remain in relation to the PPE disclosures presented for audit.

Management informs that prior period adjustments (PPAs) related to the PPE disclosure are expected. So far, three material PPAs have been identified for adjustment, with additional immaterial PPAs pending. We have requested management to complete a schedule of PPAs to share with us. We also need to consider whether the cumulative impact of unadjusted PPAs could be material. Work related to PPAs is outside the scope of our original budget and will require additional resource and fees.

If changes are required to be made to the PPE note, it will also **impact other areas of the financial statements, including:**

- Movement in Reserves Statement (MiRS)
- Capital expenditure and financing notes
- Revaluation reserve
- Adjustments between accounting and funding basis
- Group accounts
- Journals testing (including any new journals posted to update PPE)

We will aim to reduce duplication of work, but in some areas there will be inevitable duplication which could lead to additional audit work not budgeted for.

2024- 25 – Audit completion impact of delays on audit timeline

Given the unresolved PPE issues, PPE PPAs, and the complexities encountered in the prior year PPE work, it is our assessment that meeting the end of September 2025 deadline is currently at significant risk.

Furthermore, the full extent of the work required will only become clear once we are able to begin testing the updated PPE balances and related disclosures. We remain in close discussion with management on this area of work and will re-deploy audit resource to pick up the PPE work when the final PPE disclosure is provided.

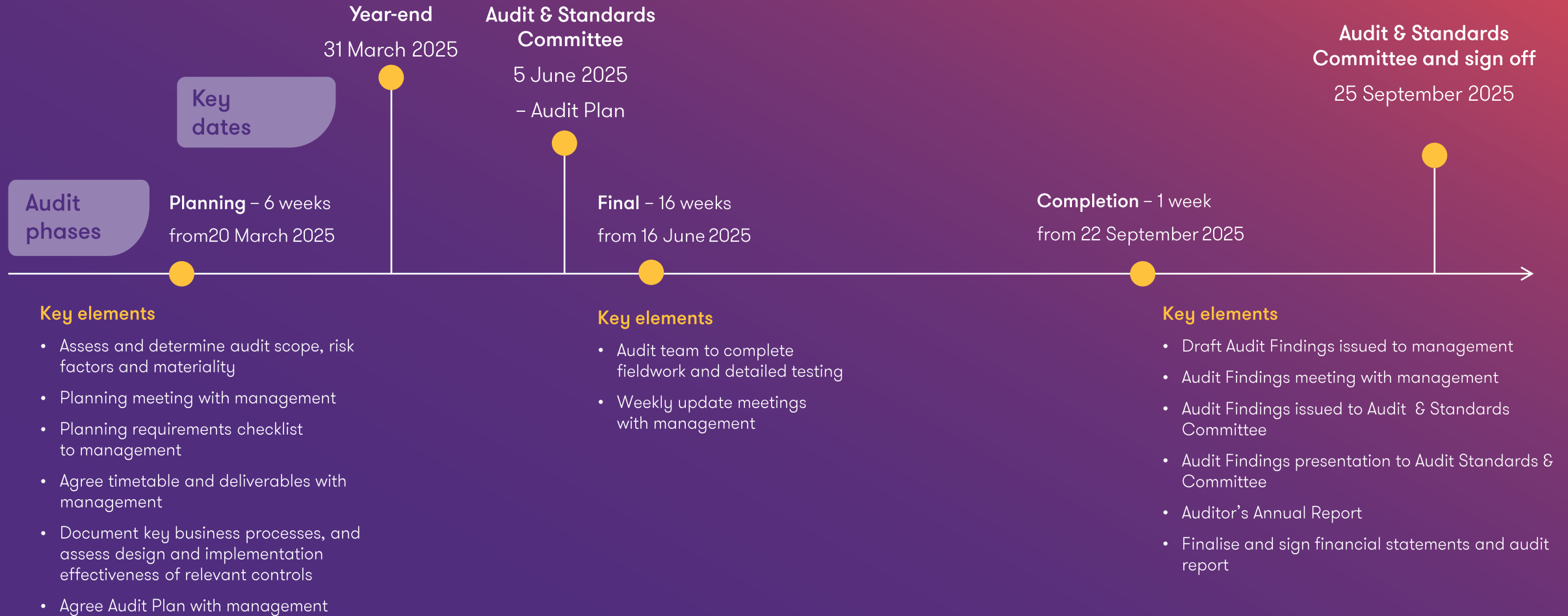
Audit deliverables

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

2024-25 Deliverables	Planned date	Status
Audit Plan We are required to issue a detailed audit plan to the Audit & Standards Committee setting out our proposed approach in order to give an opinion on the Council’s 2024-25 financial statements.	April 2025	Complete
Audit Findings Report The Audit Findings Report will be reported to the Audit & Standards Committee on 25 September 2025.	September 2025	Not yet due
Auditor’s Report This includes the opinion on your financial statements, to be issued by 30 September 2025.	September 2025	Not yet due
Auditor’s Annual Report This report communicates the key outputs of the audit, including our commentary on the Council's value for money arrangements.	September 2025	Not yet due

Logistics

The audit timeline



Sector updates

Local audit reform

On 9 April 2025, the government published [Local audit reform: Government response to the consultation to overhaul local audit in England - GOV.UK](#)

Recognising that a backlog in local audit sign-off of nearly 1,000 audits had impacted local accountability and transparency, the purpose of the consultation was to rebuild a system of local audit, ensuring that audited accounts are published on time, and that trust and confidence in how councils are spending their money is restored. Grant Thornton welcomes the reforms which we believe are much needed.

The key outcome of the consultation is the decision to proceed with the establishment of a new Local Audit Office (LAO) with effect from 1 April 2026.

Local Audit Office – core principles

Value for money: Providing confidence for stakeholders that proper arrangements are in place.

Transparency of the sector's financial health and VfM arrangements.

Capacity and capability: A sustainable and resilient audit market with access to the right expertise.

External scrutiny which challenges and drives improvement.

Professionalism: Building a sector attractive to auditors.

Proportionality: Local audit that is proportionate and relevant, from regulations to governance.

Stronger accountability: High standards of financial reporting to promote public accountability.

Timely: High quality accounts which are produced on a timely basis.

Impact for local authorities

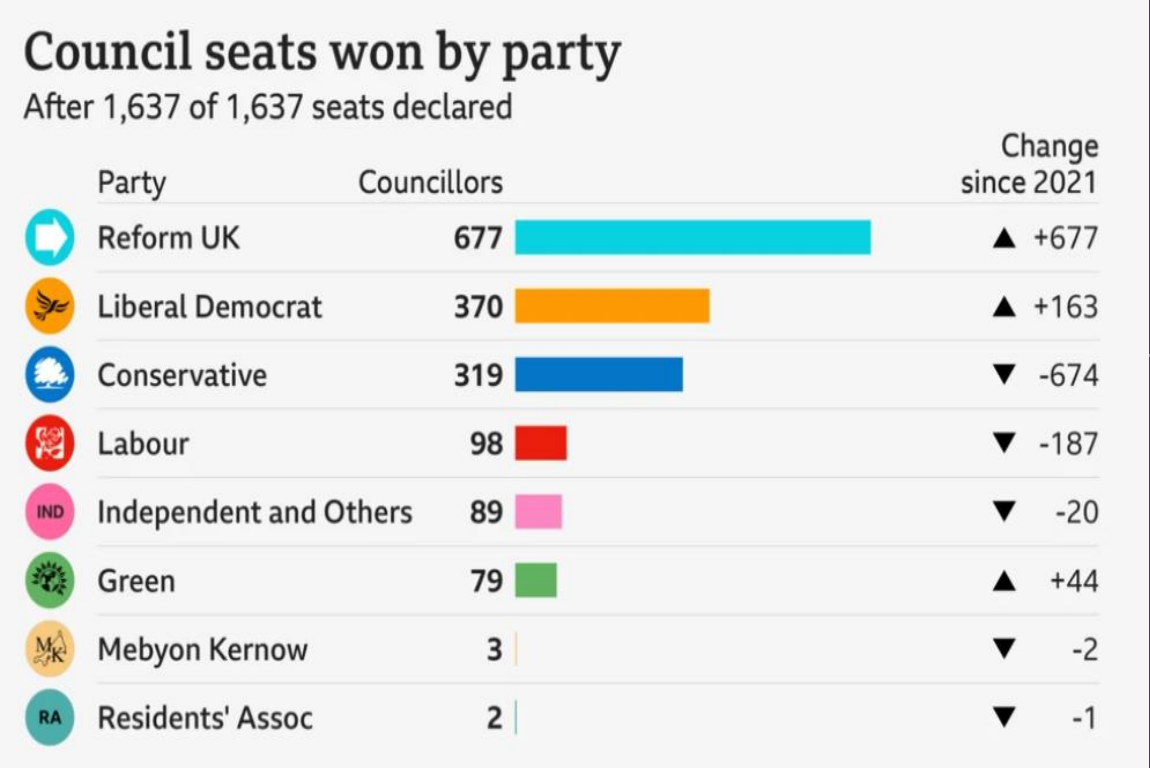
- A mandatory requirement for at least one independent Audit Committee member at each authority.
- Mandatory reporting of the Auditor's Annual Report to full Council.
- The introduction of a Local Public Accounts Committee, following the central government model.
- The strengthening of Internal Audit capacity.

New members and the 30th anniversary of Nolan

The May 2025 local elections saw significant turnover in membership at some councils. The elections saw 677 new Reform councillors become members of local government for the first time, and 674 former Conservative councillors leave local government, often after many years of service. The extent of the changes meant that when the LGA’s political proportionality was recalculated on 8 May 2025, Reform was awarded its own LGA Group for the first time.

Reform, the Liberal Democrats, and the Green party all gained new councillors, many new to local government roles.

Coincidentally, May 2025 marks the 30th anniversary of the Nolan Principles. As the large number of new councillors get to grips with the challenges the local government sector faces, and the unique opportunities presently before it, there is probably no better star they can be guided by. By practicing selflessness, integrity, objectivity, accountability, openness, honesty and leadership, councillors of all political persuasions (and none) should be able to work together in the best interest of the areas they have been elected to represent.



Source: BBC News [Local elections 2025: results in maps and charts](#)

Challenges faced by local authorities in implementing IFRS 16 (1)

IFRS 16 is an international accounting standard that changes how leases are reported in financial statements. It requires organisations to bring most leases onto the balance sheet, recognising both a right-of-use asset (the value of the leased item) and a lease liability (the obligation to make future lease payments). This change improves transparency by more comprehensively reporting the extent of an organisation's leasing commitments on the balance sheet. It replaces the previous distinction between operating and finance leases for lessees under IAS 17.

In the UK public sector, IFRS 16 is adopted through the CIPFA Code of Practice on Local Authority Accounting. After several deferrals, it is now mandatory for local authorities from 1 April 2024, impacting the 2024-25 financial year.

As local authorities prepare their 2024-25 financial statements and apply IFRS16 for the first time, several areas are proving particularly challenging. These challenges are not just technical — they have implications for governance, transparency, and the accuracy of financial reporting. The audit committee plays a key role in providing oversight and assurance. The table below sets out some areas which can present difficulties, along with suggested questions for finance teams and audit committees to consider.

Area of difficulty	Description	Challenge questions to ask the Finance team
Completeness of lease records	<p>One of the most fundamental requirements of IFRS 16 is that all lease arrangements must be identified and recorded. This includes not only formal lease contracts but also informal or embedded leases that may be part of broader service agreements.</p> <p>Many authorities conducted a one-off review of leases as they prepared for the transition but without ongoing processes, there is a risk that new leases entered into during the year may not be captured. This could result in incomplete or inaccurate entries in the financial statements.</p>	<p>(a) How does the finance team ensure that all lease agreements, including those entered after the initial review, are identified and properly recorded?</p> <p>(b) What approach does the finance team take to work with other departments in identifying and reporting lease arrangements, especially those that might be informal or embedded in other contracts?</p> <p>(c) What processes or controls are in place to keep the lease register accurate and up to date throughout the year?</p>

Challenges faced by local authorities in implementing IFRS 16 (2)

Area of difficulty	Description	Challenge question to ask the Finance team
Holdover leases (expired leases still in use)	<p>In some cases, a property lease agreement may have ended but the authority continues to occupy and use the premises. These are known as holdover leases. The challenge here is determining whether the continued use of the asset creates a new lease under IFRS 16. This depends on whether there are still enforceable rights and obligations between the authority and the landlord. Making this assessment often requires legal judgment and careful documentation.</p> <p>The most challenging aspect of holdover leases is determining the lease term. Management must consider whether there is an implied contract, the term of the arrangement, and whether there are any continuing enforceable rights or obligations, as well as any significant costs or penalties from terminating the arrangement.</p>	<p>(a) Have any holdover leases been identified, and how has the finance team assessed whether these should be treated as leases under IFRS 16?</p> <p>(b) Where there was uncertainty, has legal advice been sought, and are the assumptions and judgments clearly documented?</p> <p>(c) What approach has been taken to determine the lease term for agreements that are open-ended or automatically renew?</p>
Peppercorn or nominal rent leases	<p>Some leases involve little or no payment — for example, a community building leased for £1 per year. These are known as peppercorn leases.</p> <p>Even though the payments are minimal, IFRS 16 requires the authority to recognise a right-of-use asset on its balance sheet at fair value. This can be difficult, especially if there is no recent valuation or if the asset is unique.</p>	<p>(a) Have any lease arrangements been identified where the payments are nominal or zero? If so, how have these been assessed under IFRS 16?</p> <p>(b) What process has been followed to determine the fair value of the right-of-use assets in these cases?</p> <p>(c) Is there sufficient documentation and evidence to support the valuation approach taken?</p>

Challenges faced by local authorities in implementing IFRS 16 (3)

Area of difficulty	Description	Challenge question to ask the Finance team
Lease modelling and use of external advisors	<p>Some authorities have relied on external advisors to calculate the lease liabilities and right-of-use assets required under IFRS 16.</p> <p>While this can be helpful, it has created challenges where the advisors have not provided the underlying data or assumptions used in the calculations. Without this information, it becomes difficult for the finance team to explain or support the figures in the accounts.</p>	<p>(a) Have external advisors been involved in the lease accounting process, and if so, do they have access to the detailed inputs and assumptions used in the calculations?</p> <p>(b) Can the finance team fully explain and support the lease figures presented in the financial statements?</p> <p>(c) What documentation and internal checks are in place to ensure the accuracy and completeness of lease calculations and disclosures?</p>
Variable lease payments linked to indices or rates	<p>Some lease payments vary based on inflation or other financial indices. For example, a lease might include annual increases linked to the Consumer Prices Index (CPI).</p> <p>Under IFRS 16, the authority must estimate future payments based on known changes to these indices. This requires careful judgment and can affect the accuracy of the lease liability recorded.</p>	<p>(a) How has the finance team addressed lease arrangements that include variable payments?</p> <p>(b) Have known changes to inflation rates or other relevant indices been factored into the lease calculations, and how has this been documented?</p>
Group leases and consolidation	<p>In some cases, leases exist between a council and its wholly owned subsidiary, or arrangements between a police and crime commissioner and the chief constable may in some circumstances meet the definition of a lease.</p> <p>These leases must be included in the individual accounts and then adjusted on consolidation. This can be complicated, especially if different entities within the group use different accounting standards.</p>	<p>(a) How has the finance team identified and accounted for lease arrangements between group entities?</p> <p>(b) What steps have been taken to align accounting policies in preparing group accounts?</p> <p>(c) How are intra-group leases treated in the consolidated financial statements, and what documentation supports this treatment?</p>

Reorganisation update

March 2025

Twenty-one two tier areas were invited by the Minister of State for Local Government and English Devolution to submit interim plans for reorganisation by 21 March 2025. Councils were asked to **“make every effort to work together to develop and jointly submit one proposal”** for each area. Finding the consensus necessary to achieve this has been a challenge though.

The Local Government Chronicle reports that the Minister received in reply at least 40 separate local government reorganisation (LGR) interim plan submissions; outlining across the replies at least 53 separate LGR options. From the replies, none of the 21 areas had agreed a final geography for new unitary councils.

May 2025

Surrey was asked to submit its final proposal for reorganisation by 9 May 2025. Again though, consensus has not been achieved. The County Council put forward a final proposal for two unitaries on 30 April 2025; and one of the prominent borough councils put forward a final proposal for three unitaries a week or so later.

With so little consensus at this stage, moving to next steps may be difficult.



Expected next steps

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

28 November 2025 – Deadline for all other areas to submit final proposals for reorganisation.



Recommended reading

For these challenging times, three sets of material from Grant Thornton may be useful:

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

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

March 2025 - [Dual delivery - How can areas successfully reorganise local government and implement devolution at the same time?](#)

Making decisions

With so much changing in local government, and across the UK economy, making good decisions has perhaps never been more important. Two recent major publications on decision-making for mayoral combined authorities and public sector mega-projects both include content that may be useful for strategic and complex decision-making at other levels of government.

Strategic decision-making

The Institute for Government published advice in March 2025 on [“How the government can support better decision making in mayoral combined authorities”](#).

To enhance capacity and accountability for strategic decisions, councils need to:

- Provide good technical and administrative resource to ensure that the plans members are voting on are well designed.
- Consider utilising digital tools for community engagement.
- Embed participatory processes, including peer research projects, to inform and support policy making.



Complex decision-making

The National Audit Office published a report in March 2025 on [Lessons learned: Governance and decision-making on mega-projects](#).

To improve decision-making for the most complex projects, councils need to:

- Adopt governance arrangements that reflect the main risks to delivery and to achieving value for money.
- Map out the decision pathway, setting out which decisions will need to be made when, and by whom.
- Ensure those charged with governance over complex projects have the skills, qualification and experience needed to make decisions on the projects.



Crunch point for London council housing finances

London Councils called for urgent action at a national policy level on 15 May 2025, noting that London Boroughs face a “*black hole*” of £700 million in their Council house financing between 2023-24 and 2027-28; and that up to five London Boroughs could completely run out of Housing Revenue Account reserves by the end of 2027-28.

There have been national issues with the sustainability of Housing Revenue Accounts since 2016-17, when rent reform was introduced. However, research by London Councils’ London Housing Directors’ Group, supported by Society of London Treasurers, shows that the decline in reserves has hit the capital hardest. The research indicates that this is because housing stock in London (often tower blocks or tightly packed maisonettes) is more expensive to maintain, whereas rent formulas are set without any regard to national variation in the cost of maintaining housing.

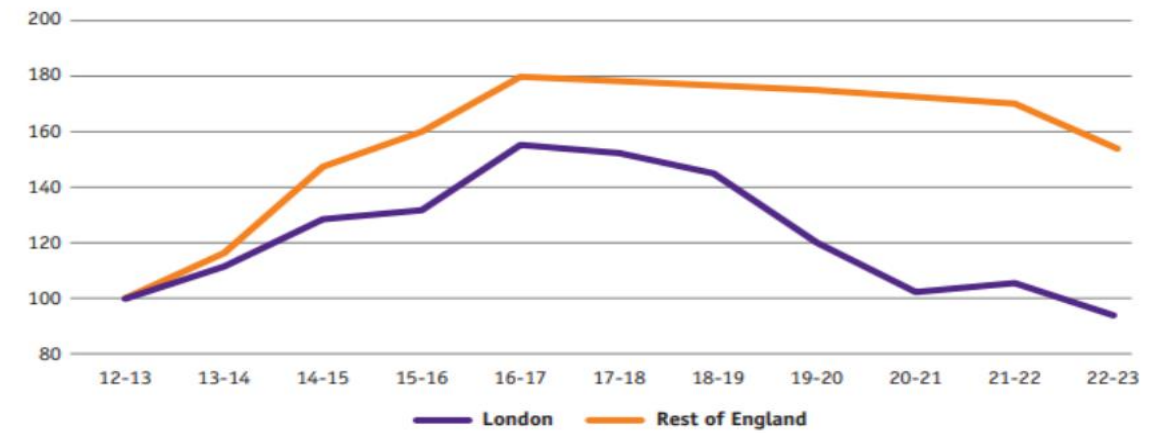


“Simply put, it is more difficult and expensive to fix a water pipe on the sixth floor of an apartment, than it is on the ground floor of a semi-detached house”.

Source: [Crunch point for London council housing finances | London Councils](#)

As London Local Authorities house more than 10% of the capital’s households, issues with financial sustainability of the social housing sector could have wide ramifications for the whole city if left unaddressed.

Housing Revenue Account reserves, inflation adjusted, 2012-13 to 2022-23 (indexed to 2012)



Homelessness

In May 2025, a new report by the Institute for Government highlighted how local authority spending on homelessness has nearly trebled in real terms over the last 14 years, and yet the number of homeless people has continued to rise, now reaching record proportions.

Local authority spending on homelessness in real terms (2024-25 prices):

- 2010-11: £1.3 billion
- 2024-25: £3.1 billion

Local authority median spend on homelessness as a % of all median spend:

- 2010-11: 18%
- 2023-24: 54%

Changes in the level of homelessness:

- 2010-11 to 2024-25: More than doubled.
- September 2024: 126,040 households living in temporary accommodation.

The Institute for Government (IFG) highlights that we need to focus not just on how much is spent, but also on what we spend it on. Local authorities often end up spending most of their budget, plus homelessness prevention grants and rough sleeper grants, on acute responses to homelessness. These are often exorbitantly expensive and come at the cost of underlying prevention work. IFG suggests also that individual local authorities work at too small a scale to tackle the extent of the homelessness problem – and that stronger place-based approaches are needed.

A recent report by the [Local Government Chronicle](#) looks at a similar issue through a different lens, suggesting that stronger investment in counter fraud would help slash some of the escalating spend on temporary accommodation.

Although they come at the issue of spend on homelessness from different angles, both reports indicate that challenging **how** the budget is spent, **and on what**, is more important than simply asking what the budget is.



Housing targets and housing enquiry

Figures from the [Office for Budget Responsibility](#) on 26 March 2025 indicate that changes to the planning system mean that housebuilding is at a 40-year high and that 1.3 million new homes will be built across the UK by the end of this decade.

Provisional figures from [Homes England](#) on 20 May 2025 suggest that the agency exceeded its overall targets for new housing starts and completions in 2024-25, for the second year running.

Nevertheless, the government continues to look at even more new ways of opening-up housebuilding and development activity. The UK parliament is now calling for evidence from anyone who can contribute to an enquiry around the effectiveness of the current system for developer contributions.

In 2022-23, some 44% of affordable housing was provided through Section 106 agreements. Parliament wants to consider whether:

- The current system is understandable and accessible to stakeholders;
- Local Planning Authorities are receiving the correct support from MHCLG to ensure they can efficiently and effectively collect and spend developer contributions;
- The Ministry of Housing, Communities and Local Government's (MHCLG's) oversight of the system is effective; and
- MHCLG can learn and apply lessons to the process.

A [National Audit Office](#) report on the Section 106 system is due out in the summer.



The remediation of dangerous cladding

[The Committee of Public Accounts](#) (PAC) reported in March 2025 that progress in establishing the number of buildings affected by dangerous cladding, and in remediating those with dangerous cladding, has been far too slow.

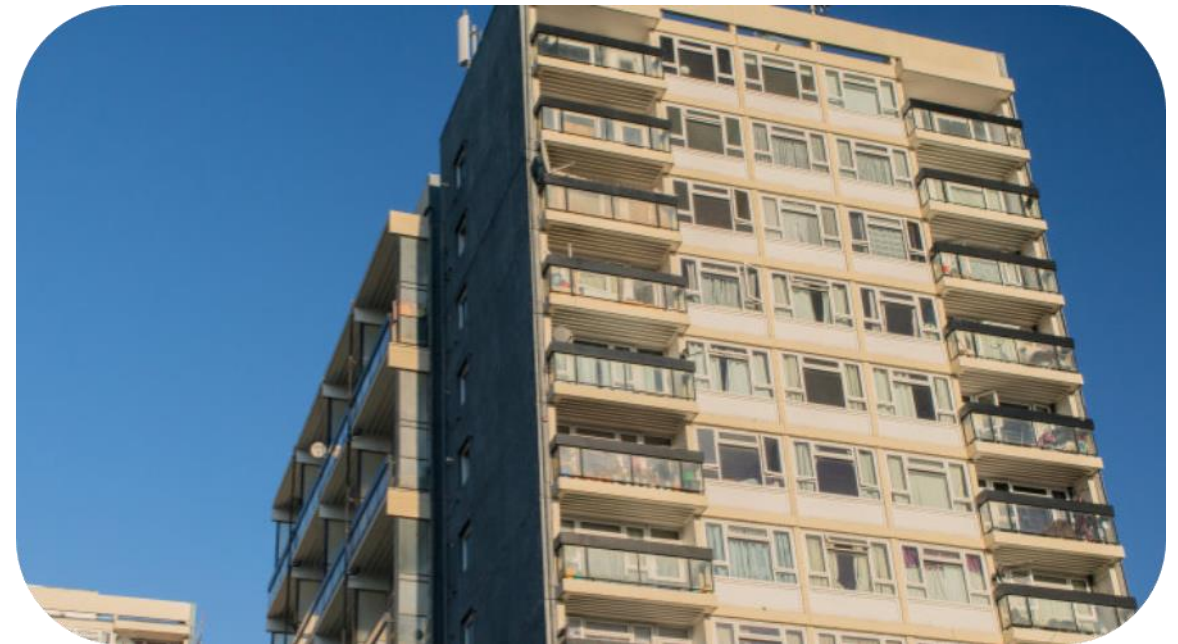
PAC described hearing how local authorities' enforcement work is facing issues of funding; skills; lack of clarity over the money available; and lack of clarity over the regulatory environment. PAC noted that local authorities are trying to train Environmental Health Officers to undertake enforcement activity as quickly as possible, but are at risk of losing them as soon as they qualify to other parts of the construction sector. PAC also stated that the government accepts that where local authorities are spending on cladding enforcement activity, they can't spend the same money on new social housing.

[MHCLG](#) did commit to providing more funding for remediation action, and an update on their plan to do so is due in the summer of 2025. Money alone is unlikely to be enough to speed things up though. As MHCLG itself recognised, there are not enough trained enforcement officers available to speed up identification; and, even if there were, there is insufficient skilled construction capacity to speed up remediation.

Eight years on from the Grenfell fire, the national issue of what to do about cladding still seems to be shrouded in uncertainty.

"We are appalled that those living in affected buildings continue to suffer an unacceptable financial and emotional toll. Far too many people continue to feel trapped in unsafe homes, many facing financial uncertainty and many unable to sell their homes and move on with their lives".

Source: [PAC, 21 March 2025](#)



The changing face of adult social care

There may be two sweeping changes afoot for the adult social care workforce. Both will mean radically re-thinking skills and capacity for the sector if they go ahead. There is as yet no Adult Social Care Workforce Strategy in England, but perhaps it is time to develop one.

Immigration white paper:

The government's immigration white paper, published on 12th May 2025, outlines an intention to stop all new overseas recruitment for care workers. The government sites *"shameful levels of abuse and exploitation"* that need to be tackled – highlighting cases of people travelling to the UK in good faith only to find their promised jobs do not exist and they are quickly in debt.

On the other hand, the Association of Directors of Adult Social Care (ADASS) sites the shortage of care workers this is going to lead to; and the anxiety this will cause, for families and care providers alike. There is no plan currently in place to roll out the mass training that will be needed to replace overseas workers with home-grown staff.

"A shortage of care workers leads to a triple whammy of more reliance on agency staff who the person drawing on care won't know more people – especially women – giving up paid work to care for their loved ones, and many people potentially missing out on care altogether".

Source: [ADASS responds to the government's immigration white paper - ADASS](#)

Assisted dying bill:

Social workers will have a central role in reviewing applications for assisted dying if a proposed amendment to the Terminally Ill Adults (End of Life) Bill passes the scrutiny of Parliament and the Bill receives Royal Assent.

BASW (the professional body for social work and social workers) has not made an 'in principle' decision on assisted dying but notes that if the legislation passes, social outcomes will be just as important as health outcomes, and that relevant professional registration, training, supervision and accreditation is going to need to be developed.

"taking into account the wider social context in which a person lives their life, including their wishes, values and relationships..... is particularly pertinent with assisted dying".

Source: [Role of social work recognised in assisted dying legislation | BASW Reaction | BASW](#)

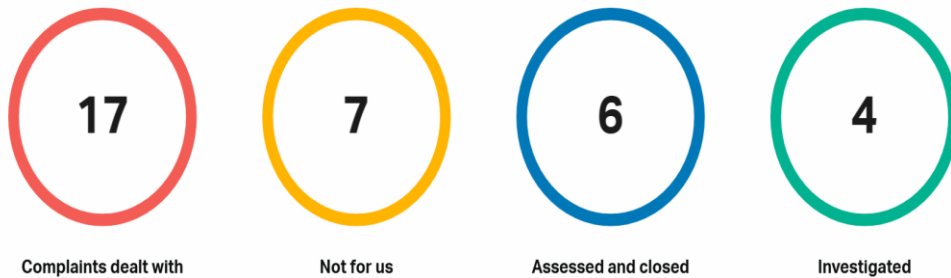


Free nursery places

- On 8 May 2025, one Council was told by the Local Government and Social Care Ombudsman (LGSCO) that it needs better oversight of nurseries' charging structures when they are providing the Government's free places scheme. One nursery in the Council's area was charging a mandatory fee, which it called 'general extras', for parents who wanted to use their free-hours at nursery during certain times of the day.
- The Ombudsman found that in this case, and several other cases that came to its attention across the country, that the "general extras" were being used by providers as a top up fee to bridge the gap between what a private client would pay for the care hours, and what the council pays on behalf of the Government scheme.
- Top up fees are supposed to be voluntary, and pricing needs to be transparent to parents. The Ombudsman's requirement to the Council in this case was that it work with nurseries to ensure that invoices are clear and transparent so that parents can see what is free and see what they were charged for any additional hours or other services.
- For the full LGSCO report see News - Local Government and Social Care Ombudsman.



Complaints data from the Local Government and Social Care Ombudsman



Local Government &
Social Care
OMBUDSMAN

Annual 2024-25 complaints statistics have just been published for each council by LGSCO: [Your council's performance](#).

This is an earlier publication date for the statistics than in other years – because the Ombudsman is responding to requests that the timetable be made to fit better with council complaint reporting cycles. LGSCO has also responded to council requests by including absolute numbers in the data, so that the emphasis is shifted away from percentages (in upheld, satisfactory remedies and compliance) and better context is given.

A very clear traffic light rating system has been adopted – and both councils and residents will be able to see immediately how well their area fares.

Complaints data is an important tool for judging where energy needs to be directed for risk and performance management. Context and proportion are important as well though for judging overall performance; and earlier data is generally more useful than later data. The improvements made this year to timing and presentation will help councils and their members make the most of the valuable resource that LGSCO provides.

Climate change – new role for the Energy Ombudsman

The Energy Ombudsman took on a new role on 1 April 2025, as the official dispute resolution body for Great Britain's heat network customers.

The [Association for Decentralised Energy \(ADE\)](#) estimates that heat networks, are projected to unlock £100 billion in UK infrastructure investment by 2050, while at the same time cutting carbon emissions. The sector is poised to play a central role in the UK's net-zero transition.

ADE estimates that most consumers are happy with the experience they have of using heat networks. Nevertheless, having an official ombudsman role boosts the credibility of the industry.

As major providers in the field, councils do need to be aware of the new dispute resolution arrangements. The Ombudsman invited providers to register with them in the run up to 1 April. Anyone who has not done so yet, should register now so that they can keep abreast with the changes ongoing.

Register here: [Join our Heat Network Supplier scheme | Energy Supplier Portal](#)



Climate change – new report on generating hope

Great British Energy recently announced £10 million of funding for a local government partnership to build clean energy power.

We know that each mayoral strategic authority in England will be invited to apply for a share of the funding, but there is little other detail available yet.

Localis have shared thoughts on how Great British Energy and the metro mayors can build clean power in every part of the country, starting with four simple steps:

- Provide robust data and measurement mechanisms for monitoring and evaluation
- Target quantifiable benefits to local communities
- Develop financial instruments such as Community Municipal Investments and Green Bonds to help support local communities
- Embed Green Public Procurement in their procurement of energy services and utilities

For a full copy of the Localis Report, see:

“Generating Hope: Local Power in Partnership”

Webinar for audit committee members



We held a webinar for members of audit committees on 4 June 2025.

Delivered by Grant Thornton specialists and drawing on experience from across the sector, the webinar covered: How to prepare for devolution and reorganisation; and shared experiences from other reorganisations - with a focus on:

- Learning from the recent formation of eight new unitary councils between 2019 and 2023
- Progress by the eight new unitary councils in 2023-24
- How to successfully reorganise local government at the same time as implementing devolution
- Project management lessons learned for reorganisation
- Performance measurement lessons learned for reorganisation
- Governance lessons learned for reorganisation
- Other relevant findings from Auditors Annual Reports for 2023-24.

The recording of our webinar can be accessed here: [Audit committee webinar.](#)

Audit committee resources

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

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

LGA Regional Audit Forums for Audit Committee Chairs

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

Global Internal Audit Standards

[Global Internal Audit Standards](#)

Code of Audit Practice for local auditors (NAO):

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

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

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

The Three Lines of Defence Model (IAA)

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

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

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

CIPFA Guidance and Codes

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

Audit Committees: Practical Guidance For Local Authorities And Police

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

Delivering Good Governance in Local Government

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

Financial Management Code

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

Implementing Global Internal Audit Standards

Global Internal Audit Standards in the UK Public Sector

Prudential Code

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

Treasury Management Code

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



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