London Borough of Brent

Interim Auditor's Annual Report
Year ending 31 March 2025

September 2025

Contents

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

01 Introduction and context

Introduction

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

Opinion on the financial statements

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

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

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

Auditor's powers

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

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

Value for money

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

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

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

Local government – context

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

National

Past

Funding not meeting need

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

Workforce and governance challenges

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

Present

Financial sustainability

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

External audit backlog

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

Future

Funding reform

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

Reorganisation and devolution

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

Local

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

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

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

02 Executive summary

Executive summary – our assessment of value for money arrangements

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

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

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

Executive summary

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

Financial sustainability

The Council faces serious financial pressures, particularly in services where demand is rising fast, such as homelessness.
These financial challenges put increasing strain on the Council's ability to deliver services sustainably. However, despite the pressures, the Council continues to perform well with a recent Local Government Association Corporate Peer Challenge (CPC) recognising the Council's strong track record in delivering services and managing performance.

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

Governance

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

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

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

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

Improving economy, efficiency and effectiveness

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

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

04 Value for money commentary on arrangements

Value for money – commentary on arrangements

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

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

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

Financial sustainability

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

Governance

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

Improving economy, efficiency and effectiveness

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

Financial sustainability – commentary on arrangements (1)

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

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

Financial sustainability – commentary on arrangements (2)

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

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

Financial sustainability – Key Recommendation 1

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

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

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

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

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

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

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

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

Financial sustainability – Key Recommendation 1 (continued)

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

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

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

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

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

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

Chart 1: Savings and growth figures

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

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

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

Financial sustainability – Key Recommendation 2

Significant weakness: Need for identification and delivery of savings

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

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

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

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

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

Key Recommendation 2

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

Financial sustainability – improvement recommendation 1

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

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

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

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

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

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

Improvement Recommendation 1

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

Financial sustainability – improvement recommendation 2

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

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

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

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

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

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

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

Improvement recommendation 2

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

Governance – commentary on arrangements (1)

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

Governance – commentary on arrangements (2)

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

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

Grant Thornton insights – learning from others

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

What the Council is already doing

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

What others do well

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

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

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

Governance – Improvement recommendation 4

Area for improvement: Adequacy of the accounts production process

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

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

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

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

Improvement recommendation 3

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

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

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

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

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

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

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

Improving economy, efficiency and effectiveness – Key Recommendation 3

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

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

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

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

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

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

Key Recommendation 3

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

Grant Thornton insights – learning from others

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

What the Council is already doing:

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

What others do well:

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

The Council could consider:

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

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

Key Recommendations raised in 2024-25 (1)

	Recommendation	Relates to	Management actions
KR1	The Council must urgently take additional difficult decisions to ensure that a realistic budget can be set for next year and in the medium-term, so this can be delivered without the need to further draw on reserves nor Exceptional Financial Support (EFS) from central government.	**Financial sustainability** (pages 13-14)	Actions: • Workshops with all service areas to produce realistic forecasts and scenario planning over the MTFS period (currently 3 years, to be extended to 5 years), including for HRA and DSG. • Modelling of the impacts of the Fair Funding Review, to the extent this is possible, with subsequent review. • Update of MTFS with realistic assumptions for Draft Budget in November 2025 • Savings for 2026-27 agreed to allow for 2026-27 budget to be balanced without the need for reserves to be used. • Review of budget assumptions between Draft Budget and Final Budget in February 2026, with further adjustments to the budget to ensure the budget remains realistic based on the latest available data. • Ongoing work with Embrace Change Programme to provide plans across the MTFS period that enable the Council to return to a sustainable budget position in the medium term without the need to deplete reserves and/or apply for Exceptional Financial Support. Responsible Officer: Rav Jassar. Deputy Director, Corporate & Financial Planning Due date: Initial update of MTFS for 2026-27 budget (November 2025), Revised MTFS for 2026-27 budget (February 2026), MTFS with realistic plans for 2027-28 onwards (July 2026).

Key Recommendations raised in 2024-25 (2)

	Recommendation	Relates to	Management actions
KR2	It is critical that savings through the Embrace Change Transformation Programme are quantified and integrated into the Medium-Term Financial Strategy (MTFS) providing a pipeline of sufficient recurrent savings and income generation schemes supported by robust business cases through collaboration and business transformation.	**Financial sustainability** (page 15)	**Actions:** • Savings for 2026-27 to be agreed for draft budget in November 2025. • Draft of savings from the Embrace Change Programme for 2027-28 onwards to be developed by February 2026, to enable preparation work, consultations, etc, to take place throughout 2026-27. • Finance team to work with Embrace Change Programme to establish governance arrangements to monitor, track and report progress against savings targets. Responsible Officer: Rav Jassar. Deputy Director, Corporate & Financial Planning Due date: Savings for 2026-27 (November 2025), First draft of savings for 2027-28 onwards (February 2026), Governance arrangements (July 2026), Consultations, stakeholder engagement, etc. (Summer 2026).
KR3	The Council should ensure that governance and oversight arrangements for the Housing Improvement Plan provide assurance for officers and Members over timely delivery of actions and that improvements are sustained and embedded across housing services.	**Improvement economy, efficiency and effectiveness** (page 24)	**Actions:** The Council recognises the importance of ensuring timely delivery and the sustained embedding of improvements across housing services. Officers have already begun implementing changes to strengthen our approach. The current Housing Improvement Plan is being updated to be more robust and comprehensive, with a clear focus on measurable deliverables. A Housing & Tenant Improvement Programme Board, chaired by the CEO of the Council, has been set up as well as a Housing Improvement Project group which will feed into the Board. This will ensure better governance and improved oversight and assurance at a senior management and Members level. These improvements will ensure that actions are effectively monitored, progress is transparent, and positive outcomes are sustained across all relevant services. The Council remains committed to continuous improvement and will keep all stakeholders regularly informed of the progress. Responsible Officer: Jekaterina Popova / Spencer Randolph Due date: 31 January 2026

Improvement recommendations raised in 2024-25 (1)

	Recommendation	Relates to	Management actions
IR1	Using the property strategy, the Council could identify assets for disposal to support the capital programme, reduce long-term borrowing, and lower revenue costs. The impact of capital receipts should be reflected in the MTFS once confirmed.	Financial sustainability (page 16)	**Actions:** We agree with this recommendation and have already taken steps to identify assets that could be disposed to generate capital receipts. A priority is generating capital receipts for the Council's HRA to fund essential fire safety and other major repairs work without the need for additional borrowing. The Affordable Housing Supply Board in August discussed an initial list of identified HRA assets for disposal including planning-approved in fill sites. The Council is also considering how we utilise recent changes to how right to buy receipts can be used (including combined with grant from 2026-27 onwards) to fund the delivery of new social homes. In addition, much of the financing for the South Kilburn regeneration programme will come from land receipts from developers for private housing. We intend to reflect the impact of capital receipts in the MTFS as part of 2026-27 budget setting. Responsible Officer: Amanda Healy. Deputy Director, Investment & Infrastructure Due date: February 2026

Improvement recommendations raised in 2024-25 (2)

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

Improvement recommendations raised in 2024-25 (3)

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

06 Follow up of previous Key Recommendation

Follow up of 2023-24 Key Recommendation

	Prior Key Recommendation	Raised	Progress	Current status	Further action
KR1	The Council needs to urgently take the difficult decisions needed to ensure that a realistic budget can be set for 2025/26 and that this can be delivered without the need to further draw on reserves.	Financial sustainability 2023-24	As a result of the significant overspend experienced in 2023-24 and forecast for 2024-25, the Council has put forward £16 million of new savings proposals for 2025-26 to contain the pressures being experienced in the provision of homelessness services and temporary accommodation.	Partially implemented	**Key Recommendation is updated for 2024-25**, extending the timeline of the prior year recommendation. Refer to pages 13-14.

07 Appendices

Appendix A: Responsibilities of the Council

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

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

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

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

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

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

Appendix B: Value for Money Auditor responsibilities

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

Phase 1 – Planning and initial risk assessment

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

Phase 2 – Additional risk-based procedures and evaluation

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

Phase 3 – Reporting our commentary and recommendations

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

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

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

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

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

Information that informs our ongoing risk assessment

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

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

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

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

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

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

	Prior improvement recommendation	Raised	Progress	Current position	Further action
IR5	The Council should consider enhancing its partnership governance arrangements by: • Developing a partnership register to provide a more complete overview of partnerships. For each partnership, this could include: aims and objectives; expected outcomes; links to the Council's strategic objectives; commitment of resources; governance arrangements (terms of reference /service level agreement); financial reporting arrangements; and performance monitoring arrangements. The register should be reviewed on a regular basis to ensure it remains up-to-date. • Implementing a partnership governance policy, providing information on: what partnership working is; how to enter into and set up a new partnership; how to maintain governance and monitoring arrangements for existing partnerships; and how to exit from a partnership.	2023-24	These actions will be taken forward by the Strategic Commissioning, Capacity Building and Engagement department, liaising closely with other Council departments so there is a holistic and proportionate approach to partnership governance that reflects the breadth of key partnerships Council-wide. Also, the Community Engagement Framework will be refreshed and its use embedded across services in 2025 as part of the wider Strategic Change Programme, with support from the newly established Commissioning Community of Practice.	In progress – Closed	Arrangements assessed as in place to address this. No further action required.

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

	Prior improvement recommendation	Raised	Progress	Current position	Further action
IR6	To enhance transparency, the Council should consider reporting waivers to a public committee on a quarterly basis. This should include the value of the waiver and justification.	2023-24	The rationale and justification to undertake a waiver and the agreement to award the waiver are agreed by a Chief Officer and should pass Legal and Procurement on their approval journey. As part of an existing Internal Audit action, all waivers are reported to the Commissioning and Procurement Board on a quarterly basis and further consideration will be given as to an appropriate public committee to report to.	In progress – Closed	Arrangements assessed as in place to address this. No further action required.
IR7	As part of the ongoing review of its performance management framework and the implementation of a balanced scorecard approach for 2024-25, the Council should ensure that specific Directorate KPIs are included in the Corporate Performance Report and reported publicly. This will enhance provide Members and service users of a better understanding of how the Council is performing in key service areas.	2023-24	Officers will address this through engagement activity with Lead Members and Directors, including via the quarterly standing Performance item at their 1-1s, reviewing which of the existing directorate-specific KPIs are most appropriate for external publication (i.e. which most closely align with and help measure borough plan priorities) as well as discussing proposals for any new or revised KPIs for inclusion in both the balanced scorecards and external reporting.	In progress – Closed	Arrangements assessed as in place to address this. No further action required.

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

	Prior improvement recommendation	Raised	Progress	Current position	Further action
IR1	The Council should set out options for how it would plan to address any budget shortfall arising from its worst-case scenario planning. It would also benefit from specifying whether savings achieved are recurrent versus non-recurrent savings in its plans and reporting.	2022-23	This was dealt with as part of the 2025-26 budget setting process. The draft budget for 2025-26 presented to Cabinet in November 2024, included a range of budget options.	The budget remains pressured with limited plans as to how to address additional growth. As such we have escalated this improvement recommendation as part of our reporting of a significant weakness.	Raised as Key Recommendation 2 in 2024-25 Refer to page 15.
IR3	The Council should undertake a cumulative Equality Impact Assessment (EIAs) covering the impacts assessed across the full life of the MTFS and establish review dates for all EIAs to monitor the actual impacts and adjust actions accordingly.	2022-23	Addressed as part of the 2025-26 budget setting process with the cumulative EIA was presented to Cabinet in February 2025.	Implemented	Arrangements assessed as in place to address this. No further action required.

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