

London Borough of Brent

Audit progress report and sector updates

September 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 at September 2025 (1)

Financial statements audit

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

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

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

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

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

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

Impact on audit resources

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

Reporting implications of delays with PPE

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

Progress at September 2025 (2)

Update on significant and other risk areas

Valuation of net pension liability

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

Management override of controls

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

Completeness of non-pay expenditure

We have summarised below the status of our testing:

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

We have nothing to report at this stage.

IFRS 16 implementation

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

Progress at September 2025 (3)

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

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

Progress at September 2025 (4)

Comprehensive Income and Expenditure Statement

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

Progress at September 2025 (5)

Other areas

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

Progress at September 2025 (6)

Value for money

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

Other areas

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

Meetings

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

Events

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

Audit deliverables

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

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

Sector updates

Lessons from 2023-24 auditors' annual reports

Recommended reading for audit committees:

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

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

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

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

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

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

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



Fair Funding Review 2.0

Key questions for audit committee to ask officers:

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

Background:

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

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

It is expected that:

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

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

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

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

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



Local government financial sustainability

Key information for audit committees to be aware of:

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

As evidence, the Committee reported that:

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

Adding to concern, the Committee also reported:

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

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

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

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

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



The Spending Review

Key questions for audit committees to ask officers:

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

Background:

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

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

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

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

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



Financial instruments in local government accounts (1)

Recommended reading for audit committees:

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

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

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

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

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

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

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

The full report is available here:

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



Financial instruments in local government accounts (2)

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

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

The local authority backstop

Key information for audit committees to be aware of:

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

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

How you can support us

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

Reorganisation update



Key reorganisation dates for audit committees to be aware of:

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

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

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



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

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



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

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



Other recommended materials to support audit committees:

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

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

June 2025: [Audit committee webinar](#)

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

Other structural changes

Key information for audit committees to be aware of:



Multi-year allocations – 11 June 2025

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

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

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



Simplified local structures – 24 June 2025

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

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



Pensions pooling – 11 August 2025

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

[Pension Investment Review final report](#)



English devolution and community empowerment

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

[English Devolution and Community Empowerment Bill](#)

Public procurement

Key questions for audit committees to ask officers:

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

Background:

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



Cabinet Office

Proposals that are being consulted on include:

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

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

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

Keeping fit for the future



Key question for audit committees to ask officers:

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

Background:

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

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

Keeping the leisure estate fit for the future

Key question for audit committees to ask officers:

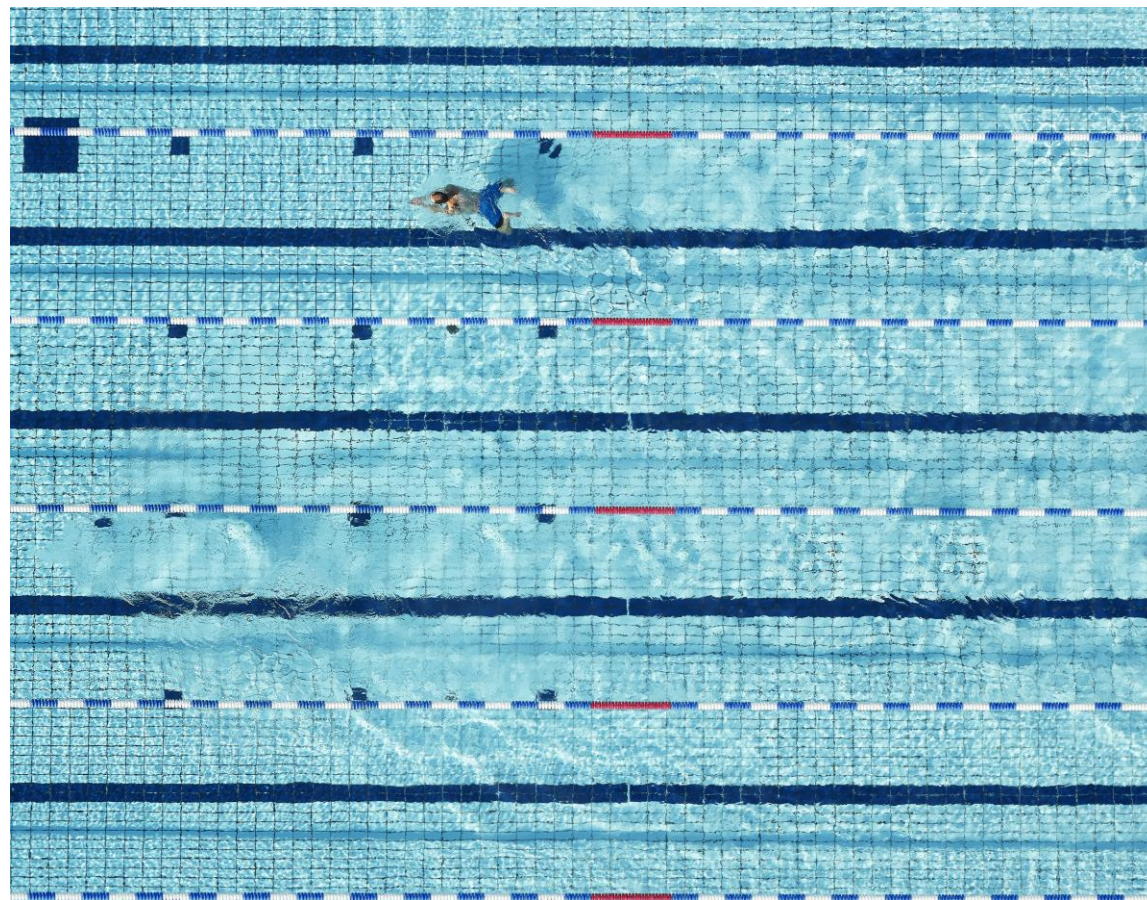
- ❖ How are repairs and maintenance and replacement costs for our leisure estate reflected in our medium-term financial plan?
- ❖ Are we on track to cover replacement costs for the leisure estate?

Background:

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

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

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



Asylum seekers update

Key questions for audit committees to ask their officers:

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

Background:

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

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

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

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



Future webinars for members of audit committees



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

Areas our webinar will help with include:

Managing debt:

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

Local government reorganisation:

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

Audit committee resources

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

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

LGA Regional Audit Forums for Audit Committee Chairs

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

Public Sector Internal Audit Standards

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

Code of Audit Practice for local auditors (NAO):

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

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

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

The Three Lines of Defence Model (IAA)

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

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

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

CIPFA Guidance and Codes

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

Audit Committees: Practical Guidance For Local Authorities And Police

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

Delivering Good Governance in Local Government

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

Financial Management Code

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

Prudential Code

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

Treasury Management Code

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



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