

# Annual Governance Statement

## 2025-26



# 1. Executive Summary

Brent Council continues to operate within a challenging financial, economic and regulatory environment, characterised by sustained demand-led pressures, particularly within temporary accommodation and social care, alongside increased regulatory expectations relating to housing safety, compliance and financial reporting, which is only right and proper. Despite these pressures, the Council has maintained a robust and mature governance framework supported by strong leadership from statutory officers, effective Member oversight and a well-established assurance environment spanning internal audit, risk management, financial monitoring and performance reporting.

This Statement sets out how the Council has complied with its Code of Corporate Governance and fulfils the requirements of Regulation 6(1)(b) of the Accounts and Audit (England) Regulations 2015, which require all relevant authorities to prepare and publish an Annual Governance Statement. It provides a transparent assessment of governance arrangements during the year and demonstrates how the Council continues to operate in line with the seven core principles of the CIPFA/SOLACE Framework.

The governance framework outlined in this Statement operated throughout the year ending 31 March 2026 and up to the date of approval of the Statement of Accounts. Its effectiveness has been evaluated through the review processes described in Section 5 of the Statement, drawing on multiple sources of assurance including internal and external audit findings, inspectorate reports, corporate performance intelligence, strategic and operational risk monitoring, and directorate-level self-assessments.

During 2025–26, the Council strengthened a number of key governance areas. Major programmes, including the Embrace Change Portfolio, the Digital Transformation Roadmap, improvements to AI governance, and the Housing & Tenant Satisfaction Improvement Programme, have enhanced organisational oversight, clarified accountability and prioritisation and improved the Council's ability to respond to strategic and operational challenges. Governance of equity, diversity and inclusion (EDI) continued to develop, supported by delivery of the second year of the EDI Strategy and implementation of the new People Strategy 2025–28. The Council also made progress in strengthening procurement practice, maturing its performance management arrangements and continuing to take steps to support financial resilience and sustainability in the face of significant ongoing pressures.

Importantly, the Council has addressed the actions identified in the 2024–25 Annual Governance Statement, which included:

- Strengthening housing compliance in collaboration with the Regulator of Social Housing, particularly in relation to fire safety, water safety and asbestos management.
- Continuing to develop and embed the corporate performance framework, incorporating recommendations from the Corporate Peer Challenge.
- Delivering the Procurement Improvement Programme in response to the 2025 Procurement Peer Review.

- Advancing leadership development, coaching and EDI-focused programmes, and launching the new People Strategy with a supporting detailed action plan.

The progress documented in this Statement demonstrates the Council's commitment to continuous improvement, effective governance and transparent stewardship of public resources. As the Council moves into 2026–27, the focus will remain on consolidating these improvements, strengthening financial sustainability, embedding major transformation programmes and ensuring that governance arrangements continue to support the delivery of high-quality, value-driven services for Brent's residents. The Council will also maintain a strong emphasis on preparing for, and effectively supporting, the post-May 2026 local elections outcome to ensure a smooth transition, clear member induction, and sustained stability in governance arrangements.

As Leader and Chief Executive, we have been advised of the outcomes arising from the review of the effectiveness of the Council's governance framework. Having considered the evidence presented through the Annual Governance Statement, our overall assessment is that it provides a balanced and accurate reflection of Brent's governance environment.

We are satisfied that an adequate and robust framework of governance and internal control operated across the Council throughout 2025–26 and up to the date of the approval of the Statement of Accounts. Furthermore, we are assured that appropriate plans are in place to address the areas requiring further improvement, and that the Council remains committed to strengthening its governance arrangements and continuously enhancing the effectiveness of its internal control systems.

Signed By:

**Muhammed Butt**

**Leader of the Council**

**Date**

Signed By:

**Kim Wright**

**Chief Executive**

**Date**

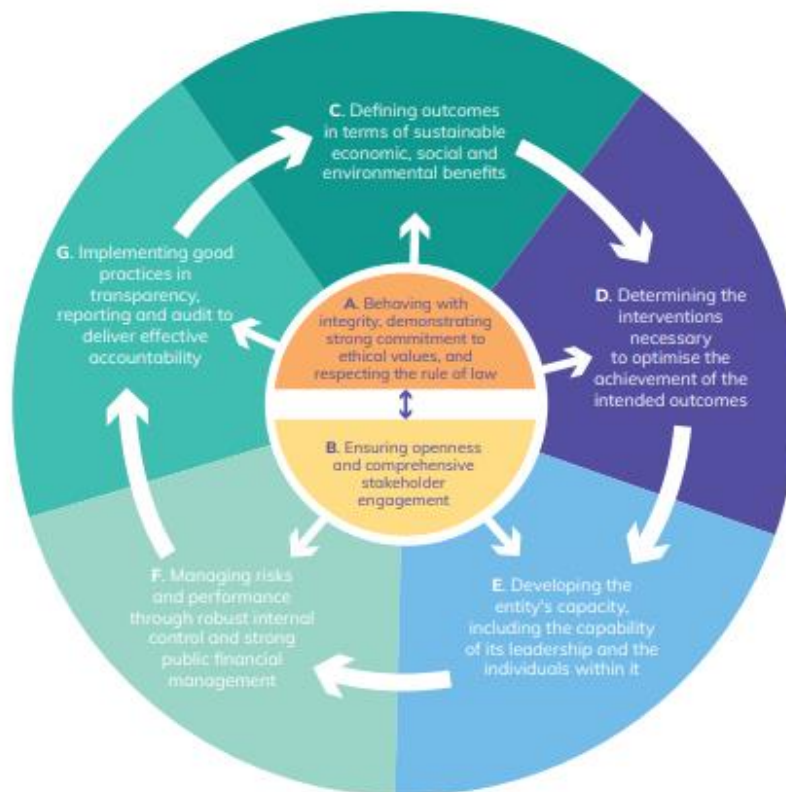
## 2. Introduction

The 'Delivering Good Governance in Local Government Framework', published by the Chartered Institute of Public Finance and Accountancy (CIPFA), in association with the Society of Local Authority Chief Executives and Senior Managers (SOLACE), sets the standard for local authority governance in the United Kingdom.

The framework is designed to help local authorities develop and implement high standards of governance, to ensure that: resources are directed in accordance with agreed policy and priorities; there is sound and inclusive decision-making; and there is accountability for the use of resources to achieve desired outcomes for residents and communities.

The Framework sets out seven core principles, as illustrated in Figure 1 below, that underpin good governance in the public sector. This statement demonstrates how the Council's governance arrangements deliver to these seven principles in practice:

**Figure 1 – Delivering Good Governance Core Principles**



The Statement has been structured to provide a clear, comprehensive and transparent account of how the Council's governance arrangements operated during 2025–26, how their effectiveness has been reviewed, and how the Council intends to strengthen them further in the year ahead. It is organised into the following sections:

- **Section 3 – The Council’s Governance Framework**

This section outlines the core elements of the Council’s governance framework and the systems, processes and structures that enable effective leadership, transparent and lawful decision-making, strong internal control and robust oversight. While not exhaustive, it highlights the stable and established arrangements that operated throughout 2025–26, including the roles of statutory officers, Member oversight, risk management, financial governance, performance management and group governance.

- **Section 4 – Key Governance Highlights for 2025–26**

This section summarises major developments and improvements in governance during the year. It demonstrates how the Council’s governance framework has adapted and evolved in response to changing demands, regulatory expectations and operational pressures, ensuring that the Council continues to achieve positive outcomes for residents and communities. It highlights significant progress across transformation, housing compliance, digital and AI governance, procurement, performance, financial management, EDI and workforce development.

- **Section 5 – Review of Effectiveness**

Section 5 describes the process undertaken to assess the effectiveness of the Council’s governance framework, including the annual assurance opinion of the Head of Internal Audit. It sets out the key sources of assurance - internal audit, external audit, inspectorate findings, risk management, performance reporting, and directorate assurance statements - and explains how these have been used to form a balanced, evidence-based view of governance effectiveness.

- **Section 6 – Significant Governance Issues**

This section identifies the significant governance issues and wider improvement areas arising from the 2025–26 review. For each issue, it outlines why it meets the significance threshold and describes the actions being taken to strengthen governance, internal control and risk management arrangements. It also includes the associated Action Plan for 2026–27, setting out how the Council will monitor and address these issues over the coming year.

- **Section 7 – Forward Look for 2026–27**

The final section provides a forward-looking assessment of the governance priorities for 2026–27. It sets out the key themes and organisational commitments that will guide the Council’s governance activity in the year ahead, ensuring that improvements are embedded, risks are well managed and the governance framework remains resilient, proportionate and aligned to the Council’s long-term strategic objectives.

## 3. The Council's Governance Framework

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. It also has a statutory duty under the Local Government Act 1999 to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In line with the Best Value Standards set out in the 2024 statutory guidance, the Council has put in place governance, leadership and assurance arrangements that demonstrate compliance with the principles of strong leadership, effective governance, prudent use of resources, openness to challenge and a culture of continuous improvement. To meet these responsibilities, the Council maintains a robust system of governance, incorporating effective internal control, sound risk management and clear accountability across all service areas.

These responsibilities extend to the Council's group entities, including its wholly owned subsidiaries i4B Holdings Ltd (i4B) and First Wave Housing (FWH), and the Annual Governance Statement therefore reflects the governance arrangements in place across the group.

The Council expects all Members and officers to uphold the highest standards of conduct and behaviour. Its governance framework is built on a comprehensive set of systems, processes, policies and procedures that reflect the Council's values, ethos and strategic objectives. The framework sets out how the authority is directed and controlled, how decisions are made, and how accountability to the community is maintained. It ensures that decision-making is transparent, compliant with statutory requirements, and supported by strong internal controls designed to manage risk to a reasonable - though not absolute - level. Through ongoing processes to identify, assess and mitigate risks and optimising opportunities in achieving its aims and objectives, the framework enables the Council to monitor progress against its priorities and evaluate whether services are being delivered effectively, efficiently and in a way that provides value for money.

The following section outlines some of the key elements of the Council's governance framework. While not intended to be exhaustive, it highlights the stable and consistent arrangements that remained in place throughout 2025–26 to ensure that the Council continued to operate effectively and deliver the intended outcomes for Brent's residents and communities.

### The Constitution

A central component of the Council's governance framework is the Constitution, which sets out how the Council operates, how decisions are made, and the procedures that must be followed to ensure they are efficient, transparent and accountable to local people. It comprises six parts covering the fundamental rules of governance, detailed procedures and codes of practice, and is updated regularly - most recently in February 2026. Changes to the Constitution, other than minor amendments approved by the Director of Law, must be agreed by Full Council and are published on the Council's website.

The Constitution supports the active involvement of citizens in local decision-making; helps councillors represent their constituents effectively; enables decisions to be taken efficiently; and provides a robust framework for holding decision-makers to account. It ensures no one scrutinises a decision in which they were directly involved, makes clear where decision-making responsibilities

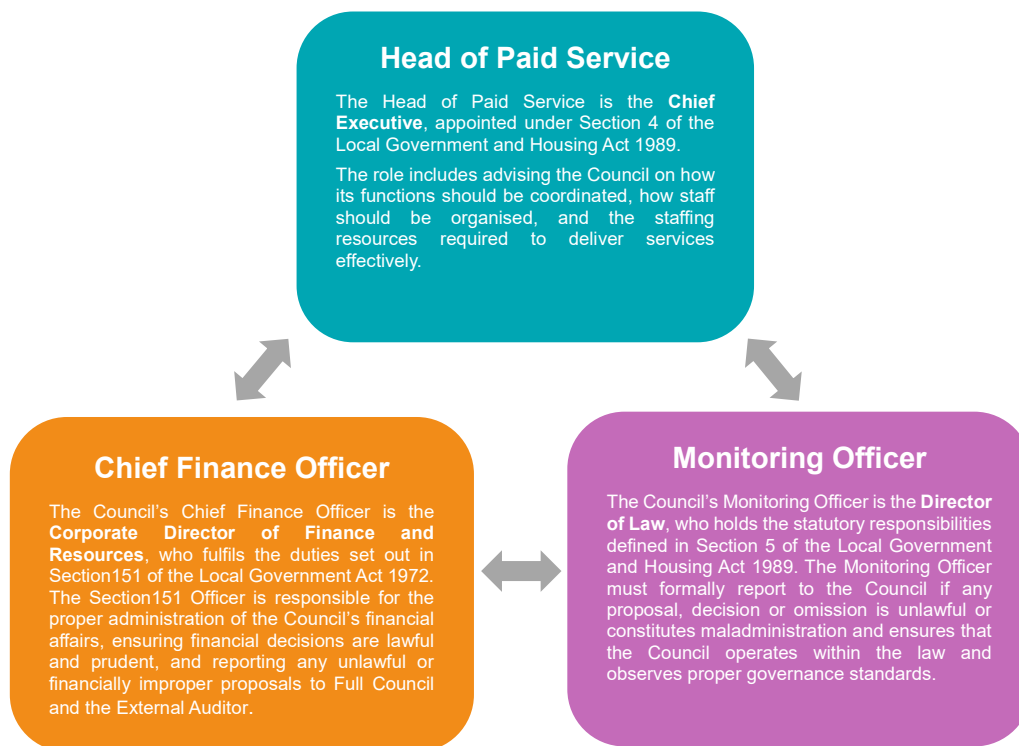
lie and why decisions are taken, and underpins the continuous improvement of services provided to the community.

The Council has also adopted a Local Code of Corporate Governance, set out in Part 5 of the Constitution, which is based on the seven core principles of the *Delivering Good Governance in Local Government* Framework (CIPFA/SOLACE, 2016). These principles underpin and shape the Council's overall approach to governance, informing how systems, processes and behaviours are designed and applied across the organisation.

## Statutory Officers

The constitution defines the responsibilities of both Members and Officers, and formally designates the three statutory roles of Head of Paid Service, Chief Finance Officer (section 151 officer), and Monitoring Officer. These three roles all have distinct legal roles and responsibilities, which together maintain the Council's corporate health and effectiveness. These officers also hold personal responsibilities under legislation and professional codes of conduct, requiring them to act with impartiality, integrity and professionalism. Working collectively, they provide authoritative advice and assurance, ensuring that the Council's functions are administered lawfully, efficiently and in accordance with the highest standards of ethical and corporate governance.

**Figure 2 – Key Statutory Chief Officer Roles**



In addition to the three key statutory Chief Officer posts outlined above, the Council has also identified the roles which fulfil the following additional statutory and key roles:

- **Director of Children's Services** (s18 Children Act 2004) – Corporate Director Children, Young People and Community Development
- **Director of Adult Social Services** (s6 Local Authority Social Services Act 1972) – Director Adult Social Care
- **Director of Public Health** (Health and Social Care Act 2012) - Director, Public Health and Leisure

- **Statutory Scrutiny Officer** (Local Government Act 2000) – Deputy Director Democratic and Corporate Governance
- **Data Protection Officer** (UK GDPR Article 37 & Data Protection Act 2018) – Principal Lawyer, Constitution, Governance and Finance
- **Senior Information Risk Officer** (SIRO) – Corporate Director Finance and Resources
- **Head of Internal Audit** (Public Sector Internal Audit Standards & Accounts and Audit Regulations) – Deputy Director Organisational Assurance and Resilience
- **Caldicott Guardian** (NHS Caldicott Principles) – Director Adult Social Care

## The role of Senior Leadership

The Chief Executive and Corporate Management Team (CMT) are responsible for ensuring that services are delivered in accordance with strategies and policies agreed by Council and in the best interests of the community. They also play a fundamental role in determining the strategic direction of the council and to ensure we reach our goals.

CMT meets formally every fortnight to oversee the operations of the organisation and receives reports for both challenge and comment prior to formal decision-making processes. Reports will also be presented to provide the required assurances regarding the strategic risks the organisation faces. These include periodic reports from the groups and boards established in certain critical areas such as the Change and Transformation; Health and Safety; IT Governance; Business Continuity; Corporate Risk, Information Governance and Housing Improvement.

The Council's wider Senior Leadership Team (SLT) made up of Corporate Directors and Directors is also responsible for ensuring that current laws and regulations are complied with and that the Council's policies are implemented in practice and monitored accordingly. The Council's Senior Leadership Team meets on a monthly basis.

## The role of Cabinet

The Council currently operates a Leader and Cabinet executive model. The Leader and Councillors appointed to the Cabinet are collectively referred to as the Cabinet. The Cabinet makes key decisions in accordance with the Budget and Policy Framework. It has regular joint meetings, known as Policy Coordination Group (PCG) with the Corporate Management Team to consider the Council's policy priorities, the medium-term financial strategy and to receive operational and performance information

## The role of Scrutiny

The Council has two Overview and Scrutiny Committee: the Community and Wellbeing Scrutiny Committee, and the Resources and Public Realm Scrutiny Committee.

Each Committee has distinct responsibilities for scrutinising the Council's Executive (the Leader and Cabinet) and covers different areas of the local authority's services. Policy is reviewed through reports considered at Committee meetings, as well as through task groups established to examine specific issues. A Budget Task Group, chaired each year by the Chair of the Resources and Public Realm Scrutiny Committee, provides additional oversight of financial planning. Committee meetings also scrutinise Cabinet Members and individual executive decisions. In addition, both Committees have a statutory duty to scrutinise the policies and decisions of external organisations and partner agencies.

## The role of Members

Members play a central role in the Council's governance arrangements and are expected to uphold the highest standards of conduct, integrity and accountability. The Member Code of Conduct, together with specialist codes such as the Planning Code of Practice and the Licensing Code of Practice, is set out within the Constitution and forms part of the annual constitutional review. To support transparency, a register of Member interests and gifts and hospitality is maintained and reported quarterly to the Audit & Standards Advisory Committee.

All Members, whether newly elected or re-elected, are required to complete mandatory training every four years. This includes core areas such as Standards and the Code of Practice, Corporate Parenting and Safeguarding Children, Safeguarding Adults, Equalities, and Data Protection and Information Security. In addition, Members undertake compulsory committee-specific training for roles in Planning, Alcohol and Entertainment Licensing, Scrutiny, the Audit & Standards Committee, the Audit & Standards Advisory Committee and the Brent Pensions Fund. Training updates and Monitoring Officer Advice Notes are shared via the Members' Bulletin and the Hub, which provides easy access to learning materials and guidance.

Further induction and Code of Conduct training is provided to Members elected mid-term through by-elections. To support full engagement, the Council uses multiple channels, including email, calendar invitations, text message reminders and direct contact, to encourage attendance at face-to-face sessions and any required re-runs. Since 2020, the Audit & Standards Advisory Committee has received regular updates on Members who have yet to complete mandatory training, reinforcing the importance of compliance and continuous development.

Together, these arrangements ensure that Members are equipped with the knowledge, skills and ethical framework needed to carry out their roles effectively, make informed decisions, and provide strong and accountable leadership for the Borough.

## Corporate values and behaviours

The Council's corporate values and behaviours - Collaborate Proactively, Lead Inclusively, Embrace Change, Be Bold and Curious, and Celebrate and Share Our Success - form an essential part of the governance framework. They promote a culture of openness, integrity and accountability, shaping how Members and officers work together and engage with residents. These values guide the way decisions are made, how risks are managed, and how services are delivered, ensuring that conduct is consistent with the Council's strategic objectives and ethical standards. While supported by wider workforce initiatives, including ongoing work to build an inclusive and adaptable organisation, the values themselves act as a shared foundation for effective governance and continuous improvement across the Council.

These values are reinforced through our Behavioural Framework, which clearly defines the behaviours expected of everyone against each of the values, regardless of role, and supports consistency in how the organisation operates.

Figure 3 – Our Values



## Financial Management Framework

The Council's Financial Regulations form an integral part of its Constitution and, alongside Standing Orders, provide the regulatory framework governing the organisation's financial management. These Regulations are mandatory and apply to all officers, whether directly employed, contracted or engaged through an agency, in the conduct of financial and related matters. They set out the key requirements for financial management and control across a wide range of areas, including: principles of financial management, revenue budgeting, the capital programme, financial systems and accounting, procurement and contracting, ordering and payments, expenditure controls, income and debt management, external financial arrangements, risk management, control of resources, and the retention of financial records.

All officers and Members are expected to adhere to a set of core financial management principles. These include demonstrating strong organisational leadership and embedding sound financial management within the Council's culture; ensuring accountability for the effective management of budgets and risks; and maintaining accurate, meaningful and intelligible financial data to support transparency and informed decision-making.

The Council's financial management framework is further supported by the Medium-Term Financial Strategy and regular budget monitoring. Detailed financial reports are provided to departmental management teams, CMT, PCG and Cabinet, ensuring timely oversight of financial performance and enabling effective responses to variances, pressures, opportunities and risks.

The Council has also established a Budget Assurance Panel to provide focused oversight and challenge of in-year budget performance. The Panel supports early identification of financial risks, reviews the effectiveness of management actions and savings delivery, and ensures that budget monitoring is aligned with service performance and longer-term financial planning.

## Performance Management Framework

The Council operates a comprehensive Performance Management Framework, supported by a balanced scorecard approach, to ensure that performance, financial delivery and strategic priorities are monitored effectively. Scorecards are reviewed regularly by CMT and PCG, and have been rolled out across all directorates to support consistent oversight of the latest performance and financial indicators. Cabinet Portfolio Holders routinely engage with directorate teams on these indicators, and Members play an important role in providing challenge and scrutiny. Performance is formally reported to Cabinet on a quarterly basis through the Quarterly Performance Report.

The framework strengthens the strategic alignment of performance monitoring and reporting. It places a strong emphasis on the use of data, benchmarking and clear outcome measures to drive improvement in service delivery and to support informed decision-making at all levels of the organisation.

A full suite of Key Performance Indicators (KPIs) have been developed to track progress against the outcomes set out in the Borough Plan 2023–2027: *Moving Brent Forward Together*. These KPIs measure “what success looks like” across the Borough Plan's five priority areas: Prosperity and Stability in Brent; A Cleaner, Greener Future; Thriving Communities; The Best Start in Life; and a Healthier Brent.

Together, these arrangements provide a robust framework for monitoring performance, ensuring accountability, and driving continuous improvement in outcomes for Brent's residents and communities.

## **The role of the Brent Assurance Board**

The Brent Assurance Board meets quarterly to receive written reports on a wide range of governance and assurance matters to ensure that the Council's statutory duties are effectively discharged, efficiently implemented, and that any issues, risks, lessons learned, or examples of good practice are shared across the organisation.

The Board's membership comprises the Council's three key Statutory Officers - the Head of Paid Service, the Chief Finance Officer, and the Monitoring Officer - alongside the Deputy Director of Organisational Assurance and Resilience. Together, they oversee, scrutinise, and hold to account the Council's discharge of its statutory responsibilities in areas such as risk management and audit assurance, information governance, cyber security, whistleblowing, and corporate complaints, as well as safeguarding, health and safety (including Corporate Landlord duties), and wider governance matters.

## **The role of Internal Audit**

The Council maintains an Internal Audit service that operates in accordance with the professional internal audit standards applicable to UK local authorities. The Head of Internal Audit (Deputy Director, Organisational Assurance and Resilience) has direct access to the Chief Executive, the Section 151 Officer, the Chair of the Audit and Standards Committee, and the Chair of the Audit and Standards Advisory Committee, ensuring the independence and authority required to perform this role effectively.

Internal Audit supports the Council by providing independent, objective and risk-based assurance and advisory services. Its work brings a systematic and disciplined approach to evaluating and improving the effectiveness of the Council's governance, risk management and internal control arrangements. Assurance activity focuses on how well systems and processes are designed and operating to mitigate risk, while advisory work helps strengthen those arrangements where improvements are needed.

Internal Audit also contributes to the Council's ability to serve residents and the wider public interest by providing assurance on operational efficiency, the reliability of reporting, compliance with laws and regulations, the safeguarding of assets, and the promotion of an ethical culture. The Council's response to Internal Audit's findings and recommendations is an integral part of maintaining strong governance.

## **The role of the Audit and Standards Advisory Committee**

The Audit and Standards Advisory Committee plays an important role in the Council's governance framework by providing an independent and high-level focus on the adequacy and effectiveness of governance, risk and control arrangements for both internal challenge and public accountability. The Committee considers a number of matters relating to the Council's audit activity, regulatory framework, statement of accounts and members standard and code of conduct.

## **Governance and oversight of subsidiaries**

The Council's governance responsibilities extend to its group activities, including its wholly owned subsidiaries, i4B Holdings Ltd (i4B) and First Wave Housing (FWH). The Annual Governance

Statement therefore reflects the arrangements in place to ensure that both companies operate in accordance with the Council's policies, objectives and regulatory obligations.

i4B was established to provide affordable, high-quality housing, reduce homelessness and deliver regeneration and financial benefits for the Council as its sole shareholder. It is a company limited by shares and plays a key role in providing accommodation for households who might otherwise require temporary housing. FWH, a company limited by guarantee without share capital, primarily provides secure, affordable and well-managed homes to Brent residents, contributing directly to the Council's Housing Strategy through the management, maintenance and improvement of over 200 rental properties.

The Council discharges its shareholder and guarantor responsibilities through formal governance structures. Twice-yearly Shareholder and Guarantor meetings—attended by the Chief Executive, Corporate Director of Finance and Resources, and the Deputy Leader—provide strategic oversight and examine governance, risk, operational delivery and financial performance. In addition, the operational and strategic performance of the companies is subject to scrutiny through relevant Council committees.

Both subsidiaries produce annual statutory accounts and business plans, which are reviewed and approved by the Council. A 30-year business plan is in place to support long-term financial sustainability and is monitored through regular reporting, including monthly performance updates. Governance within the companies is further supported by a Board structure comprising an independent Chair, two independent non-executive directors with finance and property expertise, and three internal directors, ensuring a blend of independence, professional insight and shareholder representation.

Together, these arrangements ensure that i4B and FWH operate with strong oversight, clear accountability and alignment to the Council's strategic priorities, delivering value to residents while managing risks appropriately within the group structure.

## 4. Key Governance Highlights for 2025-26

This section of the statement provides a summary of highlights of the Council's governance for 2025-26. While not intended to be exhaustive, it demonstrates how the Council's governance framework adapted and evolved to reflect changing circumstances and to ensure the Council continued to achieve the desired outcomes for residents and communities.

### **Place Leadership and Neighbourhood Engagement**

During 2025–26, the Council strengthened its approach to place-based and neighbourhood-level governance through enhanced engagement with residents, voluntary and community organisations, faith groups and local partners. Long-established community forums, including the Disability Forum, Brent Pensioners' Forum and the Multifaith Forum, continued to play a vital role in representing marginalised groups and fostering inclusion, dialogue and cohesion across the borough. These forums bring together residents, carers, community leaders and partners to share insight, identify local priorities and help shape service responses.

To deepen this engagement, the Council expanded its Place Leadership approach, ensuring that local voices and community-level intelligence inform the design and delivery of services. Public Health teams strengthened locality working by engaging directly with communities as part of ongoing needs assessment and health-improvement activity. This approach was complemented by the work of the Communities team, which coordinated a broad range of collaborative initiatives across public, private, voluntary and faith sectors.

The Council's 'Have Your Say' consultation portal continued to provide a central platform for accessible and transparent engagement, supporting consultations on key issues such as the proposed 2026/27 budget, the Borough Masterplan, sexual health needs assessments and local air quality surveys. Neighbourhood-based engagement remained a core feature of governance through Brent Connects, which offers a structured forum for residents to discuss local priorities within their area. Recent Brent Connects discussions included topics such as the South Kilburn Trust, Stepping to Success and the Air Network initiative. Additional community-led events—such as Community Cohesion Days—further strengthened local relationships and collaborative problem-solving.

To support consistency and best practice, the Council launched a borough-wide Engagement Network in February 2025 and introduced a Consultation Best Practice Guide. Partnership-working objectives are also embedded at service level through Service Plans and contract documentation, ensuring alignment between strategic governance and operational delivery.

Together, these developments demonstrate the Council's continued commitment to place-based leadership, integrated neighbourhood working, and inclusive community engagement, contributing to stronger local partnerships, more responsive services and improved governance across Brent.

### **Embrace Change Portfolio**

During 2025–26, the Council continued to strengthen the governance, oversight and delivery of the Embrace Change Portfolio, the Council's primary mechanism for driving transformation, supporting long-term financial sustainability and improving outcomes for residents. The Portfolio is structured around a series of cross-cutting change programmes, projects and enabling activities, each

underpinned by a set of principles focused on prevention, community power, collaboration and values-based delivery.

Each programme within the Portfolio has clear objectives, defined deliverables and measurable benefits. Many of the programmes address some of the Council's most significant strategic challenges, including Adult Social Care, Children's Services and homelessness prevention—areas where transformation can deliver the greatest positive impact for residents and create long-term organisational resilience. Delivering these programmes requires substantial changes to how the Council works with partners and communities, building on existing good practice while reshaping services to be more integrated, efficient and user-focused.

Significant progress has been made in strengthening the governance and assurance arrangements that support the Portfolio. Reporting and oversight at portfolio level have been enhanced, providing greater visibility of delivery progress, risks, dependencies and expected benefits. This improved governance ensures that transformation activities are aligned with corporate priorities, supported by robust financial and performance oversight, and able to respond effectively to emerging challenges. Overall, the Portfolio has continued to provide a coherent, disciplined and strategic framework for delivering organisational change at scale.

## **Equity, Diversity and Inclusion**

During 2025–26, the Council made significant progress in strengthening the governance of equity, diversity and inclusion (EDI) across its decision-making and service delivery. EDI considerations continued to be embedded within core processes, including budget setting and business planning, where officers and Members are required to assess the potential impact of proposals on protected groups. Savings proposals undergo initial equalities screening, and where appropriate, full Equality Impact Assessments are undertaken, supported by cumulative assessments to identify any combined effects on residents with protected characteristics. This approach ensures that equity and inclusion remain central to day-to-day management, financial planning and strategic decision-making.

The Council is now in the second year of its Equity, Diversity and Inclusion Strategy 2024–27, which has strengthened organisational oversight and accountability. An internal EDI Board, chaired by the Chief Executive, oversees delivery of the strategy, ensures compliance with the Public Sector Equality Duty and champions EDI priorities across the organisation. Governance arrangements have also been enhanced through the Council's adoption of socioeconomic status and care experience as locally recognised protected characteristics, reflecting Brent's commitment to fairness, representation and addressing entrenched inequalities.

Building on its commitment to racial equity, the Council adopted a revised Black Community Action Plan (BCAP) in June 2025, co-produced with community partners. The refreshed plan focuses on five priority areas over the next four years:

1. Early Intervention: Children, Young People and Families
2. Tackling Health Inequalities
3. Developing Community-led Spaces
4. Homelessness and Homes
5. Employment and Enterprise Support

To strengthen transparency and accountability, an Independent Advisory Steering Group was established to provide external challenge and guidance. The Group meets publicly twice a year,

ensuring community feedback informs ongoing delivery. Internally, progress on BCAP objectives is monitored quarterly by the EDI Board, with service directors developing KPIs tracked through the EDI dashboard. Directors also engage directly with the Independent Advisory Steering Group to report on delivery and performance.

These strengthened governance arrangements - co-production, independent oversight, clear accountability structures and systematic EDI integration in decision-making - represent a notable shift from previous approaches. Together, they provide a more transparent, inclusive and robust framework for ensuring that equity, diversity and inclusion underpin the Council's policies, services and organisational culture.

## Financial Management

The Council continued to demonstrate strong organisational resilience despite an increasingly pressured environment. Over the past year, the Council has successfully delivered a coordinated, cross-council approach to financial sustainability, underpinned by regular monitoring, timely mitigations, and strong collaboration across departments. The £10m of savings agreed by Full Council as part of the 2026/27 budget setting process is a central component of this approach. Directorates worked collectively to identify, refine, and implement savings proposals that contributed to reducing the budget gap while supporting the Council's long-term financial strategy.

Financial reporting processes were also strengthened. The Council also demonstrated its ability to deliver a clean and timely sign-off of the annual accounts, despite sector-wide delays in external audit timetables. In addition, Internal audit reviews and independent assessments confirmed that financial controls, risk management, and monitoring arrangements remain well-designed and generally effective, with issues identified early and responded to promptly.

Overall, the Council's ability to manage immediate pressures while maintaining sound financial governance provides assurance that core financial practices remain strong and continue to improve.

## Housing & Tenant Satisfaction Improvement Programme

The Housing and Tenant Satisfaction Improvement Programme (HTSIP) was established by the Council in 2025 in response to significant concerns regarding housing quality, regulatory compliance, resident safety and satisfaction across the Council's c. 8,800 homes. The Programme aims to deliver safer, better maintained homes and a consistently higher-quality tenant experience.

The Programme comprises three major projects:

1. **Building Safety Compliance Project** - addresses Regulator of Social Housing (RSH) regulatory breaches (which we self-reported on), rebuilds compliance systems and processes, commissions required assessments, and oversees the remediation of safety issues, with a target of achieving C1 grade readiness by 2029.
2. **Housing Improvement Project** - focuses on improving the customer journey, employee lifecycle, business intelligence, and the Council's capability to act as a good landlord.
3. **Estate Community Safety & Public Realm Improvements** - delivers urgent fire safety actions, establishes new Gypsy and Traveller sites to alleviate overcrowding, and resolves legal and safeguarding issues associated with resident occupancy.

In response to these combined challenges, the Housing and Tenant Satisfaction Improvement Programme Board was set up to provide strategic oversight, ensure cohesive delivery, and manage interdependencies across projects. The Programme aligns directly with Brent's corporate priority of Prosperity and Stability in Brent, and is designed to accelerate improvements in

regulatory compliance, governance, data quality, workforce capability, operational performance, and resident outcomes.

## **Youth Strategy**

In Spring 2025, the Council adopted a refreshed Youth Strategy 2025–2028, designed to support young people from a wide range of backgrounds and guide how the Council and its partners help them to thrive. The Strategy was co-produced with young people, who played a central role in shaping its themes, priorities and overall vision. It is intended to act as a “passport to the future”, speaking directly to young people in accessible, clear language and reflecting the issues they identified as most important.

The Strategy sets out four priorities developed by young people themselves:

1. Being Heard and Taking Part
2. Reaching Goals and Enjoying Yourself
3. Feeling Good
4. Staying Safe

Each priority is framed in young-person-friendly terms and is supported by vibrant, engaging visuals designed to ensure the Strategy is meaningful and accessible to those it serves.

To support effective implementation and oversight, a Youth Strategy Delivery Group has been established, bringing together Council officers, partners and young people. This group drives forward the action plan, monitors progress and ensures that young people remain active participants in shaping the services and opportunities that affect them. This strengthened governance structure represents an important shift towards deeper co-production, clearer accountability and sustained involvement of young people in strategic decision-making.

## **People Strategy**

In 2025 the Council introduced a new People Strategy for 2025-28, setting out a clear organisational commitment to building an inclusive, future-focused, and resilient workforce. The strategy establishes the governance foundations for embedding our values, strengthening leadership capability, improving the use of workforce data, and ensuring directorate-level accountability for Equity, Diversity and Inclusion outcomes. It also outlines priority themes, including inclusive culture, future workforce planning, inspirational leadership, recruitment and resourcing, employer brand, wellbeing, and pay and reward, which will guide decision-making and monitoring throughout the strategy period.

## **Digital Roadmap**

During 2025–26, the Council strengthened the governance, oversight and delivery arrangements underpinning its Digital Transformation Roadmap. In January 2026, Cabinet approved £8.74m to deliver the Digital Roadmap 2026–28, replacing the previous digital strategy and providing targeted investment to support transformation over the next two years.

The Roadmap supports the Borough Plan by improving digital confidence, enhancing efficiency and securing financial savings. Key areas of delivery include improvements to the Council’s website and customer portal, testing the use of artificial intelligence to enhance service effectiveness, and tackling digital exclusion through business support initiatives and device provision for vulnerable households. The programme is structured around three core ambitions: improving resident experience; empowering our organisation, teams and partners; and harnessing data and enabling collaboration

Robust governance arrangements ensure that the Digital Roadmap is strategically aligned, financially controlled and effectively delivered. Overall programme delivery is overseen by the Change Portfolio Board, with the Digital and Data Board providing strategic direction, monitoring progress and ensuring alignment with corporate priorities. Workstreams within the Embrace Change Portfolio report to the SRO Delivery Board, strengthening cross-programme coordination.

Financial oversight is provided through established corporate processes, including capital finance monitoring and savings governance arrangements. Capital-funded delivery and benefits realisation are reported quarterly to the Capital Programme Board, via the Corporate Landlord Board. A dedicated Programme Delivery Board is being established to coordinate operational delivery and report directly to the Digital and Data Board. A new benefits framework has been introduced to further strengthen the identification, tracking and realisation of benefits across the programme.

Political oversight is also embedded within the governance model. The Lead Member for Digital Transformation receives quarterly updates and provides strategic challenge, while Cabinet Members remain engaged in ongoing delivery and the development of future digital ambitions. Together, these governance arrangements ensure that the Digital Roadmap is delivered in a controlled, transparent and outcome-focused manner, supporting the Council's transformation objectives and helping to modernise services for residents, staff and partners.

## **AI Governance**

The Council has continued to strengthen its governance arrangements for Artificial Intelligence (AI), ensuring that the use of emerging technologies remains lawful, ethical, transparent, and well controlled. Oversight is delivered through established structures, including the AI & Data Board, Technical Design Authority, Data Ethics Board and Cyber Security functions, supported by mandatory assurance processes such as Data Protection Impact Assessments (DPIA), AI Impact Assessments (AIIA), human-in-the-loop (HITL) safeguards, and controls to prevent unauthorised AI use. Strategic responsibility is clearly defined across Digital Transformation, ICT Solutions, Information Governance and Cyber Security, underpinned by the Council's in house AI Automation Centre of Excellence.

During 2025/26, the Council advanced its governance maturity in line with internal audit recommendations, progressing development of a Council wide AI Strategy, refreshing the AI Policy, strengthening procurement and vendor assurance, implementing a risk based foundational AI training framework and enhancing oversight through a consolidated AI register.

The Council is also preparing for more advanced AI capabilities through improved cyber and infrastructure readiness, resilient enterprise architecture, mitigation of multi-tenant cloud risks and a continued focus on explainability, transparency and resident trust. These arrangements provide assurance that AI-related risks are effectively managed and that the Council's approach remains proportionate, future focused and aligned with national and sector expectations.

## **Member Induction and Ongoing Development**

The Council has strengthened its approach to Member induction and development to ensure elected Members are fully equipped to support the organisation in delivering against its strategic goals. A refreshed Member Induction Programme has been designed in readiness for after the May 2026 local elections in order to provide newly elected Members with a comprehensive understanding of the Council's functions, structures and priorities from the outset. This will include an initial programme of engagement sessions with CMT and SLT, enabling Members to gain early insight into how the organisation operates, how services interconnect, and how collective leadership supports the delivery of the Council's corporate objectives. This focus on cross-departmental understanding

is intended to reduce siloed working and strengthen Members' ability to contribute effectively to strategic decision-making.

The induction programme also includes a series of core workshops covering key areas of governance and statutory responsibility. Sessions on the Code of Conduct, governance frameworks, decision-making processes and constitutional structures ensure Members are familiar with the formal requirements of their role. A strong emphasis is also placed on financial awareness, including workshops on the Council's financial position, budgeting processes and the wider economic context, enabling Members to scrutinise financial information effectively and make informed decisions on resource allocation.

Recognising the current strategic priorities of the Council, the programme is currently intended to include focused workshops on critical service areas such as housing and homelessness, alongside operational briefings on the Council's case management and customer relationship management systems. Members are also supported to understand how to use the Members Enquiries system to log and monitor cases on behalf of constituents, enhancing both accountability and community responsiveness. Additional sessions outline the Council's communications functions to strengthen Members' ability to engage with residents and support transparent public messaging.

The induction is complemented by a mandatory training package covering safeguarding, standards and ethics, equality, diversity and inclusion, and organisational resilience. Together, these components ensure Members meet essential statutory and regulatory requirements linked to their role.

Beyond induction, the Council has established a year-round programme of continuous Member development. This programme is responsive to emerging legislation, changes in national policy, local developments, and evolving strategic goals. Training opportunities are regularly updated in collaboration with Members and officers, with both groups able to propose new topics or request additional support to meet identified development needs. This flexible, demand-led model ensures the Council maintains a well-informed and capable Member cohort, supporting strong governance, effective scrutiny and the delivery of high-quality outcomes for the community.

## **Senior Leadership Development**

A leadership development programme is underway that involves all SLT members, aimed at looking at leadership styles and how teams can work better together. Key priorities have been identified to strengthen the leadership capacity and capability. Anti-racism training has also been delivered to this group and is now being cascaded to the whole organisation.

The programme will strengthen organisational effectiveness by building greater alignment, self-awareness and consistency in leadership approaches, improving collaboration and decision-making across teams. The identification of key priorities enhances leadership capacity and resilience, supporting stronger performance, change management and staff engagement. In addition, the delivery and cascading of anti-racism training reinforces a culture of inclusion and equity, setting clear expectations at leadership level and fostering a more inclusive, culturally competent organisation that is better equipped to deliver high-quality outcomes.

## 5. Review of Effectiveness

The Council's governance framework is subject to continuous review as part of the day-to-day management and oversight of the organisation. In a context of sustained pressure on public sector resources, it is increasingly important that governance arrangements remain efficient, proportionate and effective. In addition to this ongoing scrutiny, the Council is required to undertake a formal annual review of the effectiveness of its governance framework, including its system of internal control. This review also encompasses governance arrangements for significant group activities.

The annual review of effectiveness draws on a wide range of assurance sources. These include the work of Corporate Directors and senior managers, who are responsible for developing and maintaining sound governance within their service areas; the annual report and opinion of the Deputy Director of Organisational Assurance and Resilience (as Head of Internal Audit); and the findings of the external auditor and other independent review bodies and inspectorates, such as Ofsted. Together, these sources provide a comprehensive and balanced assessment of the robustness of the Council's governance arrangements.

The review of the effectiveness of the system of internal control is informed by:

- Directorate Assurance Statements
- the Annual Assurance Opinion of the Deputy Director of Organisational Assurance and Resilience
- performance against targets
- External Audit outcomes
- Internal Audit outcomes
- scrutiny arrangements
- reports from inspectorates
- previous performance information
- risk management arrangements
- information governance arrangements
- a review of progress against the previous year's Annual Governance Statement

The process applied in maintaining and reviewing the effectiveness of the governance framework is set out in the following sections.

### **Progress Against Prior-Year Actions**

As part of the annual review of effectiveness, the Council began by evaluating progress against the actions set out in the 2024–25 Annual Governance Statement. This provided a structured starting point for assessing whether previously identified governance issues had been addressed and whether the actions taken had strengthened the Council's overall governance, risk management and internal control arrangements.

During 2025–26, the Council made substantive progress in delivering these actions, as summarised in the table below:

Improvement Area (2024–25 AGS)	Owner	Progress During 2025–26
<p><b>Work with the Regulator of Social Housing to ensure that actions relating to Fire Risk Assessments, water safety and asbestos are undertaken where required.</b></p>	<p>Corporate Director, Residents &amp; Housing Services</p>	<p>Following identification of weaknesses through internal assurance activity, the Council made a self-referral to the Regulator of Social Housing and received a C3 judgement in May 2025 in relation to the Safety and Quality Standard. Specialist external advisers were engaged to undertake audits and root-cause analysis across all compliance workstreams. A comprehensive improvement plan has been developed and is overseen through the Housing and Tenant Satisfaction Improvement Programme.</p>
<p><b>Continue to develop and embed the corporate performance framework, incorporating recommendations from the Corporate Peer Challenge.</b></p>	<p>Director of Communications, Insight and Innovation</p>	<p>The corporate performance framework has continued to mature, with improved alignment to Borough Plan priorities, enhanced scorecards and strengthened reporting to senior management and Members. Recommendations arising from the Corporate Peer Challenge have been incorporated to strengthen assurance and performance challenge.</p>
<p><b>Deliver the Procurement Improvement Programme in response to the Procurement Peer Review.</b></p>	<p>Director of Commissioning, Capacity Building and Engagement</p>	<p>A Procurement Improvement Programme was established in May 2025. Progress has been made across leadership capacity, directorate engagement, contract segmentation, enhanced contract management arrangements, and development of revised procurement strategy and policy documentation. Further work is ongoing to embed improvements.</p>
<p><b>Develop leadership, coaching and mentoring programmes with a focus on equity, diversity and inclusion, and launch a new People Strategy.</b></p>	<p>Director of Human Resources &amp; Organisational Development</p>	<p>A refreshed three-year People Strategy has been launched, supported by a detailed action plan. Leadership development, coaching and EDI-focused programmes have progressed, supported by strengthened governance oversight and monitoring of delivery and outcomes.</p>

## **Corporate Peer Challenge**

The Council's most recent LGA Corporate Peer Challenge (CPC) took place in January 2025. As part of the process, the peer reviewers returned in November 2025 for a Progress Review which provided an opportunity for peers to understand and give feedback on progress made against the original recommendations which were, in broad terms, relating to:

- Financial planning and management
- Change and transformation
- Housing and temporary accommodation
- Partnerships and engagement
- People services
- Equity, diversity and inclusion

Overall, the Peer Review Team praised the council's progress across the recommendations, highlighting:

- The positive, cohesive working relationship across the managerial and political leadership.
- The progress in developing an organisational culture through our new values, People Strategy and refreshed staff networks.
- The Radical Place Leadership programme and launch of the Integrated Neighbourhood Team in Harlesden.
- The positive outcome of Brent's Local Area SEND Inspection.
- Steps taken to improve Housing Services, including to address challenges around temporary accommodation demand and spend.

In addition to recognising our progress, the Team also identified further opportunities, particularly around change and transformation (i.e. the Embrace Change Portfolio managed by the Portfolio Management Office) and financial planning and management

The Progress Review marks the end of the CPC's formal process. In response to the findings and feedback from the Progress Review the Council updated the CPC action plan, which was presented to Cabinet in January 2026.

## **Ofsted – Children's Services Focused Visit**

A focused visit by Ofsted in November 2025 found that children in care in Brent continue to receive effective and well-led services, supported by an experienced and stable senior leadership team and strong political and corporate backing. Inspectors reported that leaders have a clear understanding of strengths and areas requiring improvement, and that recent progress in recruitment and workforce stability has had a positive impact on practice. Children benefit from stable and trusting relationships with social workers, regular visits and placements that reflect their cultural and individual needs. Disabled children were also found to receive good support.

Ofsted identified two areas for improvement: strengthening the consistency and rigour of responses to children who go missing from care, and improving the quality and timeliness of life-story work for children in long-term care. These areas have been incorporated into the Council's ongoing improvement activity. Overall, the findings provide external assurance that Brent's children's social care services remain strong, with clear plans in place to address areas requiring further development

## Internal Audit

The Council receives assurance about the effectiveness of the corporate governance, internal control and risk management arrangements from the work of Internal Audit which provides independent and objective assurance across the whole range of the Council's activities. It is the duty of the Deputy Director of Organisational Assurance and Resilience to give an opinion (as the Council's Head of Internal Audit), at least annually, on the adequacy and effectiveness of internal control within the Council. This opinion has been used to inform the Annual Governance Statement.

The Deputy Director of Organisational Assurance and Resilience produces an annual report which will be presented to the Audit and Standards Advisory Committee. This report will outline the key findings of the audit work undertaken during 2025-26.

It is the opinion of the Deputy Director of Organisational Assurance and Resilience that, considering all available evidence from audit work undertaken in 2025-26, there is reasonable assurance over the adequacy and effectiveness of the Council's overall framework of governance, risk management and control during the financial year.

In determining the annual opinion, the Deputy Director of Organisational Assurance and Resilience also considered any key themes of issues emanating from audit work undertaken in 2025/26 and identified the following areas for improvement:

### 1. Assets and Valuations

The Council holds a large and diverse property portfolio that underpins service delivery, regeneration and income generation. Maintaining a complete and accurate asset register is therefore essential for robust financial reporting, effective asset management and compliance with CIPFA requirements. During 2025–26, Internal Audit identified significant weaknesses in the governance and control environment supporting the Council's two key registers: the Finance-led Fixed Asset Register (FAR) and the Property-led Property Asset Register (PAR). Governance and ownership were fragmented, the PAR was manual, incomplete and not CIPFA compliant, and there were no formal policies, clear responsibilities or systematic reconciliations between the registers. Sample testing highlighted data gaps, limited evidence, inconsistent Unique Property Reference Numbers and difficulties reconciling data across systems.

These issues present a material risk to the accuracy of property information, the reliability of capital accounting and the Council's ability to make informed asset decisions. They reflect both design weaknesses (lack of formal procedures, data standards and reconciliations) and operational issues (untimely updates and poor documentation). Their significance was reinforced during the 2023/24 external audit, where asset and valuation issues contributed to delays in finalising the accounts.

In response, and ahead of the 2024/25 accounts, the Council established cross-council working groups across Housing, Regeneration, Property, Legal and Finance to strengthen governance, address identified issues and improve data accuracy. Given the scale of the portfolio—over 15,000 assets, including acquisitions, disposals and assets under construction—this has been resource-intensive, requiring dedicated capacity for data collection, valuation liaison and coordination. While progress has been made, the volume of verification and revaluation work led to a three-week delay in producing the draft 2024/25 financial statements.

External Audit also noted that prior issues with property, plant and equipment balances affected audit timing. Variances between the FAR and valuation reports, and the need to correct supporting valuation data, delayed audit work and required some procedures to be repeated, underlining the need for stronger controls, clearer ownership and more reliable data.

Although governance and data quality have improved, further work will continue beyond year end to ensure consistent processes and high-quality asset information. A continued focus on formalising policies, clarifying roles, embedding reconciliations and strengthening data standards will be critical to securing long-term assurance and avoiding recurrence of previous issues.

## 2. Housing Compliance

The Council made a self-referral to the Regulator of Social Housing and, in May 2025, received a C3 judgement against the Safety and Quality Standard. This was not an overall assessment of the housing service but identified the need for significant improvement in key landlord health and safety areas. In response, the Council commissioned specialist external advisers to undertake audits and root cause analysis across compliance workstreams, providing independent assurance and informing a comprehensive improvement plan. This is now overseen through strengthened governance within the Housing and Tenant Satisfaction Improvement Programme, with integrated assurance via the Programme Board, including representation from Internal Audit.

During 2025–26, the Council continued to strengthen governance and assurance of housing compliance. A March 2025 self-assessment of data within the True Compliance system identified concerns in key building safety areas. Fire Risk Assessment actions had been recorded as complete without sufficient evidence, with similar issues in water safety and asbestos compliance. In addition, while stock condition data existed for most homes, survey records were missing for more than half of the stock.

## 3. Procurement Improvement Plan

A Procurement Peer Review in early 2025, driven by the Procurement Act 2025, External Audit findings and the Council's transformation programme, highlighted the need for more consistent practices, clearer accountability, stronger governance and improved oversight.

In response, a Procurement Improvement Programme (PIP) was established to address these weaknesses and strengthen governance, capability and compliance across procurement and contract management.

Internal Audit work in 2025–26 reinforced these findings, identifying ongoing issues including inconsistent controls, limited oversight, and gaps in performance monitoring and value for money. This underlines the need to ensure improvements are effectively embedded across the organisation.

Given the scale of change required, sustained focus is needed to implement the PIP, strengthen contract management and improve accountability, ensuring procurement delivers value for money and supports financial sustainability.

## 4. Cross-Council Ownership, Collaboration and Control Integration

Across multiple 2025–26 audits, Internal Audit identified a recurring issue of fragmented ownership and silo working where controls and risks span services. While controls often operate well within teams, weaknesses arise at service interfaces.

This was seen in reviews including Assets, Housing Compliance, Contract Management and Procurement, with common issues such as inconsistent data, unclear ownership, parallel processes and reliance on manual workarounds. Progress has also been limited where actions require cross-service collaboration.

Oversight exists but is not consistently supported by clear processes or consolidated information, reducing the effectiveness of second-line assurance and allowing issues to persist.

Improving cross-council collaboration, clarifying ownership and embedding stronger oversight will be key to enhancing control and resilience.

Overall, these areas reflect ongoing improvement activity rather than systemic failure, with clear management action underway. Continued focus will be required to ensure that improvements are embedded and deliver sustained enhancement to the Council's governance framework.

## **External Audit**

Under the Local Audit and Accountability Act 2014, the Council's external auditors are required to consider whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources (Value for Money). In carrying out this work, the auditors apply the framework set out in the National Audit Office's Code of Audit Practice, which requires assessment across three themes: financial sustainability, governance, and improving economy, efficiency and effectiveness.

For 2024-25, the auditors' commentary provided the Council with a clear assessment of both strengths and areas requiring further development.

### a) Financial Sustainability

The auditors recognised the significant financial pressures facing the Council, particularly in demand-led services such as those related to housing and social care. Despite these challenges, the Council continues to maintain a structured and forward-looking approach to financial management. The Medium-Term Financial Strategy identifies an anticipated budget gap up to 2028 and sets out the work underway to address this through enhanced financial planning, strengthened transformation activity and delivery of savings through the Embrace Change Portfolio. The auditors also acknowledged the Council's established track record of responding to financial challenges, supported by findings from the recent Corporate Peer Challenge.

### b) Governance

The auditors highlighted strong Member-officer working relationships and effective oversight arrangements as key features of the Council's governance. They noted the positive impact of the Audit and Standards Committee's increasing scrutiny and recognised the reasonable level of assurance provided by Internal Audit over core internal control and risk management arrangements. The auditors also identified opportunities to strengthen aspects of risk management, including ensuring more consistent and timely monitoring of risk actions at service level and embedding recent improvements in corporate risk practice.

### c) Improving Economy, Efficiency and Effectiveness

The auditors' commentary reflected the Council's ongoing efforts to reshape services in line with its ambitions for prevention, early intervention and community-led delivery. Programmes such as the Harlesden "test, learn and grow" model were identified as promising examples of integrated working with partners and communities. The auditors also acknowledged the Council's work in response to the self-referral to the housing regulator following issues uncovered in the housing service, including subsequent actions required by the Regulator of Social Housing and the development of a Compliance Recovery Programme. These activities demonstrate the Council's commitment to improving service quality, strengthening assurance and learning from external challenge.

## **Risk Management**

Risk management forms a core component of the Council's governance and assurance framework. As part of the annual review of effectiveness, the Council assesses how well risks are identified, evaluated and managed across the organisation to support the achievement of objectives. The Strategic Risk Report sets out the Council's most significant, cross-cutting risks and those with the potential to impact multiple services or the overall success of the authority. These risks are owned collectively by the Corporate Management Team and are formally reported twice a year.

During 2025–26, the Council continued to operate in a heightened and dynamic risk environment driven by a range of external pressures. Fourteen strategic risks were monitored throughout the year. While ten of these remained above their target risk scores, each had a clear and active mitigation plan in place, and the Council demonstrated continued maturity in its approach by refining controls and adapting risk responses where necessary. Notably, a new strategic risk relating to AI governance was introduced in-year, reflecting the Council's consideration of emerging and evolving risks.

Over the past two years, the Council has made substantial improvements to its risk management framework, enhancing assurance and strengthening corporate oversight. Key developments include the implementation of a revised Risk Management Strategy, the definition of a clear risk appetite, improvements to impact and likelihood metrics, the introduction of target risk scores, an expanded and more robust set of strategic risks, and a more comprehensive and transparent approach to presenting the Strategic Risk Report.

Overall, the evidence demonstrates that the Council has continued to strengthen its risk management arrangements and is taking proactive steps to ensure that risks are clearly understood, effectively managed, and appropriately overseen as part of the wider governance framework.

## **Performance Management**

The Council's performance management arrangements continued to mature during 2025–26, with strengthened structures in place to support regular oversight, challenge and accountability. The enhanced Performance Management Framework and balanced scorecard approach enable senior officers and Members to track delivery against the Borough Plan priorities through clear outcome measures, robust data, and consistent monitoring processes. Performance information is routinely reviewed by CMT, Cabinet Portfolio Holders and Cabinet, ensuring that emerging issues and risks are identified early and responded to appropriately.

The performance framework has improved the alignment between strategic objectives, service delivery and resource planning. Indicators that monitor progress against the Borough Plan provide a rounded picture of organisational performance, highlighting both areas of strong delivery and those experiencing pressure. Where performance has been affected by increased demand or external factors, targeted improvement activity has been put in place, supported by cross-council governance through mechanisms such as the Embrace Change Portfolio and service-level action plans.

Overall, the Council's performance management arrangements contribute positively to the annual effectiveness review. They provide a transparent and evidence-based means of assessing progress, informing decision-making and supporting continuous improvement across the organisation. These arrangements also help ensure that risks, resource implications and service outcomes are considered in a joined-up way, reinforcing the Council's wider governance and assurance framework.

## **Directorate Assurance Statements**

In April 2025, the Council introduced a new requirement for all Directorates to complete an Annual Governance self-assessment. This initiative reflected the Council's ongoing commitment to delivering high-quality services and maintaining robust governance practices. A report summarising the outcomes of the self-assessments was reported to the Council Management Team in January 2026, alongside a revised and enhanced self-assessment for 2025-26.

The revised approach introduces several key improvements, including a stronger emphasis on assurance. To reflect this shift, the process has been renamed Directorate Assurance Statements. It is structured into eight sections, each containing a series of requirements. The detail provided under each requirement serves as illustrative guidance rather than a prescriptive checklist. It outlines the types of evidence and practices typically expected to demonstrate assurance, while allowing Directorates flexibility to adopt alternative approaches that achieve the same level of confidence in effectiveness. The new assessment also focuses on evidencing assurance rather than simply confirming that processes exist.

The Directorate Assurance Statements therefore provide strong foundational evidence to underpin the wider body of assurance contained within this Annual Governance Statement.

## 6. Significant Governance Issues

The Annual Governance Statement is required to identify any significant governance issues that have arisen during the year and that require action to strengthen the Council's governance, internal control or risk management arrangements. Significant issues are those that could materially affect the Council's ability to achieve its objectives, deliver services, safeguard public funds, or maintain compliance with statutory and regulatory requirements. They may arise from the findings of internal and external audit, inspectorate reports, risk assessments, service performance, or the annual review of effectiveness.

This section summarises the significant governance issues identified during 2025–26, the reasons they meet the significance criteria, and the actions being taken to address them. Each issue is subject to ongoing monitoring through established assurance mechanisms, including the Corporate Management Team, the Brent Assurance Board, Audit & Standards Advisory Committee and relevant service governance structures, to ensure that progress is maintained and risks are effectively mitigated.

**An action plan has also been developed and is shown in Appendix 1.** This also includes and incorporates other areas of improvement noted within this statement.

### Housing Compliance

During 2025-26, the Council undertook significant work to strengthen the governance and assurance of its housing compliance responsibilities. In March 2025, a self-assessment of data held within the True Compliance system highlighted concerns about the management of key building safety areas. In particular, actions arising from Fire Risk Assessments had been recorded as complete without sufficient evidence, and similar issues were identified in water safety and asbestos compliance processes. In addition, although the Council held stock condition information for the majority of homes, recorded survey data was missing for more than half of the stock.

In line with co-regulation requirements, the Council made a self-referral to the Regulator of Social Housing and, in May 2025, received a C3 judgement in relation to compliance with the Safety and Quality Standard. This judgement did not represent an overall regulatory assessment of the Council's housing service, but confirmed significant improvement is required in specific areas of landlord health and safety assurance. In response, the Council engaged specialist external advisers to undertake audits and root-cause analysis across all compliance workstreams, providing independent assurance and helping to shape a comprehensive improvement plan. This work is now overseen through strengthened governance arrangements within the Housing and Tenant Satisfaction Improvement Programme.

Alongside reflective audit activity, the Council has prioritised rapid operational improvements to strengthen oversight and provide reassurance to residents. This has included onboarding additional contractors, establishing a Housing Improvement Advisor role to provide independent and experienced support and critical friend challenge reconfiguring IT systems and recruiting specialist staff to enhance compliance capacity. The Council has also accelerated its Stock Condition Survey programme, with a commitment to survey 35% of homes in the current year and achieve full coverage by March 2028.

Together, these actions demonstrate the Council's commitment to addressing the weaknesses identified, improving the management of building safety and stock condition, and ensuring that compliance arrangements are robust, fully evidenced and subject to strengthened governance and monitoring.

## **Procurement Improvement Plan**

A Procurement Peer Review was undertaken in January-March 2025 in response to significant external and internal drivers, including the implementation of the Procurement Act 2025, the requirements of the Council's wider Change Programme, and findings raised through External Audit. The purpose of the review was to assess whether procurement arrangements were robust, compliant and fit for purpose, and to identify areas where governance, capability and processes required strengthening.

The review highlighted the need for a more consistent and mature approach to procurement practice, clearer organisational accountability, and improvements to both strategic and operational oversight. In response, the Council established a Procurement Improvement Programme (PIP) in May 2025 to address the recommendations and to ensure that procurement governance aligns with statutory expectations, delivers value for money and supports the Council's financial sustainability.

The PIP is structured around five targeted workstreams designed to strengthen capability, control and assurance across the procurement lifecycle:

### **1. Staff Development, Culture and Capability**

A new interim Head of Procurement was appointed in July 2025, accompanied by the recruitment of six permanent staff into previously hard-to-fill roles. Cultural development work, including staff workshops, is underway to improve professional standards and embed consistent practice.

### **2. Strategy and Policy**

Work is progressing on a refreshed Procurement Strategy, an updated Social Value Policy, and new initiatives such as *Match My Project*, which aligns supplier-provided social value with local community needs.

### **3. Improved Directorate Engagement**

Two Directorate Procurement Groups have been established to enhance collaboration between Procurement and service areas. These groups provide a structured forum for consultation, clarification of roles, and two-way communication on improvement activity.

### **4. Contract Management**

More than 70 contracts have been segmented into tiers based on risk, with Platinum-level contracts escalated for executive oversight. Nineteen contract managers will receive practitioner training funded by the Cabinet Office. A more robust and centralised contract register is being implemented to improve monitoring and visibility of expiring contracts.

### **5. Operational Excellence**

This workstream is focused on modernising procurement processes, improving performance monitoring through KPIs, and analysing the use of waivers and contract extensions to address underlying issues in commissioning and forward planning.

The Procurement Peer Review and resulting improvement programme demonstrate the Council's commitment to strengthening procurement governance during a period of significant legislative and organisational change. The PIP provides a clear structure for addressing identified weaknesses,

improving compliance with the new procurement regime, enhancing the capability of the workforce, and strengthening the management of contracts and suppliers.

While significant progress has been made, the scale and cross-cutting nature of the improvements required means that procurement remains an area of ongoing governance focus, with benefits realisation, cultural development, process reform and contract management oversight continuing into 2026–27. Progress will be monitored through established governance channels, including senior leadership oversight, financial governance processes and portfolio-level reporting through the Embrace Change Portfolio.

## **Assets and Valuations**

The Council holds a substantial and diverse property portfolio which underpins service delivery, regeneration activity and income generation. Maintaining a complete and accurate asset register is therefore essential to ensuring robust financial reporting, effective asset management and compliance with CIPFA requirements. During 2025-26, Internal Audit identified significant weaknesses in the governance and control environment supporting the Council's two key registers: the Finance-led Fixed Asset Register (FAR) and the Property-led Property Asset Register (PAR). The review found that governance and ownership were fragmented, the PAR was maintained manually and was not complete or CIPFA-compliant, and there were no formal policies, defined responsibilities or systematic reconciliations between the two registers. Testing of a sample of properties revealed data gaps, limited supporting evidence, inconsistencies in Unique Property Reference Numbers and difficulties reconciling information across systems.

These weaknesses present a material risk to the accuracy of property information, the reliability of capital accounting entries and the Council's ability to make informed strategic asset decisions. They reflect both design issues, such as the absence of formalised procedures, data standards and reconciliation processes, and operational weaknesses, including untimely updates and insufficient documentation. The governance significance of these issues was reinforced during the 2023/24 external audit, where asset and valuation concerns contributed to delays in the completion of the financial statements.

Prior to this, and in preparation for the 2024/25 accounts, the Council established a number of cross-council working groups, bringing together Housing, Regeneration, Property, Legal and Finance, to strengthen asset governance, address the issues raised, and ensure services hold accurate and validated information on the assets for which they are responsible. Given the scale and complexity of the portfolio, comprising more than 15,000 assets including additions, disposals and assets under construction, this work has been resource-intensive. Dedicated capacity has been allocated to support data collection, liaison with valuers and coordination across service areas. While significant progress has been made, the scale of work required led to a three-week delay against the original timetable for producing the draft 2024-25 financial statements, reflecting the volume of data-verification and re-valuation activity required.

External Audit also noted that prior-year issues with property, plant and equipment (PPE) balances significantly affected the timing of the audit. Variances were identified in the reconciliation between the FAR and the valuation report, and supporting valuation information required correction before audit work could proceed. The delay in receiving a correct, fully reconciled valuation report meant that auditors had to repeat certain procedures, further reinforcing the need for stronger controls, clearer ownership arrangements and more reliable asset information.

While meaningful progress has been made in strengthening governance and improving data quality, further development will continue beyond year-end to ensure that asset-related processes are consistently applied across the organisation and that high-quality information is maintained. A

continued focus on formalising policies, clarifying roles, embedding reconciliation routines and improving data standards will be essential to securing long-term assurance and preventing recurrence of the issues experienced in previous audit cycles.

## 7. Forward Look

As we look ahead to 2026–27, our focus will be on strengthening the governance foundations set out in this year’s assessment and ensuring that improvements identified through the review process are fully embedded across the organisation. The coming year will see continued emphasis on enhancing transparency, refining our assurance mechanisms, and developing the capacity and capability needed to meet emerging strategic, financial and regulatory challenges. We will also build on the progress made this year by further modernising our governance framework, strengthening our approach to risk management, and ensuring that our decision-making arrangements remain resilient, responsive and aligned with our long-term organisational priorities.

### **1. Embedding the Embrace Change Portfolio as the Core Vehicle for Organisational Transformation**

In 2026-27, the Council will prioritise further embedding the Embrace Change Portfolio, ensuring it continues to act as the primary driver of organisational transformation and improved outcomes for residents. This work will focus on maturing portfolio-level oversight, strengthening benefits realisation, and deepening alignment across programmes addressing major strategic challenges, including Adult Social Care, Children’s Services and homelessness. The next phase will continue to build on strengthened reporting, increased Programme Management Office capacity, clearer accountability and enhanced cross-council governance introduced during 2025–26.

### **2. Strengthening Financial Resilience and Medium-Term Sustainability**

In a financial context marked by demand-led pressures, increased customer expectations, reduced reserves, and ongoing external scrutiny, the Council will continue to enhance financial resilience through more robust planning, improved financial monitoring and strengthened links between the Medium-Term Financial Strategy and transformation delivery. This will include accelerating the delivery of agreed savings, embedding lessons learned from recent external audit and peer review findings, and maintaining strong budgetary controls to ensure the organisation can respond effectively to future financial risks. These actions build on the strengthened financial management and reporting practices demonstrated during 2025–26

### **3. Completing and Embedding Major Compliance and Assurance Improvements (Housing, Assets and Procurement)**

The year ahead will continue to focus on embedding the substantial improvements initiated in response to significant governance issues identified during 2025–26. This will include sustained delivery of the Housing and Tenant Satisfaction Improvement Programme, continued implementation of the Procurement Improvement Plan, and further strengthening of the Council’s asset and valuation governance arrangements. Given the scale and complexity of these areas—and their importance to statutory compliance, financial stewardship and resident confidence—each will remain a key area of corporate attention, with progress monitored through established assurance mechanisms such as the Brent Assurance Board, Corporate Management Team oversight and relevant programme boards.

## Appendix 1 – Significant Governance Issues & Improvement Action Plan

Ref	Issue/Area	Key Actions for 2026-27	Responsible Lead(s)	Monitoring & Assurance Route
<b>Significant Governance Issues</b>				
<b>SG1</b>	<b>Housing Compliance</b>	<ul style="list-style-type: none"> <li>a) Complete delivery of priority fire safety, water safety and asbestos compliance actions.</li> <li>b) Deliver agreed Stock Condition Survey programme, ensuring full coverage trajectory towards 2028.</li> <li>c) Embed revised compliance processes, data improvements, and strengthened evidence requirements within business-as-usual operations.</li> <li>d) Sustain oversight through HTSIP Programme Board and independent assurance activity.</li> </ul>	Corporate Residents Services; Housing Director, & Housing Director of	Housing & Tenant Satisfaction Improvement Programme Board; Brent Assurance Board; Audit & Standards Advisory Committee
<b>SG2</b>	<b>Procurement Improvement Plan</b>	<ul style="list-style-type: none"> <li>a) Finalise and adopt refreshed Procurement Strategy, Social Value Policy and supporting guidance.</li> <li>b) Embed new capability and culture improvements, including professional standards, training and</li> <li>c) Directorate Procurement Groups.</li> <li>d) Implement strengthened contract management framework and complete training for contract managers.</li> <li>e) Reduce waiver usage and improve forward planning for contract renewals.</li> </ul>	Interim Head of Procurement; Director of Strategic Commissioning, Capacity Building and Engagement	Procurement Improvement Programme Board; CMT; Audit & Standards Advisory Committee

Ref	Issue/Area	Key Actions for 2026-27	Responsible Lead(s)	Monitoring & Assurance Route
<b>SG3</b>	<b>Assets and Valuations</b>	<ul style="list-style-type: none"> <li>a) Finalise and embed formal policies, roles and responsibilities for asset governance.</li> <li>b) Implement systematic reconciliation processes between FAR and PAR, supported by improved data standards.</li> <li>c) Address data quality gaps identified in prior audits and maintain accurate records to support the 2025–26 accounts.</li> <li>d) Strengthen cross-council working arrangements for valuation cycles and asset management.</li> </ul>	Corporate Director of Finance & Resources; Director of Property & Assets	Asset Governance Working Group; CMT; Audit & Standards Advisory Committee; External Audit engagement
<b>Improvement Actions</b>				
<b>IA1</b>	<b>Financial Sustainability Risks</b>	<ul style="list-style-type: none"> <li>a) Continue to deliver the Embrace Change Portfolio savings and transformation benefits.</li> <li>b) Strengthen alignment between MTFS, transformation activity and directorate-level financial management.</li> <li>c) Maintain enhanced budget monitoring and early intervention framework.</li> <li>d) Integrate financial risk considerations more consistently into strategic and service-level risk management.</li> </ul>	Corporate Director of Finance & Resources; Corporate Directors	CMT; Cabinet; Resources & Public Realm Scrutiny; Audit & Standards Advisory Committee
<b>IA2</b>	<b>Risk Management Maturity</b>	<ul style="list-style-type: none"> <li>a) Embed revised Risk Management Strategy and risk appetite across all directorates.</li> </ul>	Deputy Director, Organisational Assurance & Resilience	Brent Assurance Board; CMT; Audit & Standards Advisory Committee

Ref	Issue/Area	Key Actions for 2026-27	Responsible Lead(s)	Monitoring & Assurance Route
		<ul style="list-style-type: none"> <li>b) Strengthen consistency of service-level risk monitoring, including timely updates to risk actions.</li> <li>c) Enhance reporting quality for Strategic Risk Report and link risks more closely to performance management framework.</li> </ul>		