London Borough of Brent

Statement of Accounts

2022/23

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Narrative Report

Introduction

I am very pleased to present Brent Council's Statement of Accounts for 2022/23. Whilst by their very nature the accounts can be backward looking, they do provide the context of the financial position for Brent at the end of the financial year as well as the numerous challenges presently facing the local authority sector and which are likely to do so for the foreseeable future.

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Corporate Director of
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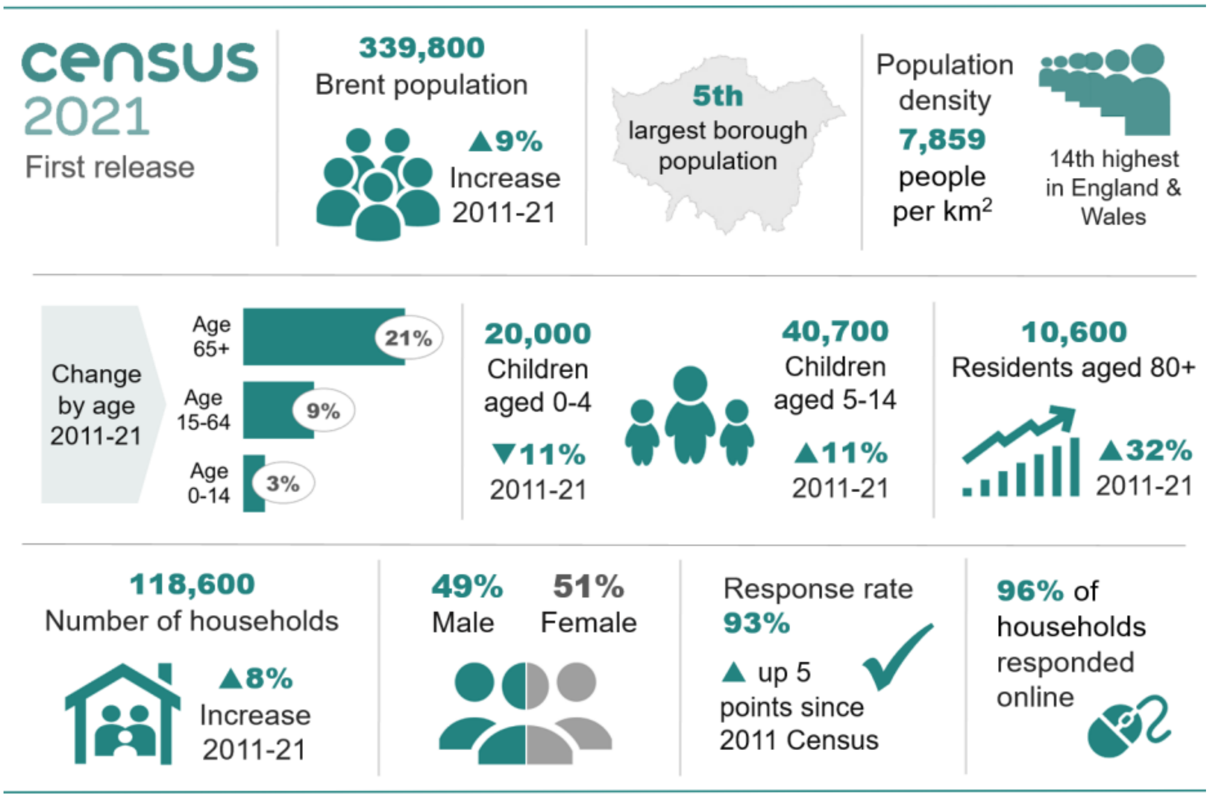
Background

1. Brent is situated in north-west London, bordering the boroughs of Harrow to the north-west, Barnet to the north-east, Camden to the east, the City of Westminster to the south-east, and the Royal Borough of Kensington and Chelsea, Hammersmith and Fulham to the west, and Ealing to the south.

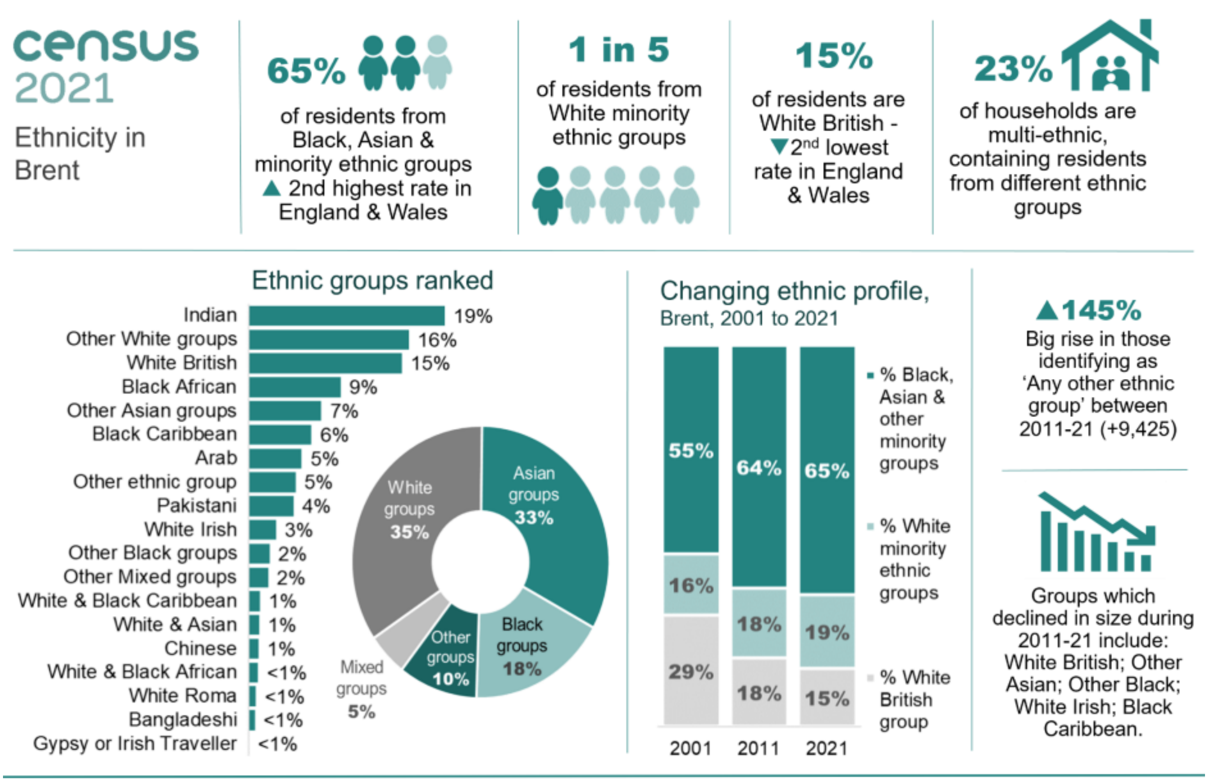
2. It covers an area of 4,325 hectares, making it London's fifteenth largest borough; about 22% of this is green space. Brent's major districts are Kilburn, Willesden, Wembley and Harlesden as well as Stonebridge, Kingsbury, Kensal Green and Queen's Park. There is a mixture of residential, industrial and commercial land with districts in the east having an inner-city character, while the west is more suburban. Within Brent lie Wembley Stadium, the country's largest stadium by capacity, as well as other notable attractions such as the Kiln Theatre, the Swaminarayan Temple, Wembley Arena and the Welsh Harp reservoir.

Brent Summary



3. Brent is the capital's fifth most populous borough, with a population of 339,800. It has a young population; the median age is 36, four years below the average for England; 24% of local people are under the age of 18. It is the second most ethnically diverse borough in London - 65% of the local population is from Black, Asian and other minority groups; the largest single group is the Indian population – who comprise 17% of residents – the fourth largest in London. Some 55% of Brent residents were born overseas. The borough has the second largest Hindu population in England and Wales, and the 10th largest Muslim population (as a percentage of the population). Over 149 languages are spoken in the borough; 37% of residents do not have English as their main language – the second highest proportion in London.

Summary



Financial Context

4. In the current and medium term, the economic environment is volatile and uncertain with high inflation, particularly affecting energy costs, rising interest rates, a potential banking crisis and war in Ukraine, precipitating the cost-of-living crisis. Looking to the future, there is political uncertainty with a general election likely in 2024 and economic forecasts of little or no growth.

5. The Bank of England's view is that inflation peaked towards the end of 2022 and will now reduce in 2023 before reverting to its 2% target in 2024. Interest rates are high and increasing with forecasts that the base rate will be 6% by the end of 2023.

6. The residents of Brent face an equally challenging economic environment with the effects of the cost-of-living crisis exacerbated by levels of unemployment above national and London averages. Persistently high levels of inflation, interest rates and energy costs mean that the cost-of-living crisis is unlikely to end in the near future.

7. The Council will need to assist residents and local businesses through these difficult economic times, for instance by extending the temporary Resident Support Fund.

8. The Council is seeing the effect of Brent's precarious economic position through a post COVID-19 decline in both council tax and business rates collection which is below the London average.

9. The impact of COVID-19 scarring is another issue, and it will not be known for some time the exact extent of any impact from this.

Local Government Funding

10. The government's Autumn Statement and Local Government Finance Settlement provided figures in sufficient detail to enable effective resource planning for the next two years. This brings welcome certainty after a protracted period of one-year settlements. However, the Autumn Statement in particular reveals that hard decisions on reducing public sector spending have been put back until the 2025/26 budget round. That is likely to be after the next general election and the task of making substantial reductions in public expenditure will therefore fall to the incoming government. There is no indication how much of any expenditure reductions will be targeted at local government but given the high level of the national savings requirement from 2025/26 onwards set out in the Autumn Statement, it would be reasonable to assume that most parts of the public sector will be affected including local government. There is therefore a real risk of a new round of austerity.

11. Whilst there is cross-party recognition of adult social care funding pressures and in particular the adverse effect bed blocking has on the NHS, that consideration alone is unlikely to protect local government from a significant reduction in funding.

12. Future cuts to public sector expenditure may have been put off until 2025/26, but they are not the only items deferred until then. The fair funding review of local government finances, the reset of the business rates baseline, and the introduction of a cap on care costs are just some of the other major policy decisions currently on hold until after the next general election.

Medium Term Financial Strategy (MTFS)

13. When updating the MTFS, the Council's budget approach has very much focused on delivering efficiencies in order to achieve a balanced budget in the face of government funding reductions. As part of this, the Council has been successful in delivering a savings programme without significant reductions in service provision or adverse impact on the most vulnerable. There is a limit on the level of efficiencies that can be made and significant cuts in government funding could eventually lead to reductions in service provision.

14. The MTFS has also been successful in providing a framework that has allowed the Council to fund essential growth resulting from both demographic pressures and the changing needs of its vulnerable residents, while investing in the local economy.

15. The financial outlook is uncertain with potential funding reductions on the horizon. The Council therefore needs to be cautious and prudent in its financial planning by acting to strengthen its financial resilience so that it can overcome future funding risks, particular in the 2025/26 cliff edge year.

Strategic Vision - Borough Plan

16. The 2022/23 financial year was the final year of the 2019-23 Borough Plan. A new Borough Plan was agreed during this period.

17. The Borough Plan 2023-27 sets out the Council's vision for the next four years and its primary aim is 'Moving Forward Together'. There is an emphasis how the Council will work with others to support people through the cost-of-living crisis, realise climate

change ambitions and harness the diverse range of communities. Central to these ambitions is making Brent the best it can be for everyone who lives and works in the borough.

18. In his introduction to the new 2023-27 Borough Plan, Cllr Muhammed Butt, Leader of Brent Council, set out his vision for the borough:

> "We will look to continue our record as the Council of the Year, the award we received back in 2020 – recognising that despite the challenges, Brent Council will always take tough decisions in seeking to ensure that no one is left behind. We will continue to prioritise the most vulnerable in our community and make sure that essential services like waste collection, libraries, education, public health and care are protected.
>
> "In Brent, like every London borough – we face a constant balancing act between the many challenges that await us. We face unprecedented demand in housing services; many more residents requiring round the clock care in later life; an increase in interventions by children's social services; and the ever present need to keep our borough safe, secure and clean."

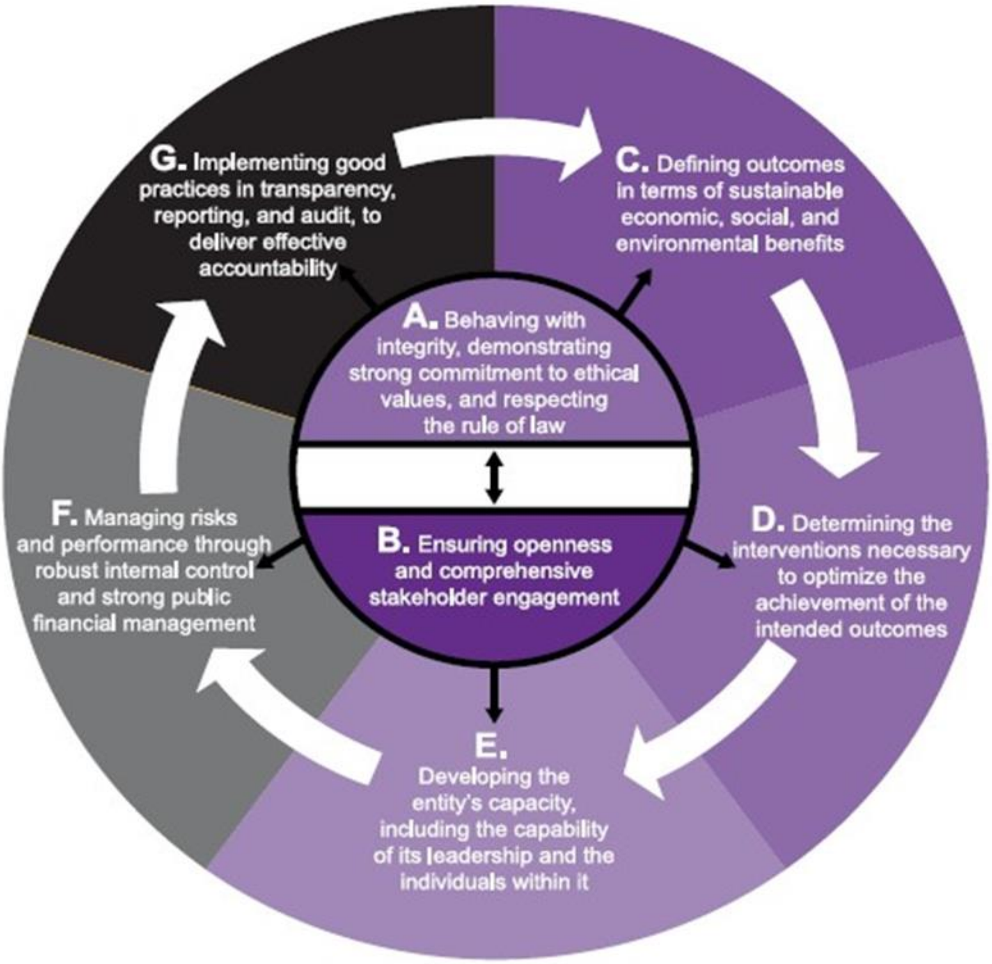
2022-23 Strategic themes

19. The Borough Plan is reviewed regularly to ensure it is still relevant, reflects the national policy landscape, local priorities and context. The council monitors progress against the outcomes set out in the Plan based on a suite of performance measures. These are reported to Cabinet twice a year.

Governance

20. The Council has a well-established and robust corporate governance framework. This includes the statutory elements such as the posts of Head of Paid Service, the Monitoring Officer and the Section 151 Officer in addition to the current political arrangements. An overview of this governance framework is provided within the Annual Governance Statement for 2022/23. This includes a detailed review of the effectiveness of the Council's governance arrangements.

21. The principles that underpin the governance framework are shown in this graphic:



22. The Finance Department undertakes periodic reviews of the financial governance arrangements to ensure decisions to commit resources are at all times robust. The Council has also tested the resilience of the finance functions and business continuity plans to make sure that the most important elements (running payroll, paying suppliers, core reporting) can continue even with significant risks such as staff absences.

Political Structure

23. In 2022/23 Brent was divided into 21 electoral wards and three parliamentary constituencies: Brent North, Brent Central, and Hampstead and Kilburn, which includes part of the London Borough of Camden.

Chief Officer Structure

24. During 2022/23 the Council restructured its departments and appointed a new Chief Executive. This chart shows the revised senior management arrangements:

Review of Financial Year

25. The 2022/23 financial year proved challenging for the Council. The impact of the COVID-19 pandemic has yet to work its way out of the system, with the Council continuing to experience reduced income from fees and charges and lower than normal collection rates for both Council Tax and Business Rates. Meanwhile, inflation remains high, with energy costs particularly at above normal levels. This is exacerbated by the on-going war in Ukraine. Interest rates continue to rise, which undermines the affordability of a number of capital projects, particularly those related to building new housing. Nationally, economic growth remains sluggish and in Brent this leads to unemployment rates above the national and London averages. The cost-of-living crisis continues to affect Brent residents requiring the Council to provide support to alleviate the worst of its impacts.

26. The local government financial settlement for 2022/23 was no worse than expected and the settlement announced in 2022 provided details of funding allocations to the end of this Parliament – a welcome change after a period of one-year funding announcements. The government has however pushed a number of significant funding decisions to the other side of the general election, meaning that the 2025/26 financial year could see substantial reductions in government support for local authorities. At present this is considered a significant risk that needs to be factored into the Council's financial plans.

27. Demographic changes, compounded by the adverse economic environment, have increased service demand for social care across both the Children and Young People's and Care, Health and Wellbeing departments. Providers are also increasing their prices, resulting in significant inflationary pressures. Homelessness continues to be a significant pressure. The upwards trend is compounded by the negative economic environment and increased evictions following end of the COVID-19 freeze and in advance of the government's proposed ban on no-fault section 21 evictions. Reshaping local services, through the reletting of major contracts in Residents Services, will add further uncertainty to an already challenging position.

Summary of Financial Performance

28. The Council's General Fund position is breakeven as a transfer from corporate contingency covered overspends in the Children and Young People (CYP) service of £3.7m and Care, Health and Wellbeing of £0.9m, while other General Fund services out turned with modest variations. Both the Dedicated Schools Grant (DSG) shows a breakeven position with an in-year under spend of £1.3m transferred to reserves while the Housing Revenue Account (HRA) out turned at breakeven. This is detailed in table 1.

Revenue Expenditure

Table 1

– Outturn Position 2022/23

Area	Revised Budget £m	Actual Transactions £m	Over/(Under) Spend £m
Care, Health and Wellbeing	128.6	129.4	0.8
Children and Young People	65.2	68.8	3.6
Communities and Regeneration	10.1	10.1	0.0
Finance and Resources	14.9	14.6	(0.3)
Governance	14.8	14.5	(0.3)
Resident Services	78.3	78.6	0.3
Service Expenditure	311.9	316.0	4.1
Central Items and Budgeted Contingency	(311.9)	(318.7)	(6.8)
General Fund (GF) Budgets / Outturn	**0.0**	**(2.7)**	**(2.7)**
DSG Funded Activity	0.0	0.0	0.0
Housing Revenue Account (HRA)	0.0	(0.0)	(0.0)
Total (GF, HRA, DSG)	**0.0**	**(2.7)**	**(2.7)**

The detailed breakdown of these figures is in Note 14.

Service Revenue Expenditure

Care, Health and Wellbeing (CHW)

29. The CHW department changed its name from Adult Social Care and Health in 2023. The department has overspent by £0.8m.

30. Whilst Public Health reports a break-even position, a £2.5m underspend on the main Public Health grant has been transferred to earmarked reserves.

31. The overspend therefore comes from the Adult Social Care department. This largely results from growth in client numbers; in particular, Elderly Nursing Care clients which grew by 18% between April 22 and March 2023. There was also growth in the number of ‘transition’ clients moving from the CYP service to ASC. These clients tend to transition initially at a higher package cost, increasing costs in-year for the Learning Disability service.

32. Conversely client numbers in Day Care showed a slight 2% decline, as packages continue to remain below pre-pandemic levels.

33. Brent received an additional £2.4m funding from the government in 2022/23 (£1.1m funding directly to the local authority and £1.3m via the Integrated Care Board – these amounts are to be pooled together) to support with the pressures continuing to be faced by local authorities with delays to discharging people from hospital. The additional funding was utilised to provide additional staffing, funding for home care and reablement.

Children and Young People (CYP)

34. The Children and Young People department's General Fund budget overspent by £3.6 million. This pressure has mainly arisen because of two cost drivers:

- the demand for placements for looked after children.
- the use of agency staff to fill vacant social worker roles because of the challenge of recruiting and retaining social workers.

35. Pressures against the placement budgets are a combination of the impact of inflation and increased costs arising because Brent's looked after children often enter care late, with complex needs that require higher levels of support.

36. The department continues to face pressures due to the national challenge of recruitment and retention of social workers leading to a reliance on agency staff. A shortage of social workers and other case holding staff is also an acknowledged regional issue, which requires a coordinated regional approach over the medium term. CYP management continue to take steps to improve recruitment and retention of social workers.

Resident Services

37. The Resident Services department is reporting a net overspend of £0.3m for 2022/23.

38. Within Customer Services there is an overspend of £0.1m, which is primarily due to overspends on staffing related costs being partially offset by higher than budgeted income within the Registration and Nationality service, largely from bookings related to marriage ceremonies. Customer Services also continued to support residents though the cost-of-living crisis. The Council allocated £6m from reserves to the Resident Support Fund to support residents experiencing financial difficulty, and this was spent in full. The Government continued to fund the Household Support Fund and the Council has been granted £2.8m which was used in full to fund vouchers for school holidays for children in receipt of benefits or free school meals.

39. Environment and Leisure are reporting a net underspend of £0.2m. This position is predominately a result of under recovery of parking income and additional costs associated with data cleansing and settling historic water bills which are more than offset by underspends on staffing costs due to vacancies, as well as general efficiencies across the service and early achievement of savings.

40. Housing report an overspend of £0.3m, which is largely due to increasing demand in this area. The cost-of-living crisis, and the contraction of the affordable Private Rented Sector (PRS) has resulted in a rise of homelessness applications. Housing have also had an additional £1.1m top-up of the Homelessness Prevention grant. This was spent on a combination of working with PRS tenants and their landlords to clear rent arrears to prevent homelessness, making incentive payments to PRS landlords to secure

accommodation to prevent and relieve homelessness, as well as making payments to temporary accommodation providers to meet statutory homelessness duties.

41. The Redefining Local Services (RLS) programme was initiated in May 2019 to develop and implement a commissioning strategy for the outsourced environmental services. The final delivery model was approved to operate as a "specialist contracts delivery model with low to moderate levels of insourcing" and the procurement is largely complete for these specialist contracts which will start in 2023/24. The cost of relet contracts has been taken into account for budgeting purposes for future years; however, these contracts will face their first indexation next year and given the uncertainties over future inflation rates, and the size of these contracts, this is a significant financial risk for future years.

Communities and Regeneration

42. Communities and Regeneration has spent to their budget as forecast.

Finance & Resources

43. The Finance & Resources department underspent by £0.4m. Audit, Finance & Digital Services reported a break-even position; with the department underspend coming from Property & Assets.

44. Within the Property service around £0.2m of the underspend came from the early delivery of their 2024/25 savings. The remainder came from one-off contractual savings within Facilities Management.

Governance

45. The Governance department had a net underspend of £0.1m that is predominately attributable to underspends within the Human Resources service.

Schools and Dedicated Schools Grant (DSG)

46. The ring-fenced DSG funds local authority schools' budgets, and this is the main source of income for schools. In 2022/23, maintained school balances have decreased by £2m from £17m to £15m. This reduction in school balances is mainly attributable to inflationary pressures. Of the 56 maintained schools, 19 increased their balances and 37 decreased their balances. Also included in this total are 7 schools in deficit. The challenge remains that school budgets are under considerable pressure due to rising costs. In some cases, reduced funding levels have resulted from a reduction in the number of pupils on the school roll.

47. At the end of 2022/23, the overall DSG deficit which began in 2019/20 has reduced from the brought forward balance of £15.1m to £13.8m following an in-year surplus of £1.3m. The in-year surplus is mainly driven by a £1m underspend against the Early Years block due to the DfE's in-year adjustment based on the result of the January 2022 census. The High Needs Block (HNB) also ended the year with an in-year surplus of £0.3m. However, the cumulative HNB deficit remains high. The increasing number of children with Education, Health, and Care Plans (EHCPs) continues to impact on the HNB. In 2022/23 there was an 11% increase in the number of EHCPs; however, the increased funding allocation in 2022/23 of 13% and work undertaken as part of the HNB Deficit Recovery Management Plan, has resulted in the positive in-year position.

48. The £1.3m in-year surplus will be disclosed as an earmarked usable reserve to support the DSG in future years.

49. The deficit will be disclosed as an earmarked unusable reserve in line with DfE regulations (the School and Early Years Finance (England) Regulations 2022). The regulations make clear the requirement for any DSG deficit balance to be held within the local authority's overall DSG and carried forward to be funded from future year's funding and/or recovery plans agreed with the DfE. This also means that authorities cannot fund a deficit from the General Fund without the secretary of state's approval. The initial arrangement was in place until the end of the financial year 2022/23; however, the government has extended the arrangement for the next three financial years (2023/24 to 2025/26).

50. The cumulative deficit of £13.8m will be carried forward to 2023/24. A HNB Deficit Recovery Management Plan is in place with longer-term actions to recover the deficit and a task group has been set up by the council to coordinate and monitor these actions. Some of these actions to reduce costs include developing Alternative Provision education in the borough, increasing the amount of special provision within the borough, particularly for secondary phase pupils and 16–25-year-old SEND (Special Educational Needs) students.

51. As a result of the deficit, in 2022/23 Brent participated in the DfE programme called Delivering Better Value (DBV) in SEND to provide dedicated support and funding to help local authorities reform their high needs systems. The first phase of the programme included a comprehensive diagnostic to identify root cause cost drivers and mitigating solutions or reforms and support in developing a quality assured Management Plan and the opportunity to bid for a £1m grant to deliver the actions in the Management Plan. Brent was successful and will receive the £1m funding over two financial years i.e., 2023/24 and 2024/25. The DBV programme will not address the historic deficit, but the current Management Plan and efficiencies identified from the programme may allow funds to be released to address historic deficits. A combination of these longer-term recovery actions and anticipated funding increases will reduce the deficit.

Housing Revenue Account (HRA)

52. The Housing Revenue Account is a ring-fenced account, which manages income and expenditure in relation to 8,221 units of Council owned housing stock. When compared to the previous year, stock levels have a net increase of 83 units, which is a result of Granville stock transfer from First Wave Housing and ongoing investment in the affordable housing programme; additions are offset by stock reductions from Right to Buy sales. The Council has a target to develop 1,000 new council homes by 2024 and a further 700 homes by 2028. Against these targets, the Council has developed and let 684 new Council homes to Brent households and there are a further 639 homes being built on site.

53. The HRA reported a break-even position for 2022/23. Budgetary pressures associated with repairs on void properties and disrepair compensation payments were offset through underspends in staffing costs due to vacancies and additional income from properties added to stock. The HRA operating reserve balance stands at £0.4m, unchanged from the previous year. The reserve was reduced in 2021/22 to partially

fund a provision for capital works to the Granville New Homes blocks that were transferred to the HRA from First Wave Housing on 1st April 2022. This was an accounting adjustment where the HRA reserves were used to cover the timing difference and the provision will be released once the works commence returning the HRA reserves to their previous value.

54. During the year, tenants facing financial hardship continue to be supported through Brent's Resident Support Fund, which has helped to soften the impact of increasing rent arrears.

55. Looking ahead, high levels of uncertainty around the inflation and rising interest rates pose a financial risk to the HRA. This has an impact on the cost of materials and repairs, as well as the cost of new build contracts.

56. For 2023/24, the government has introduced a rent rise limitation. The average rent currently sits at £133.42 per week, an increase of 7% when compared to the previous year as opposed to an 11.1% increase if the CPI (Consumer Price Index)plus 1% continued. This represented a £2m reduction in investment into the HRA. The HRA has had to modify service delivery and achieve considerable savings in order to close the gap between the rental income raised and the increased cost of delivering the service as a result of inflation. A cap on rent rises does not only affect one financial year, but also has an impact on future rent levels. There is no provision in the current rent regulations to allow anything more than the maximum (CPI plus 1%) increases in future years and therefore no scope to catch up the income lost through the rent freeze. This will be continuously monitored with an updated position reported in the Medium-Term Financial Strategy (MTFS).

Capital Expenditure

57. Capital expenditure is money spent on creating or improving assets where the benefits last for more than 12 months. This consists of spending on buying, constructing or improving buildings, land, vehicles or equipment which can be used over a long period of time. It also includes grants and advances that authorities make to other organisations that are for capital purposes.

58. The Council's corporate strategy drives an ambitious five-year capital investment programme totalling £827m which is financed from a combination of capital receipts, grants, contributions, reserves and external borrowing.

59. For 2022/23 the Council spent £191.5m which equates to 82% of the approved capital programme budget and was under spent compared to budget by £41.2m as shown in Table 2 below. Because of the project-based nature of capital expenditure, there can be relatively larger variance in expenditure as compared with revenue expenditure.

Table 2 – Capital Expenditure

Programme	Revised Budget (£m)	Outturn (£m)	Over / (Under) spend (£m)
Corporate Landlord	17.9	13.4	(4.5)
Regeneration	9.4	2.5	(6.9)
St. Raphael's Estate Regeneration	1.9	0.8	(1.1)
Housing Care and Investment	158.2	144.6	(13.6)
Schools	12.5	5.5	(7.0)
South Kilburn	11.5	11.2	(0.3)
Public Realm	21.3	13.5	(7.8)
Grand Total	**232.7**	**191.5**	**(41.2)**

60. The economic outlook throughout the year has been driven by high inflation which has posed significant challenges to viability for capital proposals not yet subject to contract. The schemes at Windmill Court, Kilburn Square, Lidding Road and Seymour Court delivering 212 affordable homes have been paused due to viability challenges. The Council is exploring alternative delivery options for these schemes to support viability; however, this is likely to become more prevalent in our housing delivery plans with inflation remaining high. These variances are further explained below:

Corporate Landlord

61. Corporate Landlord had an overall budget variance of £4.5m. ICT Investment Fund, Digital Strategy and Oracle Cloud account for a budget variance of £3.2m, driven by slippage of £1.2m for Digital Strategy and £1.4m for ICT Investment Fund as well as slippage of £0.6m on Oracle Cloud. Services such as Libraries, Family Well Being Centres and Property Management account for £0.7m of slippage, whilst the Civic Centre overspent by £0.4m. Energy is reporting slippage of £0.8m and Equipment for Flexible Working is reporting slippage of £0.2m.

Regeneration

62. Regeneration has experienced slippage of £6.9m across their programmes. The Morland Garden mixed development project experienced delays in the appointment of a design and build contractor for the development and delays in the delivery whilst the outstanding objections to the stopping up order are being considered. This led to slippage of £4.8m from 2022/23. The Picture Palace and Designworks schemes have also experienced slippage of £1.6m. The Wembley Housing Zones project, which will provide new homes, leisure, retail and workspace in Wembley town centre, experienced slippage of £0.5m.

St Raphael's

63. The St Raphael's budget of £1.9m relates to Phase 1 of the infill scheme. There have been viability challenges for the development causing slippage of £1.1m.

Housing, Care and Investment

64. Housing Care and Investment saw an outturn in expenditure totalling £13.6m below budget. Schemes onsite have seen delay due to material and labour shortages and some isolated planning issues; these issues have led to schemes onsite slipping by

£1.8m. Unused scheme contingency resulted in slippage of £21.5m variance. A loan drawdown by i4B Holdings Ltd saw £20.0m spend brought forward. A number of schemes at the pre contract stage had to be paused on the grounds they were no longer viable due to rising build costs. The schemes paused in the year were Kilburn Square, Windmill Court, Lidding Road and Seymour Court: the impact of the decision to pause resulted in slippage totalling £7.0m. Claire Court/Watling Gardens, a significant scheme at the pre contract award stage, saw delay due to the agreement of contractual terms and conditions resulting in slippage of £3.3m.

Schools

65. The schools' programme has experienced slippage of £7m. The Special Educational Needs (SEND) Expansion programme has experienced slippage of £5.1m. Following the completion of the Uxendon Manor School expansion project, a £0.2m underspend has been realised. The schools' asset management programme has slippage of £0.8m. The Devolved Formula Capital has a £0.4m variance to budget and the relocation of Islamia Primary School a £0.2m of the variance, with the remaining £0.3m spread across other school projects.

South Kilburn

66. The South Kilburn programme is a 15-year programme that aims to transform the South Kilburn area into a sustainable and vibrant neighbourhood. The Decentralised Energy Network has experienced slippage of £1.3m as the concept designs had to be updated to meet the revised London Plan low carbon district heat network requirements. The regeneration scheme has seen higher than anticipated leaseholder acquisitions of £1m at several sites within the remaining programme of which budgets can be brought forward from future years to cover the spend.

Public Realm

67. The highways programme has experienced slippage of £4.6m owing to delays in the planned programme. The Wembley High Street project has experienced delays whilst a detailed investigation to identify the underlying structural issues is conducted. Other projects including the footways, carriageways, injection patching had their scheme of works run into 2023/24 which has resulted in slippage. There has been a delay to the Kilburn High Street project as the Council has been unsuccessful in bidding for funding for the project. The parks, landscaping, healthy streets and parking programmes have experienced delays in delivery which has led to slippage of £3.2m.

Pension fund

68. The Pension Fund is a contributory defined benefit pension scheme administered by Brent Council to provide pensions and other benefits for pensionable employees of Brent Council and a range of other scheduled and admitted bodies.

69. Brent Council had a net pension liability of £262m at 31 March 2023 which is a net reduction of £460m on an IAS 19 basis. This represents the difference between the estimated cost of pensions payable in the future (£1,243m), and the value of assets in the pension fund (£981m).

70. The net pension liability presented in this set of accounts is calculated on an accounting basis and is significantly higher compared to the basis used in the funding valuation. The method a\fnd assumptions used in the accounting valuation are different and most of the assumptions are prescribed by the relevant accounting standard.

71. The main reason for the decreased net liability on the IAS 19 basis is due to changes in financial assumptions, in particular the discount rate assumption, which is influenced by inflation and interest rates - this has increased since 2021/22. A higher discount rate results in a lower value being placed on the defined benefit obligation and an improvement in the overall position.

72. During 2022/23, the value of the Pension Fund's investments decreased to £1,120m (2021/22 £1,133m). This is due to a challenging economic environment with persistent high inflation and rising interest rates in which most asset classes have struggled.

73. Total contributions received from employers and employees was £68m for the year, an increase from the previous year. Total benefits paid to scheme beneficiaries, in the form of pensions or other benefits, was £48m, an increase on the previous year's £47m. As in 2021/22, the Pension Fund is in a positive cash-flow position because its contributions exceed its outgoings to members. This means that the Pension Fund is able to invest some of the contributions from members in order to further increase the assets available to pay future benefits. This is in contrast to some Local Government Pension Scheme funds, who have to use some of their investments each year, reducing the assets on which they can make returns.

74. The Brent Pension Fund is revalued every three years by an independent actuary. This is a detailed appraisal that uses economic and demographic assumptions in order to estimate future liabilities and set employer contribution rates. It was agreed in the 2022 valuation that Council contributions can be reduced by 1.5% of pay per year for the next 3 years. This is consistent with the Fund's deficit recovery plan to clear its deficit within 20 years of the balance sheet date.

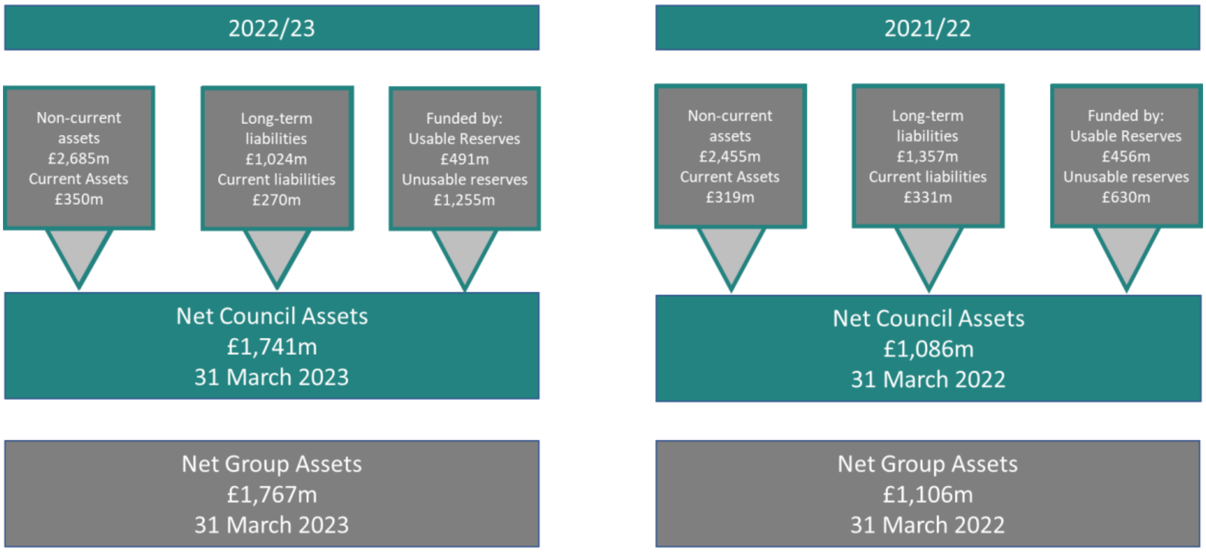
75. The 2022 Triennial Valuation was completed during the year and revealed that the Fund's assets, as at 31 March 2022, were sufficient to meet 87% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. This was a significant increase on the 78% funding level as at the March 2019 valuation. Since March 2019, the investments of the pension fund have generated a return higher than the returns assumed by the fund actuary as part of the valuation.

Group Financial Performance

76. The group accounts combine the Council's main accounts with its interests in subsidiaries, associates and joint ventures. The council has maintained a strong balance sheet with sufficient funding to repay both long and short-term liabilities as these fall due. The group accounts consolidate the accounts of:

- First Wave Housing - provide housing in Brent and is wholly owned by Brent Council.
- Barham Park Trust - a charity that is controlled by the Council as the Council appoints all the trustees and is included in Brent's Group accounts as a subsidiary.

- I4B Holdings Limited - a company wholly owned by Brent Council to deliver the housing options defined in the Temporary Accommodation reform plan.
- LGA Digital Services - a company that is 50% owned by the Council and 50% owned by the Local Government Association.



Other significant financial results

Borrowing

77. The Council's external borrowing increased by £92.5m to £781.0m (2021/22: £690.6m), to fund the Council's growing Capital Programme. The breakdown of the Council's borrowing is detailed below and includes borrowing from the PWLB (Public Works Loan Board), LOBO and Fixed Rate loans, and short-term loans with other councils.

Table 3 – Borrowing

Short/Long Term	Loan type	2022/23 (£m)	2021/22 (£m)
Long-term	PWLB	529.8	399.7
Long-term	LOBO	70.5	70.5
Long-term	Other Fixed Rate	95.0	95.0
Long-term	Other Loans	-	1.2
Short-term	PWLB	13.2	10.5
Short-term	Local Authority	70.0	112.8
Short-term	Other Fixed Rate	2.5	0.9
Short and Long-term	**Grand Total**	**781.0**	**690.6**

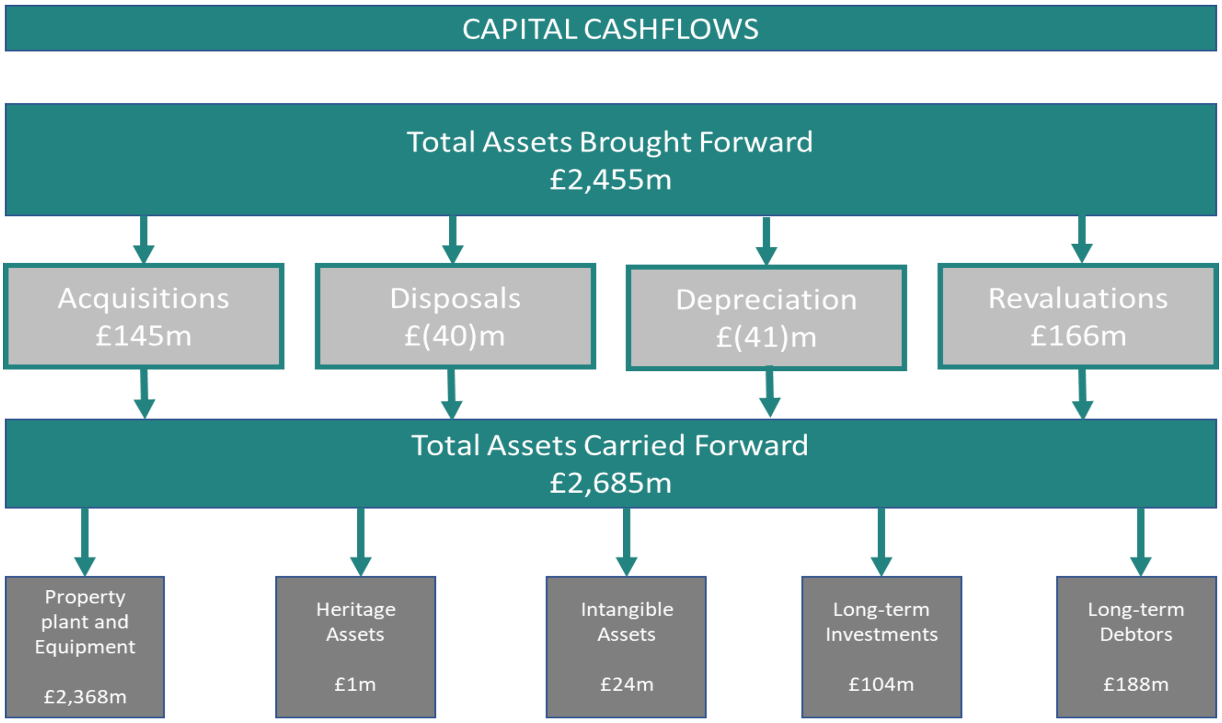
78. The Council found best value in borrowing from the PWLB during the year with £140m secured. This borrowing requirement was driven by the growing capital programme not already funded through grants, contributions, receipts or reserves. The Council has an overall under borrowed position with the Council's Capital Financing Requirement (or need to borrow) in excess of current borrowing levels however this had to be externalised once all internal resources were utilised.

79. The base rate rises seen throughout the year to curb inflation have resulted in a rise in new long-term and short-term borrowing costs partially offset with an increase in short term investment income. The base rate peak during the year was higher than anticipated at budget setting. A review of the Council's minimum revenue provision (the revenue charge to cover the repayment of borrowing) led to an additional charge in year for the Council's supported borrowing portfolio and a resulting drawdown from the capital financing reserve.

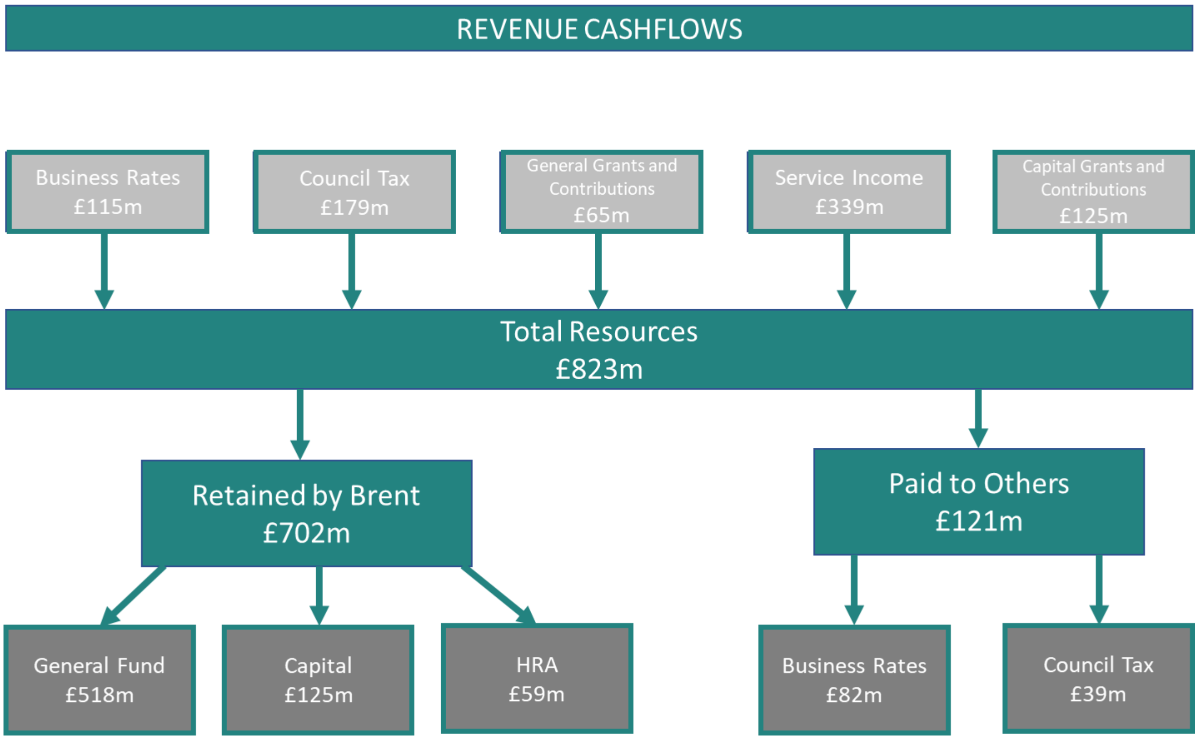
Cashflow and Assets

80. Brent manages cashflows and assets over £3 billion including:

- A portfolio of property, plant and equipment and Investment property valued at £2,368m on 31 March 2023.



- Collection of £115m of Business Rates.
- Collection of £179m of Council Tax.
- Receipt of £339m of fees, charges, rents, specific grants, and client contributions.
- Receipt of £190m of general and capital grant funding.



Staffing

81. During the year the number of school staff and Council officers paid over £50,000 in 2022/23 has decreased by 12 compared to 2021/22. The number of schools staff has increased by 36 whereas the number of council officers has decreased by 48 compared to 2021/22.

Key Risks

COVID-19 and the Cost-of-Living Crisis

82. Local government has faced an extremely challenging financial outlook following a prolonged period of austerity, disproportionate growth in demand for services as well as the COVID-19 pandemic. Since 2010 the Council has delivered savings of £196m including £2.7m agreed as part of the 2022/23 budget. This has been delivered through a combination of effective financial management, cost control and more innovative approaches to investment and demand management. As government funding has been cut, the population has grown. This population growth has been particularly pronounced in the very oldest and very youngest age groups, which are statistically most likely to require services from the Council, thus adding to the cost pressures. Coupled with the impact of legislative change and uncertainty on the outcome of proposed reforms to local government funding, this has created substantial financial pressures. The pandemic has also continued to have ongoing impact on the Council's finances throughout 2022/23.

83. The cost-of-living crisis has continued to hit Brent residents who face high levels of unemployment, rising interest rates, sluggish economic growth and high rates of inflation. To provide assistance to the most vulnerable and needy, the Council has created a Resident Support Fund. This has dispersed £3m in 2020/21 and 2021/22 and £6m in 2022/23. This is funded from reserves. There is currently no reoccurring funding identified for this.

84. The 2022/23 budget includes ongoing funding to tackle the effects of COVID-19 on the Council. No additional funding is built into the MTFS for future years. The level of COVID scarring will need to be kept under review and is hard to assess. This is likely to lead to a permanent increase in the cost of the local Council Tax Support scheme, lower income levels from sales, fees and charges and a higher cost for social care placements.

Financial Outlook

Current reserves position

85. The financial outturn position 2022/23 shows a balanced position on the General Fund. At 31 March 2023 the Council held total usable reserves of £491.2m made up of the general fund balance of £17.9m and reserves set aside for a specific purpose of £473.3m.

86. The Council has a Reserves Strategy which defines the operational framework for the type of reserve that the Council holds.

Table 4 – Usable Reserves

Reserves Summary	£m
Working Balances	33.3
Contingency Reserves	11.0
Capital Reserves	311.6
Statutory and Ring-fenced	83.5
Uncertainty and Smoothing	18.6
Service Reserves	33.1
	491.2

87. ***Working Balances*** (£33.3m) – These include the General Fund balance (£17.9m) – this has been increased from £15.1m in 2021/22 to ensure that the Council continues to meet its requirement for a minimum level of balance that is at least 5% of net revenue expenditure. Schools' balances are £15.0m and the HRA Balance is £0.4m. The last two items can only be used to support schools and the HRA respectively. The working balances are used to cushion the impact of uneven cash flows.

88. ***Contingency Reserves*** (£11.0m) – these reserves exist both to cover unexpected events and forecast future expenditure requirements where the level of the expenditure is unknown. At present the Council maintains a Future Funding Risks reserve, which is earmarked to manage any unexpected disruptions to funding and service pressures as a result of changes to the local government finance system, such as the Fair Funding Review and reforms to business rates, and inflationary pressures expected to continue after 2022/23.

89. ***Capital Reserves*** (£311.6m) - These include the Capital Receipts Reserve, the Major Repairs Reserve and the Capital Grants Unapplied reserve. The reserves relating to the Community Infrastructure Levy (CIL) and s106 are held as part of the Capital Grants Unapplied reserve. The total value of CIL and s106 is £181.8m. These reserves can only be used to support capital expenditure.

90. ***Statutory and Ring-fenced Reserves*** (£83.5m) - These reserves can only be used for a specific purpose. They can be capital or revenue. This category includes reserves legally ring fenced for bodies such as the maintained schools, the Housing Revenue Account and Public Health.

91. ***Uncertainty and Smoothing Reserves*** (£18.6m) – these reserves are used to smooth out expenditure that by its nature will vary considerably from year to year and to avoid uncontrollable under- and over-spends, for example insurance claims, PFI contracts, redundancy and pension costs.

92. ***Service Reserves*** (£33.1m) – These are set aside by departments to cover specific initiatives.

Summary of reserves position

93. The overall level of reserves may appear high, but an analysis of the reserves shows that £473.3m (96%) can only be used for a specific purpose, leaving only £17.9m (4%) which is generally usable for any purpose.

94. Generally usable reserves are necessary for the Council to deal with unforeseen events and unexpected financial pressures in any particular year and are a key indicator of financial resilience. As part of the Reserves Strategy, the Corporate Director of Finance and Resources has assessed that the optimum level of general reserves to be held by the Council is 5% of net expenditure. As at 31 March 2023 general reserves at the increased value of £17.9m were at 5.54% of the budgeted net revenue expenditure for 2022/23 of £323.1m. Overall, the Council recognises the importance of holding adequate reserves to meet the net financial impact of risks facing the Council to ensure it continues to operate in a financially resilient and sustainable manner.

Projected financial position

95. Despite the unprecedented financial situation, the Council has set a balanced budget for 2023/24. The budget includes £48.95m of growth and £13.5m of efficiency savings, all of which have been identified and are subject to an extensive process of consultation, scrutiny and equality analyses. The local government sector has faced significant reductions in central government grant funding and the Council has successfully achieved budget savings of £196m since 2010, demonstrating a good track record of strong financial management.

96. The Council has a well-established process for the development of its Capital Strategy. As with the revenue budget, it is reported to Cabinet each year along with the Treasury and Investment Strategy which ensures that the Council maintains a capital programme which is prudent, sustainable and affordable. The Council has an ambitious capital programme for 2023/24 to 2026/27 totalling £827m.

The Council’s balance sheet

97. The balance sheet shows net non-current assets of £2,685m at 31 March 2023 (£2,455m at 31 March 2022) This excludes the pension liability of £262.1m at 31 March 2023 (£722.0m at 31 March 2022). Accounting standards require the pension liability to be calculated using actuarial assumptions which will vary from year to year in line with market conditions. The actuary estimates the discounted value of benefits by making various assumptions about the future regarding investment returns, pay

growth, pension increases, life expectancy and so on, based on market conditions at the accounting date. It is therefore treated as a provision in the financial statements, although this does not need to be paid immediately, nor does it affect the cash contributions paid by the Council. Therefore, excluding the pensions liability, the Council's balance sheet position remains healthy.

Basis of Preparation

Going Concern

98. As with all local authorities, the Council is required to compile its Statement of Accounts in accordance with the Code of Practice on Local Authority Accounting for 2022-23. In accordance with the Code the Council's Statement of Accounts is prepared on the basis that the Council will continue to operate in the foreseeable future and that it is able to do so within the current and anticipated resources available. It therefore naturally follows that the Council expects to realise its assets and settle its obligations in the normal course of business.

Statute and regulations

99. The Council cannot be created or dissolved without statutory prescription; it would not therefore be appropriate for local authority financial statements to be prepared on anything other than a going concern basis. It is also extremely likely that, as in the case of other councils, Central Government would step in to provide support and assistance if any council ran into financial difficulties.

Explanation of Accounting Statements

100. The Statement of Accounts sets out the Council's income and expenditure for the year, and its financial position at 31 March 2023. It comprises core and supplementary statements, together with disclosure notes. The format and content of the financial statements are prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, which in turn is underpinned by International Financial Reporting Standards.

101. The Core Statements are:

102. The **Comprehensive Income and Expenditure Statement** (CIES) – records the Council's income and expenditure for the year. The top half of the statement provides an analysis by service area; the bottom half deals with corporate transactions and funding.

103. The **Movement in Reserves Statement** (MiRs) - summary of the changes to the Council's reserves over the course of the year. Reserves are divided into "usable", which can be invested in capital projects, smoothing change over time or service improvements, and "unusable" which must be set aside for specific legal or accounting purposes.

104. The **Balance Sheet** - "snapshot" of the Council's assets, long- and short- term liabilities, cash balances and reserves at the year-end date.

105. The **Cash Flow Statement** – explanation of the reason for changes in the Council's cash balances during the year, and whether that change is due to operating activities,

new investment, or financing activities (such as repayment of borrowing and other long-term liabilities).

106. The **Annual Governance Statement -** the statement that sets out the governance structures of the Council and its key internal controls.

107. The **Group Accounts**

108. The statements of the single entity accounts combined with the assets and liabilities of companies and similar entities, which the Council either controls or significantly influences.

109. The **Supplementary Financial Statements** are:

110. The **Housing Revenue Account** – this separately identifies the Council's statutory landlord function as a provider of social housing under the Local Government and Housing Act 1989.

111. The **Collection Fund**, which summarises the collection and redistribution of council tax and business rates income

112. The **Pension Fund Account**, which reports the contributions received, payments to pensioners and the value of net assets invested in the Local Government Pension Scheme.

113. The Notes to these financial statements provide further detail about the Council's accounting policies and individual transactions.

114. A **Glossary** of key terms can be found at the end of this publication.

FINANCIAL STATEMENTS

Core Statements

The Council's accounts are presented in 4 main statements in line with statutory requirements and supported by additional notes.

Balance Sheet

Balance Sheet Detail	31-Mar 2023 £m	31-Mar 2022 £m	Notes
Property, Plant & Equipment	2,368.2	2,186.9	1
Heritage Assets	0.5	0.5	-
Intangible Assets	23.9	19.3	1
Long Term Investments	103.8	91.8	24
Long Term Debtors	172.6	156.2	24
Long Term Assets	**2,669.0**	**2,454.7**	**-**
Short Term Investments	0.2	0.3	24
Short Term Debtors	221.6	182.7	2
Assets Held for Sale	2.8	0.0	-
Cash and Cash Equivalents	134.5	136.4	3
Current Assets	**359.1**	**319.4**	**-**
Short Term Borrowing	(85.7)	(123.3)	24
Short Term Creditors	(177.7)	(195.5)	7
Grant Receipts in Advance- Revenue	(1.4)	(9.6)	19
Provisions	(2.2)	(2.2)	9
Current Liabilities	**(267.0)**	**(330.6)**	**-**
Long Term Creditors	0.0	0.0	24
Provisions	(27.6)	(29.7)	9
Long Term Borrowing	(695.3)	(565.2)	24
Other Long Term Liabilities	(297.1)	(762.4)	8
Long Term Liabilities	**(1,020.0)**	**(1,357.3)**	**-**
Net Assets	**1,741.1**	**1,086.2**	-
Usable Reserves	(491.1)	(455.9)	-
Unusable Reserves	(1,250.0)	(630.3)	-
Total Reserves	**(1,741.1)**	**(1086.2)**	**-**

The Movement in Reserves Statement

Movement in reserves 2022/23	**General Fund Balance (£m)**	**School Balances (£m)**	**Earmarked General Fund Reserves (£m)**	**HRA (£m)**	**Earmarked HRA Reserves (£m)**	**Capital Receipts Reserve (£m)**	**Major Repairs Reserve (£m)**	**Capital Grants Unapplied (£m)**	**Total Usable Reserves (£m)**	**Unusable Reserves (£m)**	**Total Reserves (£m)**
Balance as at 31 March 2022	**(15.1)**	**(17.0)**	**(193.7)**	**(0.4)**	**(1.7)**	**(7.0)**	**(0.9)**	**(220.1)**	**(455.9)**	**(630.3)**	**(1,086.2)**
Movement in reserves during 2022/23: (Surplus) or deficit on the provision of services	(44.2)	0.0	0.0	8.5	0.0	0.0	0.0	0.0	(35.7)	0.0	**(35.7)**
Other comprehensive income & expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(619.2)	**(619.2)**
Total comprehensive income & expenditure	**(44.2)**	**0.0**	**0.0**	**8.5**	**0.0**	**0.0**	**0.0**	**0.0**	**(35.7)**	**(619.2)**	**(654.9)**
Adjustments between accounting basis & funding basis under regulations	92.0	0.0	0.0	(7.9)	0.0	(8.4)	(2.0)	(73.2)	0.5	(0.5)	**0.0**
Net (increase)/decrease before transfers to earmarked reserves	**47.8**	**0.0**	**0.0**	**0.6**	**0.0**	**(8.4)**	**(2.0)**	**(73.2)**	**(35.2)**	**(619.7)**	**(654.9)**
Transfers (to)/from earmarked reserves	(50.5)	1.9	49.2	(0.6)	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
(Increase)/decrease in 2022/23	**(2.7)**	**1.9**	**49.2**	**0.0**	**0.0**	**(8.4)**	**(2.0)**	**(73.2)**	**(35.2)**	**(619.7)**	**(654.9)**
Balance as at 31 March 2023	**(17.8)**	**(15.1)**	**(144.5)**	**(0.4)**	**(1.7)**	**(15.4)**	**(2.9)**	**(293.3)**	**(491.1)**	**(1,250.0)**	**(1,741.1)**

Further detail is included in Note 10 – Transfers to/from Earmarked Reserves, in the HRA statement and notes, and in the Movement in Reserves Detail in the Additional Reconciliation disclosures.

Movement in reserves 2021/22	**General Fund Balance (£m)**	**School Balances (£m)**	**Earmarked General Fund Reserves (£m)**	**HRA (£m)**	**Earmarked HRA Reserves (£m)**	**Capital Receipts Reserve (£m)**	**Major Repairs Reserve (£m)**	**Capital Grants Unapplied (£m)**	**Total Usable Reserves (£m)**	**Unusable Reserves (£m)**	**Total Reserves (£m)**
Balance as at 31 March 2021	**(15.1)**	**(17.8)**	**(210.5)**	**(1.4)**	**(1.7)**	**(7.0)**	**(0.6)**	**(189.2)**	**(443.3)**	**(364.6)**	**(807.9)**
Movement in reserves during 2021/22: (Surplus) or deficit on the provision of services	(22.4)	0.0	0.0	63.8	0.0	0.0	0.0	0.0	41.4	0.0	**41.4**
Other comprehensive income & expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(319.7)	(319.7)
Total comprehensive income & expenditure	**(22.4)**	**0.0**	**0.0**	**63.8**	**0.0**	**0.0**	**0.0**	**0.0**	**41.4**	**(319.7)**	**(278.3)**
Adjustments between accounting basis & funding basis under regulations	40.0	0.0	0.0	(62.8)	0.0	0.0	(0.3)	(30.9)	(54.0)	54.0	**0.0**
Net (increase)/decrease before transfers to earmarked reserves	**17.6**	**0.0**	**0.0**	**1.0**	**0.0**	**0.0**	**(0.3)**	**(30.9)**	**(12.6)**	**(265.7)**	**(278.3)**
Transfers (to)/from earmarked reserves	(17.6)	0.8	16.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
(Increase)/decrease in 2021/22	**0.0**	**0.8**	**16.8**	**1.0**	**0.0**	**0.0**	**(0.3)**	**(30.9)**	**(12.6)**	**(265.7)**	**(278.3)**
Balance as at 31 March 2022	**(15.1)**	**(17.0)**	**(193.7)**	**(0.4)**	**(1.7)**	**(7.0)**	**(0.9)**	**(220.1)**	**(455.9)**	**(630.3)**	**(1,086.2)**

Further detail is included in Note 10 – Transfers to/from Earmarked Reserves, in the HRA statement and notes, and in the Movement in Reserves Detail in the Additional Reconciliation disclosures.

Comprehensive Income and Expenditure Statement

Directorate	**2022/23 Gross Expenditure (£m)**	**2022/23 Gross Income (£m)**	**2022/23 Net Expenditure (£m)**	***Restated 2021/22 Gross Expenditure (£m)**	***Restated 2021/22 Gross Income (£m)**	***Restated 2021/22 Net Expenditure (£m)**	**Notes**
Care, Health and Wellbeing	164.4	(35.5)	128.9	164.2	(44.3)	**119.9**	
Children & Young People (GF)	104.6	(32.8)	71.8	91.4	(24.2)	**67.2**	-
Children & Young People (DSG)	222.7	(223.5)	(0.8)	231.9	(221.7)	**10.2**	-
Communities and Regeneration	27.7	(14.9)	12.8	26.3	(11.8)	**14.5**	
Finance and Resources	32.7	(6.7)	26.0	47.7	(19.2)	**28.5**	
Governance	16.0	(1.3)	14.7	16.3	(1.2)	**15.1**	
Resident Services (GF)	191.1	(86.9)	104.2	179.4	(90.8)	**88.6**	
Resident Services (HRA)	63.8	(58.5)	5.3	115.2	(55.9)	**59.3**	-
Central Items	249.0	(290.2)	(41.2)	235.5	(298.7)	**(63.2)**	-
Cost of Services	**1,072.0**	**(750.3)**	**321.7**	**1,107.9**	**(767.8)**	340.1	-
Other operating expenditure	**-**	**-**	25.4	**-**	**-**	5.3	11
Financing and investment income & expenditure	-	-	33.1	-	-	33.7	12
Taxation and non-specific grant income	**-**	**-**	(415.9)	**-**	**-**	(337.7)	13
(Surplus) or Deficit on Provision of Services	-	-	**(35.7)**	-	-	**41.4**	**-**
(Surplus) or deficit on revaluation of Property, Plant and Equipment assets	**-**	**-**	(127.2)	**-**	**-**	(147.5)	-
Actuarial (gains)/losses on pension assets and liabilities	-	-	(492.0)	-	-	(172.2)	-
Other Comprehensive Income and Expenditure	**-**	**-**	**(619.2)**	**-**	**-**	**(319.7)**	**-**
Total Comprehensive Income and Expenditure	-	-	**(654.9)**	-	-	**(278.3)**	**-**

*The prior year figures have been restated due to a restructure of the Council's directorates in October 2022, for more detail please see page 128

Cash Flow Statement

Cash Flow	**2022/23 (£m)**	**2021/22 (£m)**	**Notes**
Net surplus or (deficit) on the provision of services	35.7	(41.4)	-
Adjustment to surplus or deficit on the provision of services for non-cash movements	20.4	151.7	4
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(136.3)	(95.2)	4
Net cash inflows/(outflows) from Operating Activities	**(80.2)**	**15.1**	-
Net cash inflows/(outflow) from Investing activities	(8.3)	(43.5)	5
Net cash inflows/(outflow) from Financing activities	86.6	22.8	6
Net increase/(decrease) in cash and cash equivalents	**(1.9)**	**(5.6)**	**-**
Cash and cash equivalents at the beginning of the reporting period	136.4	142.0	-
Cash and cash equivalents at the end of the reporting period	**134.5**	**136.4**	3

Notes and Disclosures to the Core Statements

Non-Current Assets

Note 1a – Significant movements on balances of property, plant and equipment

Movements in 2022/23	Council Dwellings (£m)	Land & Buildings (£m)	VPF&E (£m)	Surplus Assets (£m)	Asset under Construction (£m)	Total (£m)	***PFI Assets (£m)*
Cost or Valuation							
At 1 April 2022	**808.1**	**1,034.0**	**57.2**	**11.1**	**103.2**	**2,013.6**	**93.2**
Additions	19.8	11.0	1.1	13.6	72.2	**117.7**	1
Depreciation written out	(10.7)	(11.8)	0.0	0.0	0.0	**(22.5)**	(1.1)
Revaluation increases (decreases) in the Revaluation Reserve	36.3	92.5	0.0	0.0	0.0	**128.8**	10.3
Revaluation increases (decreases) in the Surplus / Deficit on the Provision of Services	(14.5)	7.6	0.0	(0.1)	0.0	**(7.0)**	0.0
Derecognition – Disposals	(2.9)	(18.3)	0.0	(10.2)	(5.7)	**(37.1)**	0.0
Reclassifications (to/from Assets Held for Sale)	(2.8)	0.0	0.0	0.0	0.0	**(2.8)**	0.0
Other movements in Cost or Valuations	6.3	0.0	0.0	0.0	(6.3)	**0.0**	0.0
At 31 March 2023	**839.6**	**1,115.0**	**58.3**	**14.4**	**163.4**	**2,190.7**	**103.4**
Depreciation and Impairments							
At 1 April 2022	**(11.2)**	**(15.7)**	**(42.3)**	**0.0**	**0.0**	**(69.2)**	**(8.5)**
Charge for 2022/23	(11.1)	(13.8)	(2.9)	0.0	0.0	**(27.8)**	(1.3)
Depreciation written out	10.7	11.8	0.0	0.0	0.0	**22.5**	1.1
Impairment losses (reversals) recognised in the Revaluation Reserve	(0.1)	(1.5)	0.0	0.0	0.0	**(1.6)**	0.0
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of Services	(0.1)	(2.2)	0.0	0.0	(1.3)	**(3.6)**	0.0
Derecognition – Disposals	0.0	4.2	0.0	0.0	0.0	**4.2**	0.0
Reclassifications (to/from Assets Held for Sale)	0.0	0.0	0.0	0.0	0.0	**0.0**	0.0
Other Movements in Depreciation & Impairments	0.0	0.0	0.0	0.0	0.0	**0.0**	0.0
At 31 March 2023	**(11.8)**	**(17.2)**	**(45.2)**	**0.0**	**(1.3)**	**(75.5)**	**(8.7)**
Balance Sheet Net Book Values (NBV)							
Balance Sheet NBV at 31 March 2023	**827.8**	**1,097.8**	**13.1**	**14.4**	**162.1**	**2,115.2**	**94.7**
Balance Sheet NBV at 1 April 2022	**796.9**	**1,018.3**	**14.9**	**11.1**	**103.2**	**1,944.4**	**84.7**

**Note 1: PFI Assets included within Land & Buildings, VP&E, intangibles and infrastructure are presented in a separate memorandum column to show their total value within the Council's overall PP&E. Intangible assets are shown in Note 1e.

Movements in 2021/22	Council Dwellings (£m)	Land & Buildings (£m)	VPF&E (£m)	Surplus Assets (£m)	Asset under Construction (£m)	Total (£m)	*PFI Assets (£m)*
Cost or Valuation							
At 1 April 2021	**669.7**	**966.9**	**56.2**	**10.4**	**148.0**	**1,851.2**	**77.2**
Additions	26.9	12.8	1.0	0.7	69.6	**111.0**	0.9
Depreciation written out	(7.7)	(11.8)	0.0	0.0	0.0	**(19.5)**	(1.0)
Revaluation increases (decreases) in the Revaluation Reserve	103.9	43.7	0.0	0.0	0.0	**147.6**	16.1
Revaluation increases (decreases) in the Surplus / Deficit on the Provision of Services	(65.0)	(2.8)	0.0	0.0	0.0	**(67.8)**	0.0
Derecognition – Disposals	(2.6)	(6.2)	0.0	0.0	(0.1)	**(8.9)**	0.0
Reclassifications (to/from Assets Held for Sale)	0.0	0.0	0.0	0.0	0.0	**0.0**	0.0
Other movements in Cost or Valuations	82.9	31.4	0.0	0.0	(114.3)	**0.0**	0.0
At 31 March 2022	**808.1**	**1,034.0**	**57.2**	**11.1**	**103.2**	**2,013.6**	**93.2**
Depreciation and Impairments							
At 1 April 2021	**(8.0)**	**(15.5)**	**(39.4)**	**0.0**	**0.0**	**(62.9)**	**(8.1)**
Charge for 2021/22	(10.6)	(12.1)	(2.9)	0.0	0.0	**(25.6)**	(1.4)
Depreciation written out	7.7	11.8	0.0	0.0	0.0	**19.5**	1.0
Impairment losses (reversals) recognised in the Revaluation Reserve	(0.2)	0.0	0.0	0.0	0.0	**(0.2)**	0.0
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of Services	(0.1)	0.0	0.0	0.0	0.0	**(0.1)**	0.0
Derecognition – Disposals	0.0	0.1	0.0	0.0	0.0	**0.1**	0.0
Reclassifications (to/from Assets Held for Sale)	0.0	0.0	0.0	0.0	0.0	**0.0**	0.0
Other Movements in Depreciation & Impairments	0.0	0.0	0.0	0.0	0.0	**0.0**	0.0
At 31 March 2022	**(11.2)**	**(15.7)**	**(42.3)**	**0.0**	**0.0**	**(69.2)**	**(8.5)**

Balance Sheet Net Book Values (NBV)

Balance Sheet NBV at 31 March 2022	**796.9**	**1,018.3**	**14.9**	**11.1**	**103.2**	**1,944.4**	**84.7**
Balance Sheet NBV at 1 April 2021	**661.7**	**951.4**	**16.8**	**10.4**	**148.0**	**1,788.3**	**69.1**

*Note 1: PFI Assets included within Land & Buildings, VP&E, intangibles and infrastructure are presented in a separate memorandum column to show their total value within the Council's overall PP&E. Intangible assets are shown in Note 1e

The Council carries out a rolling programme that ensures that all property, plant and equipment required to be measured at current value is revalued every five years. Revaluation is carried out externally as at 1st April 2022. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

Yearly desktop revaluation based on index rates are applied as at 31st March 2023, these are signed off by the Council's External Valuers.

Note 1b- Highways Infrastructure Assets

In accordance with the temporary relief offered by the Update to the Code on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The authority has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

Infrastructure Assets	**2022/23 £m**	**2021/22 £m**
Net Book Value at 1 April	**242.5**	**227.9**
Additions	19.2	21.2
Derecognition	0	0.0
Depreciation	(8.7)	(6.6)
Impairment	0	0.0
Other movements in cost	0	0.0
Net Book Value at 1 April	**253.0**	**242.5**

Infrastructure reconciliation

	31 March 2023 £m	**31 March 2022 £m**
Infrastructure assets	253.0	242.5
Other PPE assets	2,115.2	1,944.4
Total PPE assets	**2,368.2**	**2,186.9**

Note 1c- Capital Commitment

At 31 March 2023, the authority has entered into a number of contracts for the construction or enhancement of property, plant and equipment.

Capital Commitment	**31/03/2023 £m**
Oman Avenue and Kinston House	0.1
Claire Court & Watlington Gardens	41.3
Gloucester Close & Frontenac	0.2
Grand Union	14.3
Honeypot Lane	0.7
Stonebridge	0.9
Aneurin Bevan	1.6
Pharamond	1.5
Preston Park Library	3.5
Knowles House	0.5
Learie Constantine Centre	6.7
Clock Cottages	3.7
BICC Redevelopment	8.5
Wembley Housing Zone	121.9
Newman Catholic College	1.9
London Road SEND School	1.7
New Bridge Park Development	2.1
Total	**211.1**

Note 1d- Valuation breakdown

The table below shows the value of assets revalued each year:

Valuation of Assets	**Council Dwellings £m**	**Land and Buildings* £m**	**Surplus Assets £m**
Valuation in 2022/23	2.5	410.6	10.9
Valuation in 2021/22	825.3	84.3	0.0
Valuation in 2020/21	0.0	96.3	0.8
Valuation in 2019/20	0.0	318.1	0.2
Valuation in 2018/19	0.0	187.7	2.5
Total:	**827.8**	**1,097.0**	**14.4**

*Land and building under Note 1- significant movements on balances of property, plant and equipment contains £0.8m of Community assets which is excluded from this table as Community assets are held at depreciated historical cost.

Note 1e- Intangible Assets

Movements	2022/23 Internally generated assets £m	2022/23 Other assets £m	2022/23 Total £m	2021/22 Internally generated assets £m	2021/22 Other assets £m	2021/22 Total £m
Cost or Valuation at 1 April	**27.8**	**1.3**	**29.1**	**20.4**	**1.3**	**21.7**
Additions	7.5	0.2	7.7	7.4	0.0	7.4
Depreciation written out	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Revaluation increases (decreases) in the Revaluation Reserve	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Revaluation increases (decreases) in the Surplus / Deficit on the Provision of Services	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Derecognition - Disposals	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Reclassifications (to/from Assets Held for Sale)	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Other movements in Cost or Valuations	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Cost or Valuation at 31 March	**35.3**	**1.5**	**36.8**	**27.8**	**1.3**	**29.1**
Amortisation and Impairments at 1 April	**(9.6)**	**(0.2)**	**(9.8)**	**(7.4)**	**(0.2)**	**(7.6)**
Charge for the year	(3.0)	(0.1)	**(3.1)**	(2.2)	(0.0)	**(2.2)**
Amortisation written out	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Impairment losses (reversals) recognised in the Revaluation Reserve	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of Services	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Derecognition – Disposals	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Reclassifications (to/from Assets Held for Sale)	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Other Movements in Amortisation & Impairments	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Amortisation and Impairments at 31 March	**(12.6)**	**(0.3)**	**(12.9)**	**(9.6)**	**(0.2)**	**(9.8)**

Balance Sheet Net Book Values (NBV)

Balance Sheet NBV at 31 March	**22.7**	**1.2**	**23.9**	**18.2**	**1.1**	**19.3**
Balance Sheet NBV at 1 April	**18.2**	**1.1**	**19.3**	**13.0**	**1.1**	**14.1**

Current Assets

Note 2 – Debtors

Short Term Debtors	31-Mar-2023 £m	31-Mar-2022 £m
Trade receivables Outstanding	154.8	93.7
Less impairments	(25.2)	(26.4)
Net Trade receivables	**129.6**	**67.3**
Prepayments	**5.2**	**4.1**
Local Taxation receivables Outstanding	58.3	55.1
Less impairments	(25.4)	(32.3)
Net Local Taxation receivables	**32.9**	**22.8**
Other receivables amounts Outstanding	92.4	124.3
Less impairments	(38.5)	(35.8)
Net Other receivable amounts	**53.9**	**88.5**
Total	**221.6**	**182.7**

Breakdown of net local taxation receivables

Local Taxation receivable amounts Outstanding	31-Mar-2023 £m	31-Mar-2022 £m
Less than one year	12.6	7.0
More than one year	20.3	15.8
Total	**32.9**	**22.8**

Note 3 – Cash and Cash Equivalents

Cash and Cash Equivalents	31-Mar-2023 £m	31-Mar-2022 £m
Bank current accounts	0.4	13.5
School bank accounts	17.9	24.3
Short-term deposits	116.2	98.6
Total	**134.5**	**136.4**

Cash Flow Notes

Note 4 – Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

Cash Flow Item	2022/23 £m	2021/22 £m
Interest received - cash inflow	14.4	7.3
Interest paid - cash (outflow)	(27.9)	(23.6)

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

Cash Flow Item	2022/23 £m	2021/22 £m
Depreciation	36.6	32.4
Impairment and downward valuations	10.6	67.8
Amortisation	3.1	2.2
Increase/(decrease) in creditors	(25.6)	53.6
(Increase)/decrease in debtors	(70.0)	(42.5)
(Increase)/decrease in impairment for bad debts	2.8	6.2
Movement in pension liability	32.1	31.2
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	32.8	8.8
Other non-cash items charged to the net surplus or deficit on the provision of services	(2.0)	(8.0)
Total	**20.4**	**151.7**

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

Cash Flow Item	2022/23 £m	2021/22 £m
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	(0.5)	0.0
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(10.8)	(7.8)
Any other items for which the cash effects are investing or financing cash flows	(125.0)	(87.4)
Total	**(136.3)**	**(95.2)**

Note 5 – Cash Flow Statement - Investing Activities

Cash Flow Item	2022/23 £m	2021/22 £m
Purchase of property, plant and equipment, investment property and intangible assets	(144.6)	(139.6)
Purchase of short-term and long-term investments	0.0	0.6
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	10.8	7.8
Proceeds of sale of short and long term investments	0.5	0.0
Other receipts from investing activities	125.0	87.7
Net cash flows from investing activities	**(8.3)**	**(43.5)**

Note 6 – Cash Flow Statement - Financing Activities

Cash Flow Item	2022/23 £m	2021/22 £m
Cash receipts of short and long term borrowing	210.0	147.0
Cash inflow/(outflow) relating to Private Finance Initiative schemes	(2.9)	(2.6)
Repayments of short and long term borrowing	(120.5)	(121.6)
Total	**86.6**	**22.8**

Liabilities

Note 7 – Short Term Creditors

Short Term Creditors Item	31-Mar-2023 £m	31-Mar-2022 £m
Trade payables	(94.6)	(112.9)
Other payables	(83.1)	(82.6)
Total	**(177.7)**	**(195.5)**

Note 8 – Long-Term Liabilities

Long Term Liabilities Item	31-Mar-2023 £m	31-Mar-2022 £m
Pension Fund Liability	(262.1)	(722.0)
Deferred Income	(8.1)	(10.1)
PFI Liability	(18.8)	(20.5)
Finance Leases	(7.7)	(7.7)
Other Liabilities	(0.4)	(2.1)
Total	**(297.1)**	**(762.4)**

Note 9 – Provisions

Short Term Provisions Detail:

Short Term Provisions	Outstanding Legal Cases	Compensation Claims	Other Provisions	Total
Balance at 1 April 2022	**0**	**(2.2)**	**0**	**(2.2)**
Net (additions) reductions to provisions made in 2021/22	0	0	0	**0**
Balance at 31 March 2023	**0**	**(2.2)**	**0**	**(2.2)**

Long Term Provisions Detail:

Long Term Provisions	Outstanding Legal Cases	Compensation Claims	Other Provisions	Total
Balance at 1 April 2022	**(0.9)**	**(3.7)**	**(25.1)**	**(29.7)**
Net (additions) reductions to provisions made in 2021/22	0	0	2.1	**2.1**
Balance at 31 March 2023	**(0.9)**	**(3.7)**	**(23.0)**	**(27.6)**

Provisions over both short and long term have been made based on estimations for:

- Outstanding legal claims such as disrepair cases for Council tenants and leased properties;
- Compensation claims for uninsured losses that are reviewed annually; and
- Other provisions for items such as leased equipment, NDR appeals and Income shortfalls on PFI contracts.

The £2.1 decrease in long term other provision consists of:

- NDR Appeals: net decrease of £0.4m due to reduction caused by fewer appeals cases.

- Housing BCE PFI: net reduction of £1.7m. As anticipated, there was an in-year difference in 22-23 on the Brent Co-Efficient PFI between the rent collected and the government PFI grant received, versus the unitary payments and base revenue costs. This difference amounted to £3.5m, which was released from the provision set aside for this purpose (a reduction in the provision). Furthermore, there was an indication that the provision required for the end of 28/29 contract life needed to be increased by £2.0m. There was an additional drawdown of £0.2m to cover the Housing GF overspend.

Earmarked Reserves

Note 10 – Transfers to/from Earmarked Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement and below.

Capital and other statutorily ring-fenced reserves

Reserve Type	Reserve	Balance at 31-03-2022 £m	Transfer to/from reserves £m	Balance at 31-03-2023 £m
Ring-fenced	HMO Licensing	(2.6)	0.1	(2.5)
Ring-fenced	Housing Revenue Account	(1.7)	0.0	(1.7)
Ring-fenced	Regeneration & Environment	(2.7)	1.4	(1.3)
Ring-fenced	Public Health	(8.1)	(2.5)	(10.6)
Ring-fenced	Schools and other DSG	(16.9)	1.9	(15.0)
Ring-fenced	Migration related	(0.4)	0.2	(0.2)
Ring-fenced	Edward Harvist Trust	(0.1)	(0.1)	(0.2)
Ring-fenced	**Total**	**(32.5)**	**1.0**	**(31.5)**
Capital Finance Related	South Kilburn	(5.5)	(0.1)	(5.6)
Capital Finance Related	Resident Services (GF)	(0.1)	0.1	0.0
Capital Finance Related	General Fund Capital funding	(67.2)	9.7	(57.5)
Capital Finance Related	**Total**	(72.8)	**9.7**	**(63.1)**
Capital and other statutorily ring-fenced reserves	***Overall Total***	***(105.3)***	***10.7***	***(94.6)***

Committed reserves

Reserve Type	Reserve	Balance at 31-03-2022 £m	Transfer to/from reserves £m	Balance at 31-03-2023 £m
Sinking fund and other smoothing reserves	PFI	(5.3)	0.3	(5.0)
Sinking fund and other smoothing reserves	Universal Credit staffing	(1.4)	(0.1)	(1.5)
Sinking fund and other smoothing reserves	Redundancy	(3.2)	1.5	(1.7)
Sinking fund and other smoothing reserves	Insurance	(5.3)	0.0	(5.3)
Sinking fund and other smoothing reserves	Children & Young People	(0.2)	0.0	(0.2)
Sinking fund and other smoothing reserves	Other Central	(24.5)	24.0	(0.5)

Reserve Type	Reserve	Balance at 31-03-2022 £m	Transfer to/from reserves £m	Balance at 31-03-2023 £m
Sinking fund and other smoothing reserves	Temporary Accommodation Housing Benefits	(5.6)	1.1	(4.5)
Sinking fund and other smoothing reserves	**Total**	**(45.5)**	**26.8**	**(18.7)**

Other Earmarked reserves

*The Council restructured in October 2022 and as a result the names of the service reserves has been changed to align with the current directorate structure.

Reserve Type	*Restated Reserve	*Restated Balance at 31-03-2022 £m	Transfer to/from reserves £m	Balance at 31-03-2023 £m
Service reserves	Care, Health and Wellbeing	(6.4)	(0.7)	(7.1)
Service reserves	Children & Young People	(0.7)	(2.3)	(3.0)
Service reserves	Resident Services	(10.2)	(3.8)	(14.0)
Service reserves	Communities & Regeneration	(2.3)	(4.0)	(6.3)
Service reserves	Governance	(1.3)	(0.8)	(2.1)
Service reserves	Finance and Resources	(1.1)	0.5	(0.6)
Service reserves	**Total**	**(22.0)**	**(11.1)**	**(33.1)**
Transformation/Service Pressures Reserves	**Total**	**(19.2)**	**8.2**	**(11.0)**
COVID-19 reserves	**Total**	**(20.4)**	**16.5**	**(3.9)**
Other Earmarked reserves	***Overall Total***	***(61.6)***	***13.6***	***(48.0)***

*The prior year figures have been restated due to a restructure of the Council's directorates in October 2022

Reserve	Balance at 31-03-2022 £m	Transfer to/from reserves £m	Balance at 31-03-2023 £m
Grand Total	***(212.4)****	***51.1***	***(161.3)****

*This consist of the Schools Balance, Earmarked General Fund Reserves and HRA Earmarked Reserve from the Movement in Reserves Statement.

Descriptions of Earmarked Reserves

- **Capital and other statutory ring-fenced reserves** -These are monies received under specific powers, such as Section 106 of the Town and Country Planning Act 1990 and Community Infrastructure levy, for ring-fenced activities, such as the Dedicated Schools Grant, the Housing Revenue Account and the Public Health grant, and funds identified to smooth the impact of capital financing costs and represents revenue contributions set aside to meet commitments included in the Capital Programme.

- **Committed reserves** - These reserves are held to cover specific known or predicted financial liabilities. They mainly arise as a result of differences in timing between the reserve being established and the expenditure being incurred and are therefore, in effect, committed reserves. Most of these are long term and spread costs over a number of years, such as the PFI sinking fund that equalises the costs of the annual unitary charge over the 25 years of the contract. This also includes the insurance fund, redundancy and pension costs. There is also a reserve to manage volatility in business rates income. These reserves "smooth" expenditure that by its nature will vary considerably year to year, avoiding uncontrollable under and over spends.

- **Other Earmarked Reserves** - This contains reserves managed by departments, for example unspent government grants with ring fenced commitments set aside to meet expenditure pressures. It also includes reserves that are earmarked to manage any unexpected service pressures, unforeseen emergencies or future funding risks. This is primarily in place to manage any unexpected disruptions to funding as a result of changes to the local government finance system such as the Fair Funding Review and reforms to business rates. In addition, this includes reserves to manage the financial impact of COVID-19 that are made up of emergency COVID-19 government grants received in 2019/20 and 2020/21.

Movement in the unusable reserves are detailed in Note 39- Note to Movement in Reserves statement

Comprehensive Income and Expenditure Notes

Note 11 – Other Operating Expenditure

Other Operating Expenditure	**2022/23** **£m**	**2021/22** **£m**
Levies	3.2	3.0
Payments to the Government Housing Capital Receipts Pool	0.1	1.3
(Gains)/losses on the disposal of non-current assets	22.1	1.0
Total	**25.4**	**5.3**

Note 12 – Financing and Investment Income and Expenditure

Financing and Investment Income and Expenditure	**2022/23** **£m**	**2021/22** **£m**
Interest payable and similar charges	27.9	23.6
Pensions interest cost and expected return on pensions assets	19.6	17.4
Interest receivable and similar income	(14.4)	(7.3)
Total	**33.1**	**33.7**

Note 13 – Taxation and non-Specific Grant Incomes

Taxation and non- Specific Grant Incomes	**2022/23** **£m**	**2021/22** **£m**
Council tax income	(138.0)	(124.6)
Business Rates	(82.4)	(74.4)
Other government grants & taxation	(70.5)	(51.3)
Capital grants and contributions	(125.0)	(87.4)
Total	**(415.9)**	**(337.7)**

Expenditure and Funding Analysis Notes

Note 14 – Expenditure and Funding Analysis

The expenditure and funding analysis shows how annual expenditure is used and funded from resources by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices are presented more fully in the Comprehensive Income and Expenditure Statement.

Expenditure and Funding Analysis for 2022-23

Directorate	Total expenditure (£m)	Total income (£m)	Below cost of services on CIES (£m)	Subtotal (Surplus) or Deficit on Provision of Services (£m)	Adjustments for capital purposes (£m)	Net change for Pension Adjustments (£m)	Other Statutory Adjustments (£m)	Transfers to/from reserves (£m)	Subtotal Movement in Reserve (£m)	Position on HRA and General Fund* (£m)
Care, Health and Wellbeing	164.4	(35.5)	(1.0)	**127.9**	0.4	(1.2)	0.0	2.3	**1.4**	**129.4**
Children & Young People (GF)	104.6	(32.8)	0.6	**72.4**	(0.9)	(1.6)	0.0	(1.1)	**(3.6)**	**68.8**
Children & Young People (DSG)	222.7	(223.5)	0.7	**(0.1)**	2.7	(2.5)	0.3	(0.4)	**0.1**	**0.0**
Communities and Regeneration	27.7	(14.9)	(43.2)	**(30.4)**	37.3	(0.8)	0.0	4.0	**40.6**	**10.1**
Finance and Resources	32.7	(6.7)	1.1	**27.1**	(6.1)	(1.0)	0.0	(5.4)	**(12.5)**	**14.6**
Governance	16.0	(1.3)	0.0	**14.7**	0.0	(0.7)	0.0	0.5	**(0.2)**	**14.5**
Resident Services (GF)	191.1	(86.9)	29.3	**133.5**	(50.5)	(2.8)	0.0	(1.6)	**(54.9)**	**78.6**
Resident Services (HRA)	63.8	(58.5)	3.2	**8.5**	(7.4)	(0.5)	0.0	(0.6)	**(8.5)**	**0.0**
Central Items	249.0	(290.2)	(348.1)	**(389.3)**	110.4	(21.0)	29.9	(48.7)	**70.6**	**(318.7)**
Total	**1,072.0**	**(750.3)**	**(357.4)**	**(35.7)**	**85.9**	**(32.1)**	**30.2**	**(51.0)**	**33.0**	**(2.7)**

*This is also the position on GF and HRA as per Table 1 Outturn position 2021/22 on the Narrative Statement

Expenditure and Funding Analysis for 2021-22

***Restated Directorate**	**Total expenditure (£m)**	**Total income (£m)**	**Below cost of services on CIES (£m)**	**Subtotal (Surplus) or Deficit on Provision of Services (£m)**	**Adjustments for capital purposes (£m)**	**Net change for Pension Adjustments (£m)**	**Other Statutory Adjustments (£m)**	**Transfers to/from reserves (£m)**	**Subtotal Movement in Reserve (£m)**	**Position on HRA and General Fund (£m)**
Care, Health and Wellbeing	164.2	(44.3)	(0.1)	**119.8**	(0.2)	(1.4)	0.0	6.4	**4.8**	**124.6**
Children & Young People (GF)	91.4	(24.2)	0.0	**67.2**	(4.4)	(2.0)	0.0	1.5	**(4.9)**	**62.3**
Children & Young People (DSG)	231.9	(221.7)	4.1	**14.3**	(7.6)	(0.5)	(4.4)	(1.8)	**(14.3)**	**0.0**
Communities and Regeneration	26.3	(11.8)	(43.4)	**(28.9)**	36.2	(1.0)	0.0	2.2	**37.4**	**8.5**
Finance and Resources	47.7	(19.2)	0.0	**28.5**	(4.8)	(1.8)	0.0	(2.5)	**(9.1)**	**19.4**
Governance	16.3	(1.2)	0.0	**15.1**	0.0	(0.2)	0.0	0.3	**0.1**	**15.2**
Resident Services (GF)	179.4	(90.8)	3.9	**92.5**	(16.7)	(3.2)	0.0	2.8	**(17.1)**	**75.4**
Resident Services (HRA)	115.2	(55.9)	4.5	**63.8**	(62.2)	(0.6)	0.0	0.0	**(62.8)**	**1.0**
Central Items	235.5	(298.7)	(267.7)	**(330.9)**	56.6	(20.4)	15.8	(26.5)	**25.5**	**(305.4)**
Total	**1,107.9**	**(767.8)**	**(298.7)**	**41.4**	**(3.1)**	**(31.1)**	**11.4**	**(17.6)**	**(40.4)**	**1.0**

*The prior year figures have been restated due to a restructure of the Council's directorate in October 2022, for more detail please see page 128.

In Year Movements on Housing Revenue Account and General Fund Balances:

Opening Balance 2021-22 (£m)	Transfers to/from Earmarked Reserves (£m)	Movement on HRA and General Fund before transfers to/from Earmarked Reserves (£m)	Closing Balance 2021-22 (£m)	Balance	Opening Balance 2022-23 (£m)	Transfers to/from Earmarked Reserves (£m)	Movement on HRA and General Fund before transfers to/from Earmarked Reserves (£m)	Closing Balance 2022-23 (£m)
(1.4)	0.0	1.0	(0.4)	Housing Revenue Account	(0.4)	(0.6)	0.6	(0.4)
(1.7)	0.0	0.0	(1.7)	Housing Revenue Account Earmarked Reserves	(1.7)	0.0	0.0	(1.7)
(3.1)	**0.0**	**1.0**	**(2.1)**	**HRA Subtotal**	**(2.1)**	**(0.6)**	**0.6**	**(2.1)**
(15.1)	(17.6)	17.6	(15.1)	General Fund	(15.1)	(50.5)	47.8	(17.8)
(228.3)	17.6	0.0	(210.7)	General Fund Earmarked Reserves and Schools Balances	(210.7)	51.1	0.0	(159.6)
(243.4)	**0.0**	**17.6**	**(225.8)**	**General Fund Subtotal**	**(225.8)**	**0.6**	**47.8**	**(177.4)**
(246.5)	**0.0**	**18.6**	**(227.9)**	**TOTAL HRA and General Fund**	**(227.9)**	**0.0**	**48.4**	**(179.5)**

Additional Disclosures

Note 15 – Pooled Budgets

The Council has entered into two partnership agreements under Section 31 of the Health Act 1999, one with NHS Brent CCG for provision of occupational therapy equipment and the other with the Central and North West London NHS Foundation Trust (CNWLNFT) for provision of mental health services. The mental health services however came to an end of 2021/22 and no contributions were therefore made by either CNWLNFT or LB of Brent in 2022/23.

Additionally there is a pooled fund agreement under section 75 of the National Health Service Act 2006 between the Council and the CCG to administer the Government's Better Care Fund to support the integration of health and social care.

Partnership income and expenditure for 2022/23 is shown in the table below:

Funding	**Occupational Therapy £m**	**The Better Care Fund £m**
LB of Brent	(0.9)	(18.7)
NHS Brent CCG	(1.5)	(25.9)
Total Funding	**(2.4)**	**(44.6)**
Expenditure	2.9	44.6
2022/23 Net Overspend/(Underspend)	**0.5**	**0.0**
2021/22 Net Overspend/(Underspend)	**0.4**	**0.0**

For 2022/23, for Occupational Therapy, the share of overspend attributed to Brent CCG is £0.3m (£0.2m in 2021/22) and £0.2m to Brent Council (£0.1m in 2021/22).

Note 16 – Members' Allowances

Total payments including National Insurance costs in 2022/23 were £1.1m (£1.2m in 2021/22). Details of the Members' Allowances scheme are available on Brent's website.

Note 17 – External Audit Costs

The Council's external auditor for 2022/23 and 2021/22 is Grant Thornton.

Detail	2022/23 £'000	2021/22 £'000
External audit services for in-year	232.0	237.2
Certification of grant claims and returns for in- year	44.5	30.5
Total	**276.5**	**267.7**

Note 18 – Contingent Liabilities

The Council has a number of contingent liabilities.

The best estimate of the liability for all the issues is in the region of £1.4m (estimated at £4.6m in 2021/22), but due to the nature of the contingent liabilities this is subject to significant change.

Figures are not shown against contingent liabilities where there are legal proceedings or the disclosure would adversely affect the outcome.

Note 19 – Grant Income – Applied

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement either as part of the services direct gross income or within the Council's Taxation and non-specific grant income:

Revenue Grants: Housing Benefit	2022/23 £m	2021/22 £m
Mandatory Rent Allowances: subsidy	(185.3)	(201.3)
Mandatory Rent Rebates outside HRA	(14.4)	(13.4)
Rent Rebates Granted to HRA Tenants: subsidy	(19.4)	(19.8)
Housing Benefit Administration	(1.5)	(1.6)
Total	**(220.6)**	**(236.1)**

Revenue Grants: Schools	2022/23 £m	2021/22 £m
Dedicated Schools Grant (DSG)	(207.9)	(202.4)
Pupil Premium Grants	(6.3)	(5.4)
Sixth forms funding from Learning and Skills Council (LSC)	(4.1)	(3.9)
Universal Infant School Meal	(2.7)	(2.8)
Teachers' Pension Employer Contribution Grant	(0.5)	(0.5)
Teachers' Pay grant	(0.1)	(0.2)

Revenue Grants: Schools	2022/23 £m	2021/22 £m
Other Schools	(1.3)	(0.5)
Schools Supplementary Grant	(3.1)	0.0
Total	**(226.0)**	**(215.7)**

Revenue Grants: Other	2022/23 £m	2021/22 £m
COVID-19 Grants	(4.0)	(32.7)
Discretionary Housing payments	(1.6)	(2.3)
Private Finance Initiative	0.0	(5.5)
Public Health	(22.9)	(22.3)
Revenue Support Grant	(25.9)	(25.0)
Section 31	(33.1)	(2.2)
New Homes Bonus	(3.1)	(3.8)
Asylum Leaving Care (Post 18) Grant	(5.1)	(2.9)
Adults Social Care Support Grant	(13.7)	(10.1)
Adults Social Care Improved Better Care Fund	(13.3)	(13.0)
Flexible Homeless Grant	(8.2)	(8.5)
Winter Pressure	0.0	(0.1)
Rough Sleeping Initiative Grant	(1.7)	(1.4)
Adult Education	(3.5)	(3.3)
Supporting Families Grant	(2.4)	(1.2)
Household Support Grant	(5.7)	(2.9)
New Burdens Grant	(0.1)	(1.0)
Workplace Capacity Grant	0.0	(2.6)
Council Tax Energy Bill Rebate- Discretionary	(1.8)	0.0
Homes for Ukraine	(3.3)	0.0
DLUHC - Service Grant	(6.1)	0.0
Other Miscellaneous Grants & Contributions	(15.9)	(15.5)
Total	**(171.4)**	**(156.3)**

Revenue Grants	2022/23 £m	2021/22 £m
Total Revenue Grants	**(618.0)**	**(608.1)**

Capital Grants & Contributions Grants:	2022/23 £m	2021/22 £m
Department for Business Energy and Industrial Strategy	0.0	(3.2)
School Condition Grant	(2.5)	(2.6)
Transport for London	(1.4)	(2.5)
Disabled Facilities	(5.3)	(5.3)

Other Grants	(4.3)	(0.8)
Education Funding- includes High and Basic Needs	(16.6)	(11.2)
Greater London Authority - Outer London Fund	(51.3)	(14.2)
South Kilburn Housing Infrastructure Fund	0.0	(4.3)
Section 106 & Construction Infrastructure Levy	(43.6)	(43.2)
Total	**(125.0)**	**(87.3)**

The Authority has received a grant that have yet to be recognized as income as they have conditions attached to them that will require the monies to be returned to the giver. The balance at the year-end are as follows:

Current Liabilities: Grant receipts in advance (Revenue grant):	**2022/23 £m**	**2021/22 £m**
Council Tax Energy Bill Rebate	0.0	(9.6)
Energy Bills Support Scheme Alternative Funding	(0.6)	0.0
Non-Government: Children's Home pilot project	(0.6)	0.0
Non- Government: Mental Health Well-Being Support Fund	(0.2)	0.0
Total	**(1.4)**	**(9.6)**

Note 20 – Capital Grants Unapplied

Capital Grants Unapplied	**2022/23 £m**	**2021/22 £m**
Section 106 & Community Infrastructure Levy	(181.3)	**(150.5)**
Basic Needs- Primary schools	(47.2)	(38.5)
School Condition Grant	(3.2)	(3.5)
Greater London Authority - Outer London Fund	(34.3)	(2.0)
Disabled Facilities	0.0	(1.8)
Transport for London	0.0	(0.9)
Adult Personal Social Services	(3.6)	(3.7)
Early Education	(1.6)	(1.6)
Devolved Formula Capital	(1.2)	(0.4)
Other Education grant	(5.4)	(5.4)
Other Grant	(15.2)	(9.2)
Department for Business Energy and Industrial Strategy	(0.2)	(2.6)
Total	**(293.2)**	**(220.1)**

Note 21 – Deployment of Dedicated Schools Grant

The Council's expenditure on schools is funded primarily by grant provided by the Education and Skills Funding Agency (ESFA), the Dedicated Schools Grant (DSG).

The DSG is ring-fenced and can only be applied to meet expenditure properly included in the schools' budget, as defined in The School and Early Years Finance (England) Regulations 2022.

In 2022/23, as in previous years, an element of the DSG was recouped by the DfE to fund academy schools in the borough. The schools' budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each maintained school.

Details of the deployment of DSG received for 2022/23 are as follows:

Dedicated Schools Grant (DSG)	**Central Expenditure £m**	**Schools Budget £m**	**Total £m**
Final DSG for 2022/23 before academy recoupment			349.8
Academy recoupment figure for 2022/23			(140.8)
Total DSG after recoupment for 2022/23			209.0
Plus Brought Forward from 2021/22			0.0
Less Carry Forward to 2022-23 agreed in advance			0.0
Agreed initial budgeted distribution in 2022/23	**71.5**	**137.5**	**209.0**
In year adjustments	0.0	0.3	0.3
Final budgeted distribution for 2022/23	**71.5**	**137.8**	**209.3**
Less Actual Central Expenditure	(71.9)	0.0	(71.9)
Less Actual ISB deployed to schools	0.0	(136.1)	(136.1)
In-year carry forward to 2023/24	(0.4)	1.7	1.3
Plus carry forward to 2023/24 agreed in advance	0.0	0.0	0.0
Carry forward to 2023/24			1.3
DSG unusable reserve at the end of 2021/22			(15.1)
Addition to DSG unusable reserve at the end of 2022/23			0
Total DSG unusable reserve at the end of 2022/23			(15.1)
Net DSG Position at the end of 2022/23			**(13.8)**

At the end of 2022/23, the DSG has a deficit of £13.8 million, which will be carried forward into 2023/24 in line with the Department for Education (DfE) regulations (The School and Early Years Finance (England) Regulations 2022). The regulations require that where the DSG is in deficit at the end of the preceding year, an authority must carry forward the deficit into the next funding period.

Details of the deployment of DSG received for 2021/22 are as follows:

Dedicated Schools Grant (DSG)	**Central Expenditure £m**	**Schools Budget £m**	**Total £m**
Final DSG for 2021-22 before academy recoupment	-	-	339.1
Academy recoupment figure for 2021-22	-	-	(136.6)
Total DSG after recoupment for 2021-22	**-**	**-**	**202.5**
Plus Brought Forward from 2020-21	-	-	
Less Carry Forward to 2022-23 agreed in advance	-	-	0.0
Agreed initial budgeted distribution in 2021-22	**48.5**	**154.0**	**202.5**
In year adjustments	-	-	-
Final budgeted distribution for 2021-22	**48.5**	**154.0**	**202.5**
Less Actual Central Expenditure	(49.9)	-	(49.9)
Less Actual ISB deployed to schools	-	(157.2)	(157.2)
In-year carry forward to 2022-23	(1.4)	(3.2)	(4.6)
Plus carry forward to 2022/23 agreed in advance			
Carry forward to 2022/23			(4.6)
DSG unusable reserve at the end of 2020/21			(10.5)
Addition to DSG unusable reserve at the end of 2021/22			(4.6)
Total DSG unusable reserve at the end of 2021/22			**(15.1)**

At the end of 2021/22, the DSG has a deficit of £15.1m, which will be carried forward into 2022/23 in line with the Department for Education (DfE) regulations (The School and Early Years Finance (England) Regulations 2021). The regulations requires that where the DSG is in deficit at the end of the preceding year, an authority must carry forward the deficit into the next funding period.

Note 22 – Related Party Transactions

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council.

Councillors and Chief Officers complete related party transaction forms each year.

A number of voluntary organisations which received grants from the London Borough of Brent in 2022/23 have Brent Members as Directors, Trustees or employees.

There were no material transactions disclosed in the Declarations of Related Party Transactions for 2022/23 obtained from Chief Officers.

London Borough of Brent Pension Fund - administrative support is provided to the Fund. The Pension Fund's accounts are shown separately in this document. The Council charged the Pension Fund £1.3m for administering the fund in 2022/23 (£1.2m was charged in 2021/22).

Pooled Budgets - Details of partnerships with NHS Brent CCG and the North-West London Mental Health Trust are shown in Note 15 to the Core Financial Statements.

Subsidiary Companies - Brent has a number of subsidiaries including First Wave Housing (FWH) (formerly Brent Housing Partnership (BHP)), LGA Digital and I4B Holdings Limited (formerly Investing 4 Brent Limited (I4B)).

FWH

First Wave Housing (FWH) is a registered provider of housing in Brent and is wholly owned by Brent Council. FWH was set up to manage properties previously owned by Brent Housing Partnership (BHP). The total invoiced transactions with the Council for the 2022/23 financial year were £2.7m, of which £0.7m relates to interest for loans to FWH (£1.1m in 2021/22). As of 31st March 2023, there were outstanding loans to Brent Council totalling £34.7m (£35.1m in 2021/22), which are secured against the company's properties. The board of directors for FWH includes the Strategic Director for Resident Services and the Corporate Director for Adult Social Care and Health, as well as Councillor Saqib Butt.

I4B

I4B Holdings Limited is a company wholly owned by Brent Council that was incorporated on the 16 December 2016. The primary purpose of the company is to deliver the housing options defined in the Temporary Accommodation reform plan. Total invoiced transactions with the Council relating to the 2022/23 financial year amounted to £0.8m. The interest charge in 2022/23 on loans to I4B totalled £5.2m. As of 31st March 2023, Brent Council had provided loans totalling £182.1m to I4B (£142.1m in 2021/22), which are secured against the company's properties. The board of directors for I4B includes the Strategic Director for Resident Services and the Corporate Director for Adult Social Care and Health, as well as Councillor Saqib Butt.

LGA digital

The Council entered into an agreement to partner with the Local Government Association for the provision of ICT services, including the implementation of new infrastructure for their offices, the hosting of their ICT services at the Brent Data Centres, and the ongoing provision of ICT support services on the 27 January 2016.

The Council established a company that is 50% owned by the Council and 50% by the Local Government Association to facilitate this arrangement. The board of directors for this organisation includes the Strategic Director for Customer and Digital Services and the Head of Finance for Community Wellbeing.

Barham Park

Barham Park Trust is a charity that that is controlled by the Council as a result of the Council appointing all the trustees and is included in Brent's Group accounts as a subsidiary. Brent held £0.7m on behalf of the Barham Park Trust.

The Group Accounts can be found later in this document and combine the accounts of Brent, FWH, I4B, Barham Park Trust and LGA Digital Services.

Locata

Brent, in partnership with other London boroughs and Housing Associations, is operating a joint lettings scheme for housing tenants. A company called Locata (Housing Services) Limited has been set up for this purpose.

Brent is liable to contribute to the debts and liabilities of Locata up to £10, if it was wound up.

Locata's accounts have not been consolidated into Brent's group accounts because the sums involved are not material to the Council's accounts and because Brent has limited influence on the company (less than 20% voting rights).

A copy of Locata's accounts can be obtained from Companies House: www.companieshouse.gov.uk.

Capital Letters

Brent, in partnership with 15 other London boroughs, is a member of Capital Letters. This is a non-profit company, which secures accommodation to alleviate homelessness by financially incentivising landlords to rent their properties to eligible tenants suggested by the members.

The Board is accountable to a Borough Representative Body, comprised of a representative from each member council.

Capital Letters is a company limited by guarantee, not having share capital. Consequentially the liability of members is limited and upon a winding up would not exceed £1.

Capital Letters' accounts have not been consolidated into Brent's group accounts because Brent has limited influence on the company (less than 20% voting rights).

Note 23 – Capital Expenditure and Capital Financing

2021/22 £m HRA	2021/22 £m GF	2021/22 £m Total	Capital Investment	2022/23 £m HRA	2022/23 £m GF	2022/23 £m Total
50.6	89.0	139.6	Property, Plant & Equipment	44.6	92.3	136.9
0.0	6.7	6.7	REFCUS	0.0	7.9	7.9
0.0	0.0	0.0	Non-Enhancing	0.0	0.0	0.0
0.0	20.1	20.1	Loans to Third Parties	0.0	40.0	40.0
50.6	**115.8**	**166.4**	**Total**	**44.6**	**140.2**	**184.8**

2021/22 £m HRA	2021/22 £m GF	2021/22 £m Total	Capital Financing	2022/23 £m HRA	2022/23 £m GF	2022/23 £m Total
0.0	**(12.3)**	**(12.3)**	**Minimum Revenue Provision**	**0.0**	**(22.7)**	**(22.7)**

2021/22 £m HRA	*Restated 2021/22 £m	2021/22 £m Total	Sources of Finance	2022/23 £m HRA	2022/23 £m GF	2022/23 £m Total
(5.4)	(2.2)	(7.6)	Capital Receipts	(0.2)	(2.9)	(3.1)
(9.5)	(26.0)	(35.5)	Grants	(4.0)	(35.3)	(39.3)
(0.0)	(14.0)	(14.0)	S106 & CIL	0.0	(6.5)	(6.5)
0.0	(2.3)	(2.3)	Direct Revenue Contribution	0.0	(5.4)	(5.4)
(10.6)	0.0	(10.6)	Major Repairs Reserve	(14.0)	0.0	(14.0)
0.0	(2.6)	(2.6)	Earmarked Reserves	0.0	(3.5)	(3.5)
0.0	0.0	0.0	Appropriation between General Fund and HRA	0.0	0.0	0.0
(25.5)	**(47.1)**	**(72.6)**	**Total**	**(18.2)**	**(53.6)**	**(71.8)**

2021/22 £m HRA	*Restated 2021/22 £m	2021/22 £m Total	Explanation for Movements	2022/23 £m HRA	2022/23 £m GF	2022/23 £m Total
243.5	**724.3**	**967.8**	**Opening Capital Financing Requirement**	**268.6**	**780.7**	**1,049.3**
25.1	56.4	81.5	(Decrease) / Increase in the underlying need to borrow	26.4	63.9	90.3
268.6	**780.7**	**1,049.3**	**Closing Capital Financing Requirement**	**295.0**	**844.6**	**1,139.6**

*The 2021/22 opening balance and the Capital Receipts sources of finance has been restated as previously this note has omitted soft loans issued to the West London Waste Alliance (WLWA) and the Alperton Academy. For more detail please see page 127

Financial Instruments

Note 24 – Financial Instruments Categories

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes, benefits and government grants, do not give rise to financial instruments. Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The fair value of a financial asset is the price that would be received if it were sold.

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Council.
The majority of the Council's financial liabilities held during the year are measured at amortised cost and comprised:

- Long-term loans from the Public Works Loan Board and commercial lenders;
- Short-term loans from other local authorities;
- Lease payables detailed in note 27;
- Private Finance Initiative contracts detailed in note 28; and
- Trade payables for goods and services received.

Financial Assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Council. The financial assets held by the Council during the year are accounted for under the following classifications under the Code of Practice:

- Amortised cost (where cash flows are solely payments of principal and interest and the Council's business model is to collect those cash flow) comprising:
    - cash in hand;
    - bank current and deposit accounts with NatWest bank;
    - loans to small companies and housing associations;
    - lease receivables detailed in note 27; and
    - Trade receivables for goods and services provided.
- Fair value through other comprehensive income (where cash flows are solely payments of principal and interest and the Council's business model is to both collect those cash flows and sell the instrument; and equity investments that the Council has elected into this category). The Council does not currently hold any financial assets with this category.
    - Trade receivables for goods and services provided that may be sold to a debt collection agency.
- Fair value through profit and loss (all other financial assets) comprising:
    - Money market funds

Financial Liabilities - The financial liabilities disclosed on the balance sheet are analysed across the following categories:

Financial Liabilities	Non-Current: Borrowings 31 March 2023 £m	Non-Current: Borrowings 31 March 2022 £m	Non-Current: Liabilities 31 March 2023 £m	Non-Current: Liabilities 31 March 2022 £m	**Current: Borrowings 31 March 2023 £m	Current: Borrowings 31 March 2022 £m	Current: Liabilities 31 March 2023 £m	Current: Liabilities 31 March 2022 £m	Total 31 March 2023 £m	Total 31 March 2022 £m
Fair value through profit or loss	-	-	-	-	-	-	-	-	-	-
Amortised cost	695.3	565.2	35.0	30.3	85.7	123.3	130.9	116.8	946.9	835.6
Total financial liabilities	**695.3**	**565.2**	**35.0**	**30.3**	**85.7**	**123.3**	**130.9**	**116.8**	**946.9**	**835.6**
Liabilities not defined as financial instruments	-	-	262.1	-	-	-	46.8	78.6	308.9	78.6
Total	**695.3**	**565.2**	**297.1**	**30.3**	**85.7**	**123.3**	**177.7**	**195.4**	**1,255.8**	**914.2**

** The total short-term borrowing includes £14.0m (2021/22: £2.4m) representing accrued interest and principal repayments due within 12 months on long-term borrowing.

Financial Assets – The financial assets disclosed on the balance sheet are analysed across the following categories:

Financial Assets	Non-Current: Investments 31 March 2023 £m	Non-Current: Investments 31 March 2022 £m	Non-Current: Debtors 31 March 2023 £m	Non-Current: Debtors 31 March 2022 £m	Current: Investments 31 March 2023 £m	Current: Investments 31 March 2022 £m	Current: Debtors 31 March 2023 £m	Current: Debtors 31 March 2022 £m	Current Cash 31 March 2023 £m	Current Cash 31 March 2022 £m	Total 31 March 2023 £m	Total 31 March 2022 £m
Fair Value through profit or loss (FVTPL)	-	-	-	-	-	-	-	-	116.2	98.6	116.2	98.6
Amortised cost - soft loans	103.5	91.5	152.8	120.7	-	0.3	0.1	5.0	-	-	256.4	217.5
Amortised cost - other	0.3	0.3	19.8	35.5	0.2	-	142.3	83.2	18.3	37.8	180.9	156.8
Fair value through other comprehensive income (FVOCI) - designated equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
Fair value through other comprehensive income (FVOCI) - other	-	-	-	-	-	-	-	-	-	-	-	-
Total financial assets defined as financial instruments	**103.8**	**91.8**	**172.6**	**156.2**	**0.2**	**0.3**	**142.4**	**88.2**	**134.5**	**136.4**	**553.5**	**472.9**
Assets not defined as financial instruments	-	-	-	-	-	-	79.3	94.5	-	-	79.3	94.5
Total	**103.8**	**91.8**	**172.6**	**156.2**	**0.2**	**0.3**	**221.7**	**182.7**	**134.5**	**136.4**	**632.7**	**567.4**

Note 25 - Material Soft Loans made by the Council
Soft loans are those advanced at below market rates in support of the Council's service priorities.

In 2021/22 the Council recognised a soft loan to FWH, formerly known as BHP after a change to the loan terms. FWH is registered provider of social housing (RP) and its primary purpose is to manage, maintain and improve its stock and contribute to Brent's Housing Strategy. During the year the loan to FWH was restructured, ensuring the continued long term affordability of the loan to the subsidiary. The movements on material soft loan balance for FWH are as follows:

Movements	**2022/23 £m**	**2021/22 £m**
Opening balance	**21.5**	**30.3**
Nominal value of new loans granted in the year	0.0	35.1
Fair value adjustment on initial recognition	0.0	(13.6)
Loans repaid	(0.1)	(30.3)
Impairment losses	0.0	0.0
Increase in discounted Amount	0.0	0.0
Other changes	0.0	0.0
Closing balance at end of year	**21.4**	**21.5**
Nominal value at 31 March	35.0	35.1

Types of FWH Funding for 2022/23 and 2021/22

Type of Funding Provided	**2022/23 £m**	**2021/22 £m**
Soft Loan	21.4	21.5
Soft Loan Investment	13.6	13.6
Soft Loan Total	**35.0**	**35.1**
Cash Equity	-	-
Equity Total	**-**	**-**
Overall Total	**35.0**	**35.1**

The loan to I4B to acquire properties to support the Council's homelessness agenda is deemed a material soft loan.
The movements on material soft loan balance for I4B are as follows:

Movements	**2022/23 £m**	**2021/22 £m**
Opening balance	**98.7**	**87.8**
Nominal value of new loans granted in the year	40.0	16.1
Fair value adjustment on initial recognition	(9.7)	(6.2)
Loans repaid	0.0	0.0
Impairment losses	0.0	0.0
Increase in discounted Amount	0.0	0.0

Movements	2022/23 £m	2021/22 £m
Other changes	2.5	1.0
Closing balance at end of year	**131.5**	**98.7**
Nominal value at 31 March	185.0	142.1

I4B Holdings Limited is a company wholly owned by Brent Council that was incorporated on the 16 December 2016. The primary purpose of the company is to deliver the housing options defined in the Temporary Accommodation reform plan. As at 31st March 2023, Brent Council had provided funding of £221.4m to I4B (£178.5 in 2021/22), comprised of a number of soft loans* and equity. Loans provided in 2022/23 are provided over a 50-year term, better reflecting the economic life of the properties being acquired. The loans are secured against the company's 523 properties.

Types of I4B Funding for 2022/23 and 2021/22:

Type of Funding Provided	2022/23 £m	2021/22 £m
Soft Loan	131.5	98.7
Soft Loan Investment	53.5	43.4
Soft Loan Total	**185.0**	**142.1**
Cash Equity	36.4	36.4
Equity Total	**36.4**	**36.4**
Overall Total	**221.4**	**178.5**

The board of directors for I4B includes the Strategic Director for Children and Young People and the Strategic Director for Customer and Digital Services as well as Councillor Saqib Butt.

*The loan to I4B is classed as a soft loan as it is set at a below-market rate of interest. As this loan is made to a company that is a subsidiary for group account purposes, the loss represented by the undercharge of interest remains in the group and the Council is deemed to be making an additional investment in the subsidiary. The loss on the initial investment of the loan is posted to the balance sheet as an investment, then over the life of the loan the Comprehensive Income and Expenditure Statement (CI&ES) is credited with the contractual interest receivable for the year, with the difference between that amount and the market rate used to write down the investment.

The interest rate used to calculate the fair value of the soft loan is with reference to the methodology laid out in the EU document - Communication from the Commission on the revision of the method for setting the reference and discount rates (2008/C14/02).

Offsetting Financial Assets and Liabilities

Financial assets and liabilities are set off against each other where the Council has a legally enforceable right to sell off and it intends to either settle on a net basis or to realise the asset and settle the liability simultaneously.

The Council had no other financial assets or liabilities subject to an enforceable master netting arrangement or similar agreement.

Table – Gains and Losses of Financial Instruments

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments consist of the following:

	2022/23 Financial Liabilities: Amortised Cost £m	2022/23 Financial Assets: Amortised Cost £m	2022/23 Financial Assets: Fair Value through Profit & Loss £m	**2022/23 Total (£m)**	2021/22 Financial Liabilities: Amortised Cost £m	2021/22 Financial Assets: Amortised Cost £m	2021/22 Financial Assets: Fair Value through Profit & Loss £m	**2021/22 Total (£m)**
Interest Expense	27.9	-	-	27.9	23.6	-	-	23.6
Interest payable and similar charges	**27.9**	**-**	**-**	**27.9**	**23.6**	**-**	**-**	**23.6**
Interest income	-	(14.4)	-	(14.4)	-	(7.3)	-	(7.3)
Dividend income	-	-	(2.2)	(2.2)	-	-	(0.1)	(0.1)
Interest & Investment Income	**-**	**(14.4)**	**(2.2)**	**(16.6)**	**-**	**(7.3)**	**(0.1)**	**(7.4)**
Net Impact on surplus/deficit on provision on services	**27.9**	**(14.4)**	**(2.2)**	**11.3**	**23.6**	**(7.3)**	**(0.1)**	**16.2**
Impact on other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net (Gain)/loss for the year	**27.9**	**(14.4)**	**(2.2)**	**11.3**	**23.6**	**(7.3)**	**(0.1)**	**16.2**

Note 26 – Fair Values of Assets and Liabilities

The fair value of a financial instrument is the price that would be received when selling an asset, or the price that would be paid when transferring a liability, to another market participant in an arms'-length transaction. Where liabilities are held as an asset by another party, such as the Council's borrowing, the fair value is estimated from the holder's perspective.

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value. For most assets, including shares in money market funds, the fair value is taken from the market price.

Financial instruments classified at amortised cost are carried in the Balance Sheet at their amortised cost. Their fair values disclosed below have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March 2023, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- Discount rates for "Lender's Option Borrower's Option" (LOBO) loans have been reduced to reflect the value of the embedded options. The size of the reduction has been calculated using proprietary software.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31st March.
- The fair values of finance lease assets and liabilities and of PFI scheme liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at the appropriate AA-rated corporate bond yield rate, 2% in relation to Alperton and 2.53% in relation to PFI liabilities.
- No early repayment or impairment is recognised for any financial instrument.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low interest rate environment.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness

Financial Liabilities – Fair Value

Financial Liabilities - Fair Value Note	Fair Value Level	Balance sheet 31/03/2023 £m	Fair Value 31/03/2023 £m	Balance Sheet 31/03/2022 £m	Fair Value 31/03/2022 £m
Financial Liabilities held at fair value through profit and loss				0.0	0.0
Financial Liabilities held at amortised cost:					
Loans from the PWLB	2	542.9	494.6	410.1	526.2
LOBO loans	2	70.5	87.6	70.5	119.4
Other loans	2	98.0	63.8	97.2	90.9
Loans from Local Authorities	2	70.0	70.0	112.8	112.8
Lease payables and PFI liabilities	2	36.2	31.4	28.1	27.2
Short term creditors		129.3	129.2	116.8	116.8
Total liabilities defined as financial instruments		**946.9**	**876.6**	**835.5**	**993.3**
Liabilities not defined as financial instruments:					
Short-term creditors	N/A	46.8	46.8	78.7	78.7
Long-term liabilities		262.1	262.1	-	-
Grand Total		**1,255.8**	**1,185.5**	**914.2**	**1,072.0**

The fair value of financial liabilities is higher than the carrying amount because the Authority's portfolio of loans includes a number of loans where the interest rate payable is higher than the rates available for similar loans at the Balance Sheet date.

Financial Assets – Fair Value:

Financial Assets - Fair Value	Fair Value Level	Balance sheet 31/03/2023	Fair Value 31/03/2023	Balance Sheet 31/03/2022	Fair Value 31/03/2022
Financial Assets held at Fair Value through profit or loss					
Money Market Funds	1	116.2	116.2	98.6	98.6
Financial Assets held at amortised cost:					
Lease receivables	2	0.0	0.0	0.0	0.0
Long-term investments	2	103.8	36.1	91.8	57.2
Long-term debtors	2	188.3	76.9	156.2	93.7
Short-term deposits with Local Authorities	2	0.0	0.0	0.0	0.0
Short-term investments	3	0.2	0.2	0.3	0.3
Short-term debtors	3	126.7	126.7	88.2	88.2
Cash and cash equivalents	2	18.3	18.3	37.8	37.8
Total Assets defined as Financial Instruments		**553.5**	**374.4**	**472.8**	**375.8**
Assets not defined as Financial Instruments		**79.2**	**79.3**	**94.5**	**94.5**
Total		**632.7**	**453.7**	**567.4**	**470.3**

The fair value of short-term financial assets held at amortised cost, including trade receivables, is assumed to approximate to the carrying amount.

Risks

The Council complies with CIPFA's Code of Practice on Treasury Management and the Prudential Code for Capital Finance in Local Authorities, both revised in December 2021.

In line with the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with financial instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Investment Strategy in compliance with the Ministry for Housing, Communities and Local Government Guidance on Local Government Investments. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Management Strategy and its Treasury Management Practices seek to achieve a suitable balance between risk and return or cost.

The main risks covered are:

- Credit Risk: The possibility that the counterparty to a financial asset will fail to meet its contractual obligations, causing a loss to the Council.
- Liquidity Risk: The possibility that the Council might not have the cash available to make contracted payments on time.
- Market Risk: The possibility that an unplanned financial loss will materialise because of changes in market variables such as interest rates or equity prices.

Credit Risk: Treasury Investments

The Council manages credit risk by ensuring that treasury investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK Government, other local authorities, housing associations and organisations without credit ratings upon which the Council has received independent investment advice. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap and equity prices when selecting commercial entities for investment.

- Up to £20m can be invested with a single pre-selected UK banking group (or individually rated banks within that group).
- Up to £20m can be invested with pre-selected overseas banks.
- Up to £20m can be invested with money market funds with a minimum long-term credit rating of A-.
- Up to £20m can be invested with other individual local authorities, housing associations or UK Government bodies.
- The Council's maximum exposure to credit risk in relation to its investments in banks and building societies cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of non-recoverability applies to all of the Council's deposits, but there was no evidence at the 31 March 2022 that this was likely to crystallise. The Council's direct exposure to banks and building societies on 31 March 2022 was limited to a marginal net amount with the Royal Bank of Scotland.

The table below summarises the credit risk exposures of the Council's treasury investment portfolio by credit rating and remaining time to maturity.

Money Market Funds and Short Term Deposits Credit Rating:

Credit Rating	**31/03/2023 £m**	**31/03/2022 £m**
AAA	0.0	0.0
AA-	0.0	0.0
A+	98.4	84.8
A	17.8	13.8
Unrated Local Authorities	0.0	0.0
Total Investments	**116.2**	**98.6**

As at 31 March 2023, the portfolio above relates to money market funds which are categorised under Cash and Cash Equivalents on the Balance Sheet. In the prior year, £98.6m of the balance was classified under Cash & Cash Equivalents.

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the Approved List for Investments, which governs lending to banks and financial institutions, including building societies, Government authorities and supranational institutions. The Council combines long-term, short-term and individual ratings to reduce the risk of default. To further reduce risk, the Council only makes new investments with financial institutions through marketable instruments which could be sold at short notice to minimise prospective losses.

Loss allowance on treasury investments have been calculated by reference to historic default data published by credit ratings. Investments are determined to have suffered a significant increase in credit risk where they have been downgraded by [three] or more credit rating notches or equivalent since initial recognition, unless they retain an investment grade credit rating. They are determined to be credit-impaired when awarded a "D" credit rating or equivalent. The Council does not expect any losses from non-performance by other counterparties.

Credit Risk: Trade Receivables

Trade receivables are general debtors to the Council, and includes Government departments, other local authorities or housing rents. The Council does not generally allow credit for its trade debtors. During the reporting period the Council held no collateral as security.

The following analysis summarises the Council's potential maximum exposure to credit risk. 81.9% is the element which has not been provided for, based on the authorities calculation for impairment for doubtful debts. Potential Maximum Exposure to Credit Risk:

Type	**Amount at 31 March 2023 £m**	**Impairment for Doubtful Debts %**	**Estimated loss through non-recovery £m**
Trade receivables	154.8	16.3%	**25.2**
Total	**154.8**	**16.3%**	**25.2**

The Council's credit risk on lease receivables is mitigated by its legal ownership of the assets leased, which can be repossessed if the debtor defaults on the lease contract. The impairment for doubtful debts has been calculated based on historical collection rates, whilst also factoring in debts which are secured or highly likely to be collectible, to estimate the non-collection of our outstanding debt. Debts are deemed to be overdue when they are outstanding passed our payment terms.

Liquidity Risk

The Council has ready access to borrowing at favourable rates from the Public Works Loan Board and other local authorities and private investors, and at higher rates from banks and building societies. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. It is however exposed to the risk that it will need to refinance a significant proportion of its borrowing at a time of unfavourably high interest rates. This risk is managed by maintaining a spread of fixed rate loans and ensuring loans mature at different times.

The Maturity Analysis of Principal Sums Borrowed:

Principal Sums Borrowing Lengths	**£m**
Less than one year	110.7
Between one and two years	25.9
Between two and five years	52.7
Between five and ten years	51.8
Between ten and twenty years	124.3
Between 20 and 30 years	121.3
Between 30 and 40 years	189.3
More than 40 years	105.0
Total	**781.0**

The Council has £70.5m (2021/22: £70.5m) of "Lender's option, borrower's option" (LOBO) loans where the lender has the option to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty. Due to the higher interest rate environment, the Council has based the maturity date upon the next option date rather than the final maturity date.

Market Risks: Interest Rate Risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Authority. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense will rise
- borrowings at fixed rates – the fair value of the liabilities will fall
- investments at variable rates – the interest income will rise
- investments at fixed rates – the fair value of the assets will fall

100% of the Council's long term borrowing is at fixed rates so the risk would arise when the need to refinance arises or on occasions when short term borrowing is required, which are small in relation to the Council's scale of operation. A rise in interest rates would lead to a fall in the fair value of borrowings but this would have no impact on the Income and Expenditure Account.

Investments measured at amortised cost and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services.

The Treasury Management Strategy aims to mitigate these risks by setting an upper limit of £5m on the 12-month revenue impact of a 1% fall and rise in interest rates. If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

Impact of Interest Rates being 1% Higher:

Impact	£m
Increase in interest receivable on variable rate investments	(1.0)
Impact on Comprehensive Income and Expenditure	(1.0)
Decrease in fair value of fixed rate borrowings / liabilities*	83.2

*No impact on Comprehensive Income and Expenditure.

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed. However, it would lead to a negative interest rate on our investments. The Council has £70.5m (2021/22: £70.5m) of “Lender’s option, borrower’s option” (LOBO) loans with maturity dates between 2048 and 2077 where the lender has the option to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty. In the current low interest rate environment, the likelihood of the lender increasing the rate is low; however, the likelihood will increase in later years should market interest rates rise.

Note 27 – Leases
A lease is an agreement whereby the lessor (person giving the asset) conveys to the lessee (person taking the asset), in return for a payment or series of payments for an agreed period of time, examples include leasing of vehicles for waste services, property rentals, rental of equipment (i.e. photocopiers, machinery).

Authority as Lessee

Finance Leases

Leases are classified as finance leases where the terms of the agreement transfer substantially all the risks and rewards of ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, present value of the minimum lease payments in relation to the asset’s fair value and whether the Council obtains ownership of the asset at the end of the lease term.

The current lease for Brent Council’s waste collection services with an external contractor began in 2018/19, with assets worth £5.7m. Public Realm Service (PRS) oversees the commercial waste collection, household and recycling collection and cleaning services for the Council. Brent Council has recognised this as a Finance lease under IAS 17. The waste service assets are included under Plant, Vehicle and Equipment in the balance sheet.

On 8th March 2022, the London Borough of Brent Council signed (as lessee) a lease of property at 330 Ealing Road, Alperton, formerly the location of Alperton Bus Garage. The site will be developed into 155 units of affordable housing at the expense of the lessor, which the Council will then let to tenants. There are no lease payments during the first three years so will begin in 2025/26. The Council received a payment of £7.7m at the start of the lease which has been recorded as a long-term lease liability.

Balance Sheet Extract of Plant, Furniture, Vehicles and Equipment:

31-Mar-22 £m	Detail	31-Mar-23 £m
1.1	Plant, Furniture, Vehicles and Equipment	0.0

The Council is committed to making minimum payments comprising repayment of the outstanding liability and interest upon the outstanding liabilities. The minimum lease payments are made of the following amounts:

Minimum Finance Lease Payments:

31-Mar-22 £m	Finance Lease Liabilities Details	31-Mar-23 £m
1.3	Current	0.0
7.7	Non-current	7.7
0.0	Finance costs payable in future years	0.0
9.0	**Minimum lease payments**	7.7

These minimum lease payments are payable over the following periods:

Total Minimum Lease Payments:

Payment Period	2021/22 £m	2022/23 £m
Not Later than one year	1.3	0.0
Later than one year and not later than five years	7.7	7.7
Later than five years	0.0	0.0
Total	**9.0**	7.7

Present Value of Minimum Lease Payments Repayable

Payment Period	2021/22 £m	2022/23 £m
Not Later than one year	1.2	0.0
Later than one year and not later than five years	7.2	7.2
Later than five years	0.0	0.0
Total	**8.4**	**7.2**

Operating Leases (Authority as Lessee)

An operating lease is an agreement to use and operate an asset without ownership. Brent Council leases Land & Buildings, Office Equipment, vehicles, and telecommunications Equipment in order to provide its services.

The Future Minimum Payments under these Leases in Future Years:

2021/22 £m	Payment Period	2022/23 £m
2.8	Not later than one year	2.7
10.7	Later than one year and not later than five years	12.3
1.8	Later than five years	0.1
15.3	**Total**	**15.1**

The Following Future sublease payments are receivable:

2021/22 £m	Detail	2022/23 £m
4.7	Future Minimum Sublease Payments Receivable	4.6

The Expenditure charged to Comprehensive Income and Expenditure Statement for these Leases:

2021/22 £m	Comprehensive Income and Expenditure Detail	2022/23 £m
0.6	Minimum Lease payments	0.6
(0.2)	(Sublease payments receivable)	(0.2)
0.4	**Total**	**0.4**

Authority as Lessor

Finance Leases

Brent Council leases Northwick Park Golf course to a commercial operator on a finance lease with a remaining term of 84 years. In addition, there are three residential properties leases with an average minimum contractual duration of 999 years and one retail unit with a 150 year lease.

During 2020/21, the Council entered into a lease agreement for the phase 2 & 3 development of the Peel site within the South Kilburn redevelopment. This stage of the project will involve the construction of 68 affordable homes.

The Authority has a gross investment in the properties, which is the present value of future lease payments receivable under the contract. The gross investment is made up of the following amounts:

31-Mar-22 £m	Finance Lease Debtor Detail	31-Mar-23 £m
0.0	Current	15.9
18.4	Non-Current	3.2
18.4	**Gross Investment in Lease**	**19.1**

The gross investment in the lease and the minimum lease payments will be received from the commercial operator over the following periods:

Gross Investment in the Lease:

Periods	2021/22 £m	2022/23 £m
Not later than one year	0.2	16.4
Later than one year and not later than five years	16.9	0.7
Later than five years	54.3	54.1
Total	**71.3**	**71.2**

Present Value of Minimum Lease Payments:

Period	2021/22 £m	2022/23 £m
Not later than one year	0.0	15.9
Later than one year and not later than five years	14.7	0.5
Later than five years	3.7	2.8
Total	**18.4**	**19.2**

In addition to the payments made by the commercial operator shown above, the Council receives contingent rent based on the turnover of the golf course.

Operating Leases (Authority as Lessor)

The Council leases out a number of its properties for both commercial use and service provision.

Future minimum lease payments expected under these contracts are:

2021/22 £m	Period	2022/23 £m
1.4	Not later than one year	1.3
4.3	Later than one year and not later than five years	2.9
41.3	Later than five years	53.3
47.0	**Total**	**57.5**

The Council receives additional contingent rent for one of its properties based on the turnover of the lessee's business.

Note 28 – Private Finance Initiative (PFI) and Service Concessions
The Council has entered into three PFI projects which have generated assets to be used by the Council, these are:

- In 2006/07 a 25 year project to provide, operate and maintain a new sports centre and related facilities in Willesden; legal title to this sports centre transfers to Brent at the end of the contract.
- In 2008/09 the Council entered into phase 1 of a 20 year project to provide and maintain social housing, and replacement residential facilities for people with learning disabilities. Phase 2 of this contract was signed in 2010-11. Legal title to the residential facilities for people with learning disabilities transfers to

Brent. Brent controls the residual value of 158 units of the housing stock at the end of the contract by a combination of restrictions on the sale and use of the social housing built and guaranteed nomination rights to 158 of the properties built. The complexities of this contract are further detailed below.

The Council has reviewed its contracts and identified the following agreements that meet the definition of a Service Concession:

- In 2005/06 a 32 year agreement was made to provide and maintain social housing within Stonebridge. Whether or not a block of flats or house paid for by this contract appears on Brent's balance sheet was determined by a tenant's vote at the start of the contract. The PFI operator manages and maintains these properties on behalf of Brent.

A provision of £5.7m is maintained to reflect changes in the PFI schemes agreed in prior years. An additional provision of £13.1m has been added, relating to the conversation of tenancies to Discounted Market Rent units. Please refer to note 9.

The assets that have been recognised on the balance sheet funded by PFIs and service concessions are shown in Note 1 on Plant, Property, and Equipment.

These assets are funded by the following liabilities which are repaid over the course of the contract to recompense the PFI operator for the capital expenditure they have incurred.

Movement in PFI Balance Outstanding:

2021/22 £m	PFI Detail	2022/23 £m
23.5	Balance outstanding at start of year	22.1
(1.4)	Payments during the year	(1.7)
22.1	**Balance outstanding at end of year**	**20.4**

The Following Future Payments Expected to be Made on the PFIs and Service Concessions:

Time Period Payable	Payment for Services £m	Reimbursement of Capital Expenditure £m	Interest £m	Total £m
Payable in 2023/24	3.6	1.3	2.2	**7.1**
Payable with two to five years	16.0	6.5	7.3	**29.8**
Payable within 6 to 10 years	14.5	5.5	7.9	**27.9**
Payable within 11 to 15 years	5.1	3.9	4.9	13.9
Payable within 16 to 20 years	0.0	0.0	0.0	**0.0**
Total	**39.2**	**17.2**	**22.3**	**78.7**

Where a PFI asset is paid for by third party payments, it is a requirement to recognise the deferred income: this recognises the expected future third party payments.

Deferred Income Recognised on the Balance Sheet:

2021/22 £m	Deferred Income Detail	2022/23 £m
(12.1)	Deferred Income opening balance	(10.1)
2.0	Amortisation	2.0
(10.1)	**Deferred Income closing balance**	**(8.1)**

Employee Benefits

Note 29 – Senior Employees' Remuneration

Senior employees are Brent's Chief Executive, direct reports (other than administration staff), statutory chief officers and employees whose salary is £150k or more. No bonuses were paid during 2022/23.

Salary and Pension Contributions for Senior Employees for 2022/23:

Employee	**Salary (including fees and allowances)** **£**	**Employers pension contributions** **£**	**Compensation for Loss of office** **£**	**Total remuneration including pension contributions** **£**
Chief Executive – Carolyn Downs	218,063	0	0	**218,063**
Corporate Director Adult Social Care and Health- Philip Porter	165,593	58,103	0	**223,696**
Corporate Director Resident Services- Peter Gadsdon	166,010	58,103	0	**224,113**
Corporate Director Finance and Resources (section 151 officer)- Minesh Patel	150,502	53,143	0	**203,645**
Corporate Director Governance- Debra Norman	141,034	49,362	0	**190,396**
Corporate Director Children and Young People- Nigel Chapman	147,010	51,458	0	**198,468**
Corporate Director Communities and Regeneration- Zahur Khan (started 6th February 2023)	21,847	7,647	0	**29,494**
Assistant Chief Executive - Shazia Hussain (left 29th August 2022)	46,636	15,756	0	**62,392**
Strategic Director Children and Young People- Gail Tolley (left 31st August 2022)	74,278	23,411	0	**97,689**
Strategic Director Regeneration & Environment- Alan Lunt (left 30th September 2022)	87,887	28,093	40,610	**156,590**
Director of Public Health- Melanie Smith	130,223	43,895	0	**174,118**

Employee	Salary (including fees and allowances) £	Employers pension contributions £	Compensation for Loss of office £	Total remuneration including pension contributions £
Director of Environment and Leisure - Christopher Whyte	141,700	47,940	0	**189,640**
Director Regeneration Growth and Employment - Alice Lester	120,782	42,274	0	**163,056**
Integrated Care Partnership Director - Thomas Shakespeare	116,420	41,692	0	**158,112**
Total	**1,727,985**	**520,877**	**40,610**	**2,289,472**

Salary and Pension Contributions for Senior Employees for 2021/22:

Employee	**Salary (including fees and allowances)** **£**	**Employers pension contributions** **£**	**Total remuneration including pension contributions** **£**
Chief Executive – Carolyn Downs*	211,586	-	**211,586**
Assistant Chief Executive - Shazia Hussain	108,038	37,813	**145,851**
Strategic Director Children and Young People- Gail Tolley	160,533	56,187	**216,720**
Strategic Director of Community Wellbeing- Philip Porter	159,033	56,187	**215,220**
Strategic Director Regeneration & Environment- Alan Lunt	159,533	56,187	**215,720**
Strategic Director Customer and Digital services- Peter Gadsdon	154,360	54,026	**208,386**
Director of Finance (section 151 officer)- Minesh Patel	112,993	40,068	**153,061**
Director of Public Health- Melanie Smith	128,155	43,221	**171,375**
Director of Legal, HR and Audit- Debra Norman	135,047	47,266	**182,313**
Total	**1,329,278**	**390,955**	**1,720,232**

*Within this salary there is £1,500 relating to Returning Officer fees which the Chief Executive has redistributed to other staff who helped with the elections.

Note 30 – Officers' Remuneration

The table below presents the number of employees whose remuneration in 2022/23 and 2021/22 was £50,000 or more in bands of £5,000. The remuneration excludes employer's pension contributions and the table excludes senior employees whose individual remuneration disclosed in note 29,

2021/22 Schools Staff	2021/22 Officers	2021/22 Total	Remuneration Band £	2022/23 Schools Staff	2022/23 Officers	2022/23 Total
159	114	273	50,000 - 54,999	148	109	257
66	105	171	55,000 - 59,999	84	99	183
64	53	117	60,000 - 64,999	54	22	76
36	22	58	65,000 - 69,999	52	25	77
19	11	30	70,000 - 74,999	32	10	42
12	7	19	75,000 - 79,999	17	9	26
10	11	21	80,000 - 84,999	9	8	17
11	5	16	85,000 - 89,999	9	1	10
9	1	10	90,000 - 94,999	13	18	31
5	17	22	95,000 - 99,999	6	2	8
2	3	5	100,000 - 104,999	3	0	3
0	0	0	105,000 - 109,999	1	2	3
1	3	4	110,000 - 114,999	2	1	3
2	1	3	115,000 - 119,999	0	0	0
0	2	2	120,000 - 124,999	2	0	2
0	0	0	125,000 - 129,999	0	2	2
0	1	1	130,000 - 134,999	0	0	0
0	1	1	135,000 - 139,999	0	0	0
1	0	1	140,000 - 144,999	0	0	0
0	0	0	145,000 - 149,999	0	0	0
0	0	0	150,000 -154,999	1	0	1
0	0	0	155,000 -159,999	0	1	1
0	0	0	160,000 - 164,999	0	0	0
1	0	1	165,000 – 169,999	1	0	1
398	**357**	**755**	**Total**	**434**	**309**	**743**

This note reports the number of school staff and council officers paid over £50,000 in 2022/23. The number of schools staff has increased by 36 and council officers decreased by 48 compared to 2021/22.

During the year the number of school staff and Council officers paid over £50,000 in 2022/23 has decreased by 12 compared to 2021/22. The main reason for the decrease in these numbers is compulsory and voluntary redundancies.

Note 31 – Exit Packages

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

Exit Package Cost for 2022/23:

Exit Package cost band (including special payments)	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages by cost band**	**Total cost of exit packages in each band £'000**
£0 - £20,000	12	49	61	629
£20,001 - £40,000	2	15	17	461
£40,001 - £60,000	0	5	5	250
£60,001 - £80,000	0	3	3	206
£80,001- £100,000	0	1	1	96
£100,000+	1	8	9	1,563
Total cost included in bandings	**15**	**81**	**96**	**3,206**
ADD: amounts provided for in CIES not included in bandings	-	-	-	**0**
TOTAL cost included in CIES	-	-	-	**3,206**
Average cost of exit packages	-	-	-	**33**

The number of exit packages increased from 50 in 2021/22 to 96 in 2022/23 whilst the total cost of exit packages has increased from £0.646m in 2021/22 to £3.206m in 2022/23.

The average cost of exit package has increased from £13k in 2021/22 to £33k in 2022/23 mainly because of redundancies of Brent staff in £80k+ band and 33.58 FTE accrued voluntary redundancies in 2022-23

Exit Package Cost for 2021/22:

Exit Package cost band (including special payments)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages in each band £'000
£0 - £20,000	21	21	42	298
£20,001 - £40,000	1	4	5	135
£40,001 - £60,000	0	2	2	92
£60,001 - £80,000	0	0	0	0
£80,001- £100,000	0	0	0	0
£100,000+	**0**	1	1	122
Total cost included in bandings	**22**	**28**	**50**	**646**
ADD: amounts provided for in CIES not included in bandings	**-**	**-**	**-**	**0.0**
TOTAL cost included in CIES	**-**	**-**	**-**	**646**
Average cost of exit packages	**-**	**-**	**-**	**13**

Pension Notes

Note 32 – Pension Schemes Accounted for as Defined Contribution Schemes

In 2022/23, the Council paid £12.4m to Teachers' Pensions (£11.5m - 2021/22) in respect of teachers' retirement benefits, representing 23.68% in 2022/23 (23.69% - 2021/22) of pensionable pay. The Authority is responsible for the cost of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme.

Note 33 – Defined Benefit Pension Schemes

Participation in Pension Schemes

The Council participates in the Local Government Pension Scheme, this is a funded defined benefit scheme. The Council and employees pay contributions into the fund, this is calculated at a level intended to balance the pensions liabilities with investment assets.

Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by the employees, rather than when the benefits are paid in due course as pensions. Actuarial gains and losses on pension assets and liabilities are recorded as other comprehensive income and expenditure. The charge which Council is required to make against council tax is based on the cash payable in the year, therefore the real cost of post-employment/retirement benefits is reversed out of the general fund through the movement in the reserves statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

Extract from Comprehensive Income and Expenditure Statement showing Transactions Relating to Post-Employment Benefits Charged to the Surplus or Deficit on the Provision of Services:

31 March 2022 £m	Comprehensive Income and Expenditure Statement Detail	31 March 2023 £m
60.8	Current service cost (Cost of Services)	59.4
0.3	Past service costs (including curtailments) (Cost of Services)	1.4
0	Effects of business combinations and disposals (Cost of Services)	0
35.2	Interest cost (Financing and Investment Income and Expenditure)	45.9
(17.8)	Expected return on Scheme assets (Financing and Investment Income and Expenditure)	(26.3)
78.5	**Total Post-Employment Benefit Charged to the Surplus or Deficit on the Provision of Services**	**80.4**

Extract from Comprehensive Income and Expenditure Statement showing Transactions Relating to Post-Employment Benefits:

31 March 2022 £m	Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	31 March 2023 £m
(9.2)	Changes in demographic assumptions	(2.1)
(110.6)	Changes in financial assumptions	(581.2)
3.3	Other experience	53.2
(55.7)	Return on assets excluding amounts in net interest	38.1
78.5	Post-Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	80.4
(93.7)	**Total Post-Employment Benefit Charged to the Comprehensive Income and Expenditure Statement**	**(411.6)**

Extract from the Movement in Reserves Statement Relating to Post-Employment Benefits:

31 March 2022 £m	Movement in Reserves Statement Detail	31 March 2023 £m
43.2	Employers' contributions payable to the Scheme	44.5
4.0	Contributions in respect of unfunded benefits	3.8
47.2	**Actual amount charged against the General Fund Balance for pensions in the year**	**48.3**
(78.5)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	(80.4)
(31.2)	**Total Post-Employment Benefit Charged to the Movement in Reserves Statement**	**(32.1)**

Statements Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Authority's obligation in respect of its defined benefit plans is as follows:

31 March 2022 £m	**Balance Sheet Detail**	**31 March 2023 £m**
(1,690)	Present value of the defined benefit obligation	(1,243)
968	Fair value of plan assets	981
(722)	**Net liability arising from defined benefit obligation**	(262)

Note 34 – Reconciliation of Assets and Liabilities in Relation to Post-Employment Benefits

Reconciliation of Assets and Liabilities in Relation to Post-Employment Benefits:

Scheme Assets 2021/22 £m	Pensions Obligations 2021/22 £m	Net Pensions Liability 2021/22 £m	Detail	Scheme Assets 2022/23 £m	Pensions Obligations 2022/23 £m	Net Pensions Liability 2022/23 £m
887.6	**(1,750.6)**	**(863.0)**	**Opening Balance at 1 April**	**967.7**	**(1,689.7)**	**(722.0)**
-	**-**	**-**	**Service Costs**	**-**	**-**	**-**
0.0	(60.8)	(60.8)	Current Service Cost	0.0	(59.4)	(59.4)
0.0	(0.3)	(0.3)	Past Service cost and gains/losses on curtailments	0.0	(1.4)	(1.4)
17.8	(35.2)	(17.4)	Interest Income and Expense	26.3	(45.9)	(19.6)
-	-	-	**Re-measurements**	-	-	-
55.7	(3.3)	52.4	Return on Plan Assets	(38.1)	0.0	(38.1)
0.0	9.2	9.2	Actuarial Gains and Losses arising from changes in demographic assumptions	0.0	2.1	2.1
0.0	110.6	110.6	Actuarial Gains and Losses from changes in Financial Assumptions	0.0	581.2	581.2
-	-	-	Other experience	14.7	(67.9)	(53.2)
-	-	-	**Contributions**	-	-	-
47.3	0.0	47.3	The Council	48.3	0.0	48.3
7.6	(7.6)	0.0	Employees	8.4	(8.4)	0.0
-	-	-	**Payments**	-	-	-
(48.3)	48.3	0.0	Retirement Grants and Pensions	(46.1)	46.1	0.0
0.0	0.0	0.0	Effects of business combinations and disposals	0.0	0.0	0.0
967.7	**(1,689.7)**	**(722.0)**	**Closing Balance at 31 March**	**981.2**	**(1,243.3)**	**(262.1)**

Note 35 – Sensitivity Analysis
Change in Assumptions and Subsequent Effect on Employer Liability:

Change in assumptions at 31 March 2023	Approximate % increase to Employer Liability	Approximate monetary amount £m
0.1% decrease in Real Discount Rate	2%	20.2
1 year increase in member life expectancy	4%	49.7
0.1% increase in the Salary Increase Rate	0%	1.3
0.1% increase in the Pension Increase Rate	2%	19.2

Note 36 – Explanation of Change in Net Pension Liability
The Net Pension Liability has decreased by £459.9m (decreased by £141.0m in 2021/22).

The discount rate has increased from 2.7% to 4.75% leading to increase in the net interest on the net defined benefit pension liability. There are also risks attached to the maturity of the members, as it can be seen that 45.7% of the liability related to pensioners.

Following the 2022 Triennial valuation, The Employer's contributions for the period to 31 March 2024 are estimated to be approximately £41.6m. The deficit recovery period is 20 years. Contributions will remain at 33.5% of pensionable pay in 2023/24.

Type of Pension Liability Members:

Type of Member	Liability split (£m) as at 31 March 2023	Liability split (%) as at 31 March 2023
Active Members	319.7	26.5%
Deferred Members	334.9	27.8%
Pensioner Members	551.7	45.7%
Total Members	**1,206.3**	**100%**

Note 37 – Basis for Estimating Assets and Liabilities

The latest full actuarial valuation of the London Borough of Brent's liabilities took place as at 31 March 2022. The principal assumptions used by the independent qualified actuaries in updating the latest valuation of the Fund and assessing discretionary benefit liabilities are set out below:

Principal Assumptions Used in Updating Latest Valuation of the Fund:

2021/22	Actuarial Assumptions:	2022/23
22.1	Longevity at 65 for current pensioners: Men	22.0
24.5	Longevity at 65 for current pensioners: Women	24.7
23.2	Longevity at 65 for future pensioners: Men	23.0
26.0	Longevity at 65 for future pensioners: Women	25.9
3.5%	Rate of increase in salaries	3.3%
3.2%	Rate of increase in pensions	3.0%
2.7%	Rate for discounting Scheme liabilities	4.8%
50.0%	Take-up of option to convert annual pension into retirement lump sum (pre-April 2008 service)	50%
75.0%	Take-up of option to convert annual pension into retirement lump sum (post-April 2008 service)	75%

Derivation of financial assumptions

Discount rate

The Accounting Standards state that the discount rate used to place a value on the obligations should be determined by reference to market yields on high quality corporate bonds at the reporting date. The currency and term of the high quality corporate bonds used to set the discount rate should be consistent with the currency and term of the obligations.

Corporate bond yield curve

Updated Government bond yield curves are available on a daily basis from the Bank of England so we can easily identify a spot yield on Government bonds at any duration and at any date. However, a similarly accessible yield curve for corporate bonds is not so readily available. To set the discount rate, we construct a “Hymans Robertson” corporate bond yield curve based on the constituents of the iBoxx AA corporate bond index.

Weighted average duration

The discount rate should reflect the ‘term’ of the benefit obligation. We interpret ‘term’ to be the weighted average duration of the benefit obligation. We calculate the weighted average duration for each employer and categorise each employer’s duration. We set assumptions based on duration category as below:

Weighted Average Duration of the Benefit Obligation:

Weighted average duration at most recent actuarial valuation	Duration category
Less than 17 years	Short
Between 17 and 23 years	Medium
More than 23 years	Long

Retail Price Inflation (RPI)

We use a market implied inflation curve over a range of maturities, derived from yields available on fixed interest and index linked government bonds to be consistent with the derivation of the discount rate. For each duration category we derive a cashflow weighted single RPI rate from this market implied inflation curve. Our RPI assumption allows for an Inflation Risk Premium (IRP) of 0bps pre-2030 and a post-2030 IRP of 30bps, giving an average IRP of 15bps over short durations; and 20bps over medium and long durations.

Consumer Price Inflation (CPI) – Pension Increases

We set the pension increases assumption in line with our default Consumer Prices Index (CPI) assumption. As a market in CPI linked bonds does not exist, we need to estimate the long-term wedge between RPI and CPI to derive a CPI assumption for accounting purposes. Our estimate is based on analysis of past and emerging future trends in the gap between these indices. Our CPI assumption allows for a wedge of 100bps pre-2030 and a wedge of 10bps post-2030 relative to RPI. The former reflects differences between RPI and CPI and the latter reflects differences between CPI and CPIH. The resulting average RPI/CPI gap is 0.40% over short durations, 0.35% over medium durations and 0.30% over long durations.

Salary Increases

We set our standard assumption for salary growth relative to CPI, using the same methodology as the Fund's most recent funding valuation. See the Fund's formal valuation report for further details on the salary growth assumption.

Proposed financial assumptions for the Accounting Date

We use financial assumptions from the beginning of the accounting period to calculate the service cost and net interest components of the pension expense. We propose the following standard assumptions at the Accounting Date.

Weighted average duration at most recent Actuarial Valuation:

Accounting Date 31 March 2023	Short %p.a.	Medium %p.a.	Long %p.a.
Discount Rate	4.75%	4.75%	4.75%
Retail Price Inflation (RPI)	3.30%	3.20%	3.15%
Consumer Price Inflation (CPI) – Pension Increase Rate	3.00%	2.95%	2.95%

Demographic assumptions

Longevity

We use baseline longevity assumptions consistent with the assumptions used at the latest funding valuation. We use future longevity improvements assumptions in line with the latest Continuous Mortality

Investigation (CMI) results, namely the CMI 2021 model with a 10% weighting of 2021 (and 2020) data, smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of 1.5% p.a. for both females and males.

Other demographic assumptions

We use other demographic assumptions (e.g. commutation, withdrawal, ill-health early retirements etc) which are the same as those used for the latest funding valuation. These were considered to be best estimate. Further details of these assumptions are set out in the Fund's formal valuation report.

Reasonableness of assumptions

There is a range of actuarial assumptions which are acceptable under the requirements of the Accounting Standard. We consider that the assumptions above are within the acceptable range. Where the Employer has requested different assumptions, we have shown these in the Results Schedule and noted whether these fall outside our standard acceptable range.

Risks and uncertainties in relation to the assumptions

We have adopted assumptions which are in effect projections of future investment returns and demographic experience many years into the future. There is inevitably a great deal of uncertainty in what constitutes 'best estimate' with such projections. It is important to note that the Accounting Standard requires the discount rate to be set with reference to the yields on high quality corporate bonds irrespective of the Fund's actual investment strategy. As such, the figures in the Results Schedule are not likely to reflect the actual cost of providing the benefits. Similarly, the Results Schedule is not used in any way to calculate or certify employer cash contributions.

Sensitivity to assumptions

"We have included details of the effect on the obligations of changes to the key assumptions in the Sensitivity Analysis section of the Results Schedule. The net discount rate is the difference between the discount rate and the assumed rates of increase of salaries/deferred pension revaluation/pension increases in payment. Changes in market conditions that affect the net discount rate can have a significant effect on the value of the obligations reported.

• A reduction in the net discount rate will increase the assessed value of obligations, as a higher value is placed on benefits paid in the future.

• A rise in the net discount rate will have an opposite effect of similar magnitude."

Impact on the Authority's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 20 years from April 2022. Funding levels are monitored on an annual basis.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

Note 38 – Fair value of employers assets (bid value)

Brent's share of the Pension Fund Assets as estimated within the statutory IAS 19 report is shown below: -

Quoted prices in active markets 31-Mar-22 £m	Quoted prices not in active markets 31-Mar-22 £m	Total 31-Mar-22 £m	Percentage of Total Assets 31-Mar-22 %	Asset Category	Quoted prices in active markets 31-Mar-23 £m	Quoted prices not in active markets 31-Mar-23 £m	Total 31-Mar-23 £m	Percentage of Total Assets 31-Mar-23 %
-	-	-	-	**Private Equity**	-	-	-	-
0	26.3	26.3	2.7%	All	0.0	24.8	24.8	2.5%
-	-	-	-	**Real Estate**	-	-	-	-
12.6	0.0	12.6	1.3%	UK Property	23.6	0.0	23.6	2.4%
0.0	0.0	0.0	0.0%	Overseas Property	0.0	0.0	0.0	0.0%
-	-	-	-	**Investment Funds & Unit Trusts**	-	-	-	-
544.1	0.0	544.1	56.2%	Equities	551.4	0.0	551.4	56.2%
111.0	0.0	111.0	11.5%	Bonds	85.8	0.0	85.8	8.7%
0.0	41.4	41.4	4.3%	Infrastructure	0.0	51.6	51.6	5.3%
198.6	13.3	211.9	21.9%	Other	202.0	30.6	232.6	23.7%
-	-	-	-	**Cash and cash equivalents**				
20.4	0.0	20.4	2.1%	All	11.3	0.0	11.3	1.2%
886.6	**81.1**	**967.7**	**100.0%**	**Totals**	**874.1**	**107.0**	**981.1**	**100%**

Note to Movement in Reserves Statement

Note 39 – Note to Movement in Reserves Statement 2022/23

Movement in Reserves Detail	Usable Reserve: General Fund (£m)	Usable Reserve: HRA (£m)	Usable Reserve: Earmarked Reserves Balance (£m)*	Usable Reserve: Capital Receipts Reserve (£m)	Usable Reserve: Capital Grants Unapplied (£m)	Usable Reserve: Major Repairs Reserve (£m)	Unusable Reserve: Revaluation Reserve (£m)	Unusable Reserve: Capital Adjustment Account (£m)	Unusable Reserve: Deferred Capital Receipts (£m)	Unusable Reserve: Financial Instruments ADJ A/C (£m)	Unusable Reserve: Pensions Reserve (£m)	Unusable Reserve: Short Term Accumulating Compensated Absences Reserve (£m)	Unusable Reserve: Collection Fund ADJ A/C (£m)	Unusable Reserve: Dedicated Schools Grant Adjustment Account (£m)	Total
Comprehensive income & expenditure															
(Surplus) or deficit on the provision of services	(44.2)	8.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(35.7)
Surplus or deficit on revaluation of Property, Plant and Equipment assets	0.0	0.0	0.0	0.0	0.0	0.0	(127.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(127.2)
Actuarial gains/losses on pension assets and liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(492.0)	0.0	0.0	0.0	(492.0)
Total comprehensive income & expenditure (a)	**(44.2)**	**8.5**	**0.0**	**0.0**	**0.0**	**0.0**	**(127.2)**	**0.0**	**0.0**	**0.0**	**(492.0)**	**0.0**	**0.0**	**0.0**	**(654.9)**
Adjustments between accounting basis & funding basis under regulations															
Charges for depreciation and impairment of non-current assets	(27.4)	(12.8)	0.0	0.0	0.0	0.0	8.5	31.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revaluation losses on Property Plant and Equipment	7.6	(14.6)	0.0	0.0	0.0	0.0	0.0	7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Movement in Reserves Detail	Usable Reserve: General Fund (£m)	Usable Reserve: HRA (£m)	Usable Reserve: Earmarked Reserves Balance (£m)*	Usable Reserve: Capital Receipts Reserve (£m)	Usable Reserve: Capital Grants Unapplied (£m)	Usable Reserve: Major Repairs Reserve (£m)	Unusable Reserve: Revaluation Reserve (£m)	Unusable Reserve: Capital Adjustment Account (£m)	Unusable Reserve: Deferred Capital Receipts (£m)	Unusable Reserve: Financial Instruments ADJ A/C (£m)	Unusable Reserve: Pensions Reserve (£m)	Unusable Reserve: Short Term Accumulating Compensated Absences Reserve (£m)	Unusable Reserve: Collection Fund ADJ A/C (£m)	Unusable Reserve: Dedicated Schools Grant Adjustment Account (£m)	Total
Amortisation of intangible assets	(3.1)	0.0	0.0	0.0	0.0	0.0	0.0	3.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue expenditure funded from capital under statute	(7.9)	0.0	0.0	0.0	0.0	0.0	0.0	7.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(29.5)	(3.3)	0.0	0.0	0.0	0.0	11.8	21.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Statutory provision for the financing of capital investment	22.7	0.0	0.0	0.0	0.0	0.0	0.0	(22.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital expenditure charged against the General Fund and HRA balances	9.2	0.0	0.0	0.0	0.0	0.0	0.0	(9.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Movement in Reserves Detail	Usable Reserve: General Fund (£m)	Usable Reserve: HRA (£m)	Usable Reserve: Earmarked Reserves Balance (£m)*	Usable Reserve: Capital Receipts Reserve (£m)	Usable Reserve: Capital Grants Unapplied (£m)	Usable Reserve: Major Repairs Reserve (£m)	Unusable Reserve: Revaluation Reserve (£m)	Unusable Reserve: Capital Adjustment Account (£m)	Unusable Reserve: Deferred Capital Receipts (£m)	Unusable Reserve: Financial Instruments ADJ A/C (£m)	Unusable Reserve: Pensions Reserve (£m)	Unusable Reserve: Short Term Accumulating Compensated Absences Reserve (£m)	Unusable Reserve: Collection Fund ADJ A/C (£m)	Unusable Reserve: Dedicated Schools Grant Adjustment Account (£m)	Total
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	118.7	0.0	0.0	0.0	(118.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Application of grants to capital financing transferred to the Capital Adjustment Account	0.0	0.0	0.0	0.0	45.5	0.0	0.0	(45.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	2.9	7.4	0.0	(10.8)	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0

Movement in Reserves Detail	Usable Reserve: General Fund (£m)	Usable Reserve: HRA (£m)	Usable Reserve: Earmarked Reserves Balance (£m)*	Usable Reserve: Capital Receipts Reserve (£m)	Usable Reserve: Capital Grants Unapplied (£m)	Usable Reserve: Major Repairs Reserve (£m)	Unusable Reserve: Revaluation Reserve (£m)	Unusable Reserve: Capital Adjustment Account (£m)	Unusable Reserve: Deferred Capital Receipts (£m)	Unusable Reserve: Financial Instruments ADJ A/C (£m)	Unusable Reserve: Pensions Reserve (£m)	Unusable Reserve: Short Term Accumulating Compensated Absences Reserve (£m)	Unusable Reserve: Collection Fund ADJ A/C (£m)	Unusable Reserve: Dedicated Schools Grant Adjustment Account (£m)	Total
Use of the Capital Receipts Reserve to finance new capital expenditure	0.0	0.0	0.0	2.4	0.0	0.0	0.0	(2.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reversal of Major Repairs Allowance credited to the HRA	0.0	16.0	0.0	0.0	0.0	(16.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Movement in Reserves Detail	Usable Reserve: General Fund (£m)	Usable Reserve: HRA (£m)	Usable Reserve: Earmarked Reserves Balance (£m)*	Usable Reserve: Capital Receipts Reserve (£m)	Usable Reserve: Capital Grants Unapplied (£m)	Usable Reserve: Major Repairs Reserve (£m)	Unusable Reserve: Revaluation Reserve (£m)	Unusable Reserve: Capital Adjustment Account (£m)	Unusable Reserve: Deferred Capital Receipts (£m)	Unusable Reserve: Financial Instruments ADJ A/C (£m)	Unusable Reserve: Pensions Reserve (£m)	Unusable Reserve: Short Term Accumulating Compensated Absences Reserve (£m)	Unusable Reserve: Collection Fund ADJ A/C (£m)	Unusable Reserve: Dedicated Schools Grant Adjustment Account (£m)	Total
Use of the Major Repairs Reserve to finance new capital expenditure	0.0	0.0	0.0	0.0	0.0	14.0	0.0	(14.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.8)	0.0	0.0	0.0	0.0	0.0

Movement in Reserves Detail	Usable Reserve: General Fund (£m)	Usable Reserve: HRA (£m)	Usable Reserve: Earmarked Reserves Balance (£m)*	Usable Reserve: Capital Receipts Reserve (£m)	Usable Reserve: Capital Grants Unapplied (£m)	Usable Reserve: Major Repairs Reserve (£m)	Unusable Reserve: Revaluation Reserve (£m)	Unusable Reserve: Capital Adjustment Account (£m)	Unusable Reserve: Deferred Capital Receipts (£m)	Unusable Reserve: Financial Instruments ADJ A/C (£m)	Unusable Reserve: Pensions Reserve (£m)	Unusable Reserve: Short Term Accumulating Compensated Absences Reserve (£m)	Unusable Reserve: Collection Fund ADJ A/C (£m)	Unusable Reserve: Dedicated Schools Grant Adjustment Account (£m)	Total
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(77.7)	(2.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	80.4	0.0	0.0	0.0	0.0
Employer’s pensions contributions and direct payments to pensioners payable in the year	46.2	2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(48.3)	0.0	0.0	0.0	0.0

Movement in Reserves Detail	Usable Reserve: General Fund (£m)	Usable Reserve: HRA (£m)	Usable Reserve: Earmarked Reserves Balance (£m)*	Usable Reserve: Capital Receipts Reserve (£m)	Usable Reserve: Capital Grants Unapplied (£m)	Usable Reserve: Major Repairs Reserve (£m)	Unusable Reserve: Revaluation Reserve (£m)	Unusable Reserve: Capital Adjustment Account (£m)	Unusable Reserve: Deferred Capital Receipts (£m)	Unusable Reserve: Financial Instruments ADJ A/C (£m)	Unusable Reserve: Pensions Reserve (£m)	Unusable Reserve: Short Term Accumulating Compensated Absences Reserve (£m)	Unusable Reserve: Collection Fund ADJ A/C (£m)	Unusable Reserve: Dedicated Schools Grant Adjustment Account (£m)	Total
Amount by which officer remuneration charges to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.3)	0.0	0.0	0.0
Amount by which council tax and NDR income credited to the CIES is different from council tax and NDR income calculated in accordance with statutory requirements	29.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(29.2)	0.0	0.0

Movement in Reserves Detail	Usable Reserve: General Fund (£m)	Usable Reserve: HRA (£m)	Usable Reserve: Earmarked Reserves Balance (£m)*	Usable Reserve: Capital Receipts Reserve (£m)	Usable Reserve: Capital Grants Unapplied (£m)	Usable Reserve: Major Repairs Reserve (£m)	Unusable Reserve: Revaluation Reserve (£m)	Unusable Reserve: Capital Adjustment Account (£m)	Unusable Reserve: Deferred Capital Receipts (£m)	Unusable Reserve: Financial Instruments ADJ A/C (£m)	Unusable Reserve: Pensions Reserve (£m)	Unusable Reserve: Short Term Accumulating Compensated Absences Reserve (£m)	Unusable Reserve: Collection Fund ADJ A/C (£m)	Unusable Reserve: Dedicated Schools Grant Adjustment Account (£m)	Total
Statutory transfer of Dedicated Schools Grant deficit to Dedicated Schools Grant Adjustment Account	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total adjustments between accounting basis & funding basis under regulations (b)	**92.0**	**(7.9)**	**0.0**	**(8.4)**	**(73.2)**	**(2.0)**	**20.3**	**(23.1)**	**0.5**	**(0.8)**	**32.1**	**(0.3)**	**(29.2)**	**0.0**	**0.0**

Earmarked reserve transfers (c)	**(50.5)**	**(0.6)**	**51.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
(Increase)/decrease in 2022/23 (a) + (b) +(c)	**(2.7)**	**0.0**	**51.1**	**(8.4)**	**(73.2)**	**(2.0)**	**(106.9)**	**(23.1)**	**0.5**	**(0.8)**	**(459.9)**	**(0.3)**	**(29.2)**	**0.0**	**(654.9)**
Opening balance 2021/22	**(15.1)**	**(0.4)**	**(212.4)**	**(7.0)**	**(220.1)**	**(0.9)**	**(729.4)**	**(657.7)**	**(18.4)**	**14.6**	**722.1**	**3.9**	**19.4**	**15.2**	**(1,086.2)**

Movement in Reserves Detail	Usable Reserve: General Fund (£m)	Usable Reserve: HRA (£m)	Usable Reserve: Earmarked Reserves Balance (£m)*	Usable Reserve: Capital Receipts Reserve (£m)	Usable Reserve: Capital Grants Unapplied (£m)	Usable Reserve: Major Repairs Reserve (£m)	Unusable Reserve: Revaluation Reserve (£m)	Unusable Reserve: Capital Adjustment Account (£m)	Unusable Reserve: Deferred Capital Receipts (£m)	Unusable Reserve: Financial Instruments ADJ A/C (£m)	Unusable Reserve: Pensions Reserve (£m)	Unusable Reserve: Short Term Accumulating Compensated Absences Reserve (£m)	Unusable Reserve: Collection Fund ADJ A/C (£m)	Unusable Reserve: Dedicated Schools Grant Adjustment Account (£m)	Total
Closing balance 2022/23	**(17.8)**	**(0.4)**	**(161.3)**	**(15.4)**	**(293.3)**	**(2.9)**	**(836.3)**	**(680.8)**	**(17.9)**	**13.8**	**262.2**	**3.6**	**(9.8)**	**15.2**	**(1,741.1)**

*Earmarked Reserves are analysed in Note 10

Note to Movement in Reserves Statement 2021/22

Movement in Reserves Detail	Usable Reserve: General Fund (£m)	Usable Reserve: HRA (£m)	Usable Reserve: Earmarked Reserves Balance (£m)*	Usable Reserve: Capital Receipts Reserve (£m)	Usable Reserve: Capital Grants Unapplied (£m)	Usable Reserve: Major Repairs Reserve (£m)	Unusable Reserve: Revaluation Reserve (£m)	Unusable Reserve: Capital Adjustment Account (£m)	Unusable Reserve: Deferred Capital Receipts (£m)	Unusable Reserve: Financial Instruments ADJ A/C (£m)	Unusable Reserve: Pensions Reserve (£m)	Unusable Reserve: Short Term Accumulating Compensated Absences Reserve (£m)	Unusable Reserve: Collection Fund ADJ A/C (£m)	Unusable Reserve: Dedicated Schools Grant Adjustment Account (£m)	Total
Comprehensive income & expenditure															
(Surplus) or deficit on the provision of services	(22.4)	63.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	41.4
Surplus or deficit on revaluation of Property, Plant and Equipment assets	0.0	0.0	0.0	0.0	0.0	0.0	(147.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(147.5)
Actuarial gains/losses on pension assets and liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(172.2)	0.0	0.0	0.0	(172.2)
Total comprehensive income & expenditure (a)	**(22.4)**	**63.8**	**0.0**	**0.0**	**0.0**	**0.0**	**(147.5)**	**0.0**	**0.0**	**0.0**	**(172.2)**	**0.0**	**0.0**	**0.0**	**(278.3)**

Adjustments between accounting basis & funding basis under regulations

Movement in Reserves Detail	Usable Reserve: General Fund (£m)	Usable Reserve: HRA (£m)	Usable Reserve: Earmarked Reserves Balance (£m)*	Usable Reserve: Capital Receipts Reserve (£m)	Usable Reserve: Capital Grants Unapplied (£m)	Usable Reserve: Major Repairs Reserve (£m)	Unusable Reserve: Revaluation Reserve (£m)	Unusable Reserve: Capital Adjustment Account (£m)	Unusable Reserve: Deferred Capital Receipts (£m)	Unusable Reserve: Financial Instruments ADJ A/C (£m)	Unusable Reserve: Pensions Reserve (£m)	Unusable Reserve: Short Term Accumulating Compensated Absences Reserve (£m)	Unusable Reserve: Collection Fund ADJ A/C (£m)	Unusable Reserve: Dedicated Schools Grant Adjustment Account (£m)	Total
Charges for depreciation and impairment of non-current assets	(21.6)	(10.9)	0.0	0.0	0.0	0.0	8.9	23.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revaluation losses on Property Plant and Equipment	(2.8)	(65.0)	0.0	0.0	0.0	0.0	0.0	67.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	(2.1)	(0.1)	0.0	0.0	0.0	0.0	0.0	2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue expenditure funded from capital under statute	(6.7)	0.0	0.0	0.0	0.0	0.0	0.0	6.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(6.1)	(2.7)	0.0	0.0	0.0	0.0	5.5	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Movement in Reserves Detail	Usable Reserve: General Fund (£m)	Usable Reserve: HRA (£m)	Usable Reserve: Earmarked Reserves Balance (£m)*	Usable Reserve: Capital Receipts Reserve (£m)	Usable Reserve: Capital Grants Unapplied (£m)	Usable Reserve: Major Repairs Reserve (£m)	Unusable Reserve: Revaluation Reserve (£m)	Unusable Reserve: Capital Adjustment Account (£m)	Unusable Reserve: Deferred Capital Receipts (£m)	Unusable Reserve: Financial Instruments ADJ A/C (£m)	Unusable Reserve: Pensions Reserve (£m)	Unusable Reserve: Short Term Accumulating Compensated Absences Reserve (£m)	Unusable Reserve: Collection Fund ADJ A/C (£m)	Unusable Reserve: Dedicated Schools Grant Adjustment Account (£m)	Total
Statutory provision for the financing of capital investment	12.3	0.0	0.0	0.0	0.0	0.0	0.0	(12.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital expenditure charged against the General Fund and HRA balances	4.9	0.0	0.0	0.0	0.0	0.0	0.0	(4.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	80.4	0.0	0.0	0.0	(80.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Application of grants to capital financing transferred to the Capital Adjustment Account	0.0	0.0	0.0	0.0	49.5	0.0	0.0	(49.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Movement in Reserves Detail	Usable Reserve: General Fund (£m)	Usable Reserve: HRA (£m)	Usable Reserve: Earmarked Reserves Balance (£m)*	Usable Reserve: Capital Receipts Reserve (£m)	Usable Reserve: Capital Grants Unapplied (£m)	Usable Reserve: Major Repairs Reserve (£m)	Unusable Reserve: Revaluation Reserve (£m)	Unusable Reserve: Capital Adjustment Account (£m)	Unusable Reserve: Deferred Capital Receipts (£m)	Unusable Reserve: Financial Instruments ADJ A/C (£m)	Unusable Reserve: Pensions Reserve (£m)	Unusable Reserve: Short Term Accumulating Compensated Absences Reserve (£m)	Unusable Reserve: Collection Fund ADJ A/C (£m)	Unusable Reserve: Dedicated Schools Grant Adjustment Account (£m)	Total
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0.9	7.0	0.0	(7.4)	0.0	0.0	0.0	0.0	(0.5)	0.0	0.0	0.0	0.0	0.0	0.0
Use of the Capital Receipts Reserve to finance new capital expenditure	0.0	0.0	0.0	6.0	0.0	0.0	0.0	(6.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals	(0.1)	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Movement in Reserves Detail	Usable Reserve: General Fund (£m)	Usable Reserve: HRA (£m)	Usable Reserve: Earmarked Reserves Balance (£m)*	Usable Reserve: Capital Receipts Reserve (£m)	Usable Reserve: Capital Grants Unapplied (£m)	Usable Reserve: Major Repairs Reserve (£m)	Unusable Reserve: Revaluation Reserve (£m)	Unusable Reserve: Capital Adjustment Account (£m)	Unusable Reserve: Deferred Capital Receipts (£m)	Unusable Reserve: Financial Instruments ADJ A/C (£m)	Unusable Reserve: Pensions Reserve (£m)	Unusable Reserve: Short Term Accumulating Compensated Absences Reserve (£m)	Unusable Reserve: Collection Fund ADJ A/C (£m)	Unusable Reserve: Dedicated Schools Grant Adjustment Account (£m)	Total
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	0.0	(1.3)	0.0	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reversal of Major Repairs Allowance credited to the HRA	0.0	10.9	0.0	0.0	0.0	(10.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Use of the Major Repairs Reserve to finance new capital expenditure	0.0	0.0	0.0	0.0	0.0	10.6	0.0	(10.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Movement in Reserves Detail	Usable Reserve: General Fund (£m)	Usable Reserve: HRA (£m)	Usable Reserve: Earmarked Reserves Balance (£m)*	Usable Reserve: Capital Receipts Reserve (£m)	Usable Reserve: Capital Grants Unapplied (£m)	Usable Reserve: Major Repairs Reserve (£m)	Unusable Reserve: Revaluation Reserve (£m)	Unusable Reserve: Capital Adjustment Account (£m)	Unusable Reserve: Deferred Capital Receipts (£m)	Unusable Reserve: Financial Instruments ADJ A/C (£m)	Unusable Reserve: Pensions Reserve (£m)	Unusable Reserve: Short Term Accumulating Compensated Absences Reserve (£m)	Unusable Reserve: Collection Fund ADJ A/C (£m)	Unusable Reserve: Dedicated Schools Grant Adjustment Account (£m)	Total
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.7)	0.0	0.0	0.0	0.0	0.0
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(75.5)	(3.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	78.5	0.0	0.0	0.0	0.0

Movement in Reserves Detail	Usable Reserve: General Fund (£m)	Usable Reserve: HRA (£m)	Usable Reserve: Earmarked Reserves Balance (£m)*	Usable Reserve: Capital Receipts Reserve (£m)	Usable Reserve: Capital Grants Unapplied (£m)	Usable Reserve: Major Repairs Reserve (£m)	Unusable Reserve: Revaluation Reserve (£m)	Unusable Reserve: Capital Adjustment Account (£m)	Unusable Reserve: Deferred Capital Receipts (£m)	Unusable Reserve: Financial Instruments ADJ A/C (£m)	Unusable Reserve: Pensions Reserve (£m)	Unusable Reserve: Short Term Accumulating Compensated Absences Reserve (£m)	Unusable Reserve: Collection Fund ADJ A/C (£m)	Unusable Reserve: Dedicated Schools Grant Adjustment Account (£m)	Total
Employer's pensions contributions and direct payments to pensioners payable in the year	44.9	2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(47.2)	0.0	0.0	0.0	0.0
Amount by which officer remuneration charges to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.2)	0.0	0.0	0.0

Movement in Reserves Detail	Usable Reserve: General Fund (£m)	Usable Reserve: HRA (£m)	Usable Reserve: Earmarked Reserves Balance (£m)*	Usable Reserve: Capital Receipts Reserve (£m)	Usable Reserve: Capital Grants Unapplied (£m)	Usable Reserve: Major Repairs Reserve (£m)	Unusable Reserve: Revaluation Reserve (£m)	Unusable Reserve: Capital Adjustment Account (£m)	Unusable Reserve: Deferred Capital Receipts (£m)	Unusable Reserve: Financial Instruments ADJ A/C (£m)	Unusable Reserve: Pensions Reserve (£m)	Unusable Reserve: Short Term Accumulating Compensated Absences Reserve (£m)	Unusable Reserve: Collection Fund ADJ A/C (£m)	Unusable Reserve: Dedicated Schools Grant Adjustment Account (£m)	Total
Amount by which council tax and NDR income credited to the CIES is different from council tax and NDR income calculated in accordance with statutory requirements	15.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(15.3)	0.0	0.0
Statutory transfer of Dedicated Schools Grant deficit to Dedicated Schools Grant Adjustment Account	(4.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.7	0.0
Total adjustments between accounting basis & funding basis under regulations (b)	**40.0**	**(62.8)**	**0.0**	**0.0**	**(30.9)**	**(0.3)**	**14.4**	**20.3**	**(0.5)**	**(0.7)**	**31.3**	**(0.2)**	**(15.3)**	**4.7**	**0.0**

Movement in Reserves Detail	Usable Reserve: General Fund (£m)	Usable Reserve: HRA (£m)	Usable Reserve: Earmarked Reserves Balance (£m)*	Usable Reserve: Capital Receipts Reserve (£m)	Usable Reserve: Capital Grants Unapplied (£m)	Usable Reserve: Major Repairs Reserve (£m)	Unusable Reserve: Revaluation Reserve (£m)	Unusable Reserve: Capital Adjustment Account (£m)	Unusable Reserve: Deferred Capital Receipts (£m)	Unusable Reserve: Financial Instruments ADJ A/C (£m)	Unusable Reserve: Pensions Reserve (£m)	Unusable Reserve: Short Term Accumulating Compensated Absences Reserve (£m)	Unusable Reserve: Collection Fund ADJ A/C (£m)	Unusable Reserve: Dedicated Schools Grant Adjustment Account (£m)	Total
Earmarked reserve transfers (c)	**(17.6)**	**0.0**	**17.6**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
(Increase)/decrease in 2021/22 (a) + (b) +(c)	**0.0**	**1.0**	**17.6**	**0.0**	**(30.9)**	**(0.3)**	**(133.1)**	**20.3**	**(0.5)**	**(0.7)**	**(140.9)**	**(0.2)**	**(15.3)**	**4.7**	**(278.3)**
***Restated Opening balance 2021/22**	**(15.1)**	**(1.4)**	**(230.0)**	**(7.0)**	**(189.2)**	**(0.6)**	**(596.3)**	**(678.0)**	**(17.9)**	**15.3**	**863.0**	**4.1**	**34.7**	**10.5**	**(807.9)**
Closing balance 2021/22	**(15.1)**	**(0.4)**	**(212.4)**	**(7.0)**	**(220.1)**	**(0.9)**	**(729.4)**	**(657.7)**	**(18.4)**	**14.6**	**722.1**	**3.9**	**19.4**	**15.2**	**(1,086.2)**

*Earmarked Reserves are analysed in Note 10

Statement of Accounting Policies

1. Code of Practice

The general policies adopted in preparing these accounts are in accordance with the current Code of Practice on Local Authority Accounting in the United Kingdom issued by the Chartered Institute of Public Finance Accountants (CIPFA), henceforth referred to as the "Code of Practice". This Code of Practice is based upon International Financial Reporting Standards (IFRS), with some adoptions from International Public Sector Accounting Standards (IPSAS).

Accounts drawn up under the Code assume that a local authority's services will continue to operate for the foreseeable future. This assumption is made because local authorities carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of Central Government).

1.1 Materiality

The Council has presented information in the accounts to provide a full picture of its performance and financial health, any of which, if omitted, might influence decisions made on the basis of these accounts. Information about transactions and balances of low financial value and which are non-influential for decision-makers (immaterial) have been omitted where possible to improve the readability of the statements.

1.2 Rounding

It is not the Council's policy to adjust for immaterial cross-casting differences between the main statements and disclosure notes.

1.3 Schools

The CIPFA Code of Practice on Local Authority Accounting confirms that the balance of control for local authority maintained schools (i.e. those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the local authority. The Code of Practice also stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the local authority financial statements (and not the group accounts). Therefore schools' transactions, cash flows and balances are recognised in each of the financial statements of the authority as if they were the transactions, cash flows and balances of the authority.

2. Comprehensive Income and Expenditure Statement

2.1 Accruals of Expenditure and Income

The Statement of Accounts is prepared on an accruals basis with the effects of transactions and other events being recognised when they occur, and recorded in the accounting records and reported in the financial statements of the periods to which they relate. This means that:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

The exception to this is the Cash Flow Statement which is prepared in accordance with International Accounting Standard (IAS) 7.

2.2 VAT

Income and expenditure accounts are VAT exclusive, unless VAT is irrecoverable, in which case it is included.

2.3 Government grants and contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the authority when there is reasonable assurance that:

- the authority will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or taxation and non-specific grant income and expenditure (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the capital grants unapplied reserve. Where it has been applied, it is posted to the capital adjustment account. Amounts in the capital grants unapplied reserve are transferred to the capital adjustment account once they have been applied to fund capital expenditure.

The authority has elected to charge a Community Infrastructure Levy (CIL). The levy is charged on new builds (chargeable developments for the authority) with appropriate planning consent. The council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects (these include transport, flood defences and schools) to support the development of the area.

The CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital. However, a proportion of the charges may be used to fund revenue expenditure.

2.4 Charges to Revenue

Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

The provision for depreciation is charged to the surplus or deficit on provision of services section of the Comprehensive Income and Expenditure Statement to the relevant service.

This results in a charge to the General Fund for depreciation for all General Fund fixed assets used in the provision of services. The charge is allocated to each individual service on the basis of the capital employed in its provision. Depreciation charges are reversed out of the General Fund in the Movement in Reserves Statement.

Depreciation is a bottom line charge to the HRA. An amount equal to depreciation is credited to the Major Repairs Reserve via the Movement on the HRA statement, and the impact of this is offset by crediting the Movement on the HRA statement with the same amount from the Capital Adjustment Account.

Amounts set aside from revenue for the repayment of external loans, to finance capital expenditure or as transfers to earmarked reserves are disclosed in the Movement in Reserves Statement and the notes to this statement.

2.5 Council Tax and Non Domestic Rates (NDR)

Council Tax included in the Comprehensive Income and Expenditure Statement (CIES) account is Brent’s accrued income for the year including its share of the surplus or deficit arising. The collection of Council Tax on behalf of the Greater London Authority (GLA) is in substance an agency arrangement so these amounts are not shown in the surplus or deficit on provision of services section of the Comprehensive Income and Expenditure Statement. There will be a debtor / creditor position between Brent and the GLA to be recognised in Brent’s balance sheet if the net cash paid to the GLA is not exactly its share of cash collected from Council Taxpayers. In this case, Brent’s accrued income will be shown in the taxation and non-specific grant section of the Comprehensive Income and Expenditure Statement. The 'Operating Activities' section of the cash flow statement only includes Brent's share of Council Tax cash collected during the year.

The income collected from NDR is shared between the Council, Central Government and the Greater London Authority (GLA) rather than being paid over to Government and redistributed, and so is now acting as a principal and an agent. Apart from its own share of NDR transactions, Brent accounts only for the effects of timing differences between the collection of NDR attributable to major precepting authorities and Central Government and paying it across.

2.6 Foreign Currency Transactions

Transactions in foreign currencies are accounted for in Sterling at the rate ruling on the date of the transactions. The Pension Fund accounting policies deal with the only foreign currency de-nominated assets disclosed on the balance sheet.

2.7 Jointly Controlled Operations

The Council has jointly controlled operations in the form of pooled budgets in conjunction with Brent Clinical Commissioning Group (CCG) and the Central and North West London NHS Foundation Trust (CNWLNFT). The Council's joint operations with Brent CCG relate to the Better Care Fund and the Brent Integrated Community Equipment Service. The Council's joint operation with CNWLNFT relate to the management of the joint Mental Health Service in Brent. The Authority recognises the income that it gains and expenditure that it incurs on the Comprehensive Income and Expenditure Statement. The Balance sheet recognises any assets and liabilities resulting to the Council from the pooled budget.

3. Balance sheet – Non Current Assets

3.1 Plant, Property and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as property, plant and equipment (PPE).

All expenditure on the acquisition, creation or enhancement of PPE above the Council's de minimis of £5,000 is capitalised on an accruals basis in the accounts. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. most repairs and maintenance) is charged as an expense when it is incurred.

Property, Plant and Equipment are initially measured and subsequently valued on the basis required by CIPFA and in accordance with the Statements of Asset Valuation Principles and Guidance Notes issued by the Royal Institute of Chartered Surveyors (RICS). This is performed by the Council's In-house Valuer and its appointed Valuers, Wilkes Head and Eve LLP. Property, Plant and Equipment are classified into the groupings required by the Code of Practice.

Individual categories of assets are valued on the following basis:

- Council dwellings are valued using a beacon principle (i.e. using sample dwellings) based on their Open Market Value (OMV) but adjusted to reflect their value as social housing. Currently this means that they are valued at 25% of their OMV and this is reflected in both the Council's accounts and the Housing Revenue Accounts
- Other Land and Buildings are included in the balance sheet at their OMV. The exceptions to this are school buildings and Social Services establishments that are included at their Depreciated Replacement Cost (DRC).
- Surplus assets are included in the balance sheet at their OMV. The value are disclosed in accordance to the fair value hierarchy:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date

Level 2: inputs other than quote prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for asset or liability

- Community assets are included in the balance sheet at depreciated historic cost where appropriate otherwise they are included at a nominal value.
- Infrastructure assets, vehicles, plant, furniture and equipment have been valued at depreciated historic cost.
- Assets under construction are held at their historic cost on an accruals basis

Revaluations of Property, Plant and Equipment are planned on a five year cycle with a proportion of the asset base being revalued each year. Material changes to asset valuations resulting from works or similar investment outside of the agreed revaluation of the asset's cycle will be adjusted in the period as they occur.

3.1.1 Depreciation and Amortisation

Depreciation is the measurement of the cost or revalued amount of the economic benefits of the tangible non-current assets that have been consumed during the financial year.

Amortisation is the measurement of the cost or revalued amount of the economic benefits of the intangible non-current assets that have been consumed during the financial year.

Consumption includes the wearing out, using up or other reduction in the useful economic life of a non-current asset whether arising from use, passing of time or obsolescence through either changes in technology or demand for the goods and services produced by the asset.

Depreciation is calculated on all building assets using the straight line method as set out below. Land Assets are not depreciated.

Straight Line Depreciation Method per Asset Class

Asset Class	Depreciation Method (Straight Line)
Buildings (including HRA)	5 – 60 years as determined by the Valuer
Infrastructure	25 years

Asset Class	Depreciation Method (Straight Line)
Buildings (including HRA)	5 – 60 years as determined by the Valuer
Plant, Vehicles, Equipment & Machinery	Up to 10 years
Community Assets	Not depreciated where held at nominal value

Housing Revenue Account dwellings are depreciated by an estimate of the consumption of economic benefits.

Where buildings assets are revalued, the accumulated depreciation at the beginning of the year is written down to the revaluation reserve.

3.1.2 Component Accounting

Local authorities are required to value the components of major assets, where the components are of material value and have a significantly different economic life to the asset itself.

Componentisation will be undertaken where the value of the individual component is over £2m and the value of that component is in excess of 20% of the total gross carrying value of the building and will be undertaken when buildings are valued or re-valued, or enhancement expenditure of £0.25m is incurred.

Where componentisation applies, the assets will be broken down into the following broad categories;

- Building main structure - including foundations, structure, doors, windows and internal finishes - Design life 60 years.
- Heating systems - boilers, hot water systems, piping, air ventilation, pumps - Design life 25 years.
- Electricals - fixed wiring, lighting - Design life 30 years.
- Mechanical plant - lifts - Design life 30 years.
- Roof structure - Design life 50 years.
- Externals - drains, service mains, car parks, play areas, landscaping - Design life 60 years.

The estimated life of the individual categories may vary and the above is intended as a guide. In some circumstances further break down to additional components maybe justified for unusual or specialist building elements.

The remaining life of each of the elements is given, then the blended remaining useful life is calculated and applied to the overall asset.

3.2 Investment Properties

Investment properties are properties held solely for capital appreciation or rental income. The Code of Practice requires that investment properties are not depreciated, but instead held at fair value, in this case OMV, and their book value is adjusted annually where there has been a material change in value.

3.3 Heritage Assets

Heritage Assets are defined as:

A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture, or an intangible asset with cultural, environmental or historical significance.

Heritage assets are carried at valuation rather than fair value, reflecting the fact that exchanges of heritage assets are uncommon. The Council's valuation is as per an insurance valuation. Revaluations will be carried out as and when the insurance valuation is updated.

3.4 Intangible Assets

Intangible assets are identifiable non-monetary assets without physical substance. Expenditure on purchasing intangible fixed assets such as computer software has been capitalised at cost when it is probable that future economic benefit or service potential will flow to the Authority.

Amortisation is the equivalent of depreciation for intangible assets and is calculated using the straight line method based on estimated economic life of between 5 to 7 years.

3.5 Highways Network Infrastructure Assets

Highways network infrastructure assets include carriageways, footways and cycle tracks, structures (e.g. bridges), street lighting, street furniture (e.g. illuminated traffic signals, bollards), traffic management systems and land which together form a single integrated network.

Recognition

Expenditure on the acquisition or replacement of components of the network is capitalised on an accrual basis, provided that it is probable that the future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably.

Measurement

Highways network infrastructure assets are generally measured at depreciated historical cost. However, this is a modified form of historical cost - opening balances for highways infrastructure assets were originally recorded in balance sheets at amounts of capital undischarged for sums borrowed as at 1 April 1994, which was deemed at that time to be historical cost. Where impairment losses are identified, they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

Depreciation

Depreciation is provided on the parts of the highways network infrastructure assets that are subject to deterioration or depletion and by the systematic allocation of their depreciable amounts over their useful lives. Annual depreciation is the depreciation amount allocated each year. Useful lives of the various parts of the highways network are assessed by the Highways department using industry standards where applicable as follows. These numbers were used together with estimated gross replacement cost data from 2018 to calculate a weighted average for the entire network of 50 years.

Part of the highways network	Useful economic life
Carriageway	25
Footways + cycle tracks	25
Structures	25
Lighting	25
Traffic management	25
Street furniture	25

Disposals and derecognition

When a component of the Network is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement, also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal).

The written-off amounts of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are transferred to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Where a part of the network is replaced, an adaptation provided in a separate update to the Code assumes that from the introduction of the IFRS based Code when parts of an asset are replaced or restored the carrying amount of the derecognised part will be zero because parts of infrastructure assets are rarely replaced before the part has been fully consumed.

3.6 Impairment

Impairment reviews on groups of assets are undertaken on an annual basis by the valuer. Impairment is recognised where the asset's carrying value is greater than its net recoverable value in use or through sale, and the loss is specific to the asset, or a small group of assets. Losses not specific to the asset or a small group of assets, such as a general fall in market prices will be treated as revaluation losses.

Impairment losses are recognised against historic cost, and revalued net book value (for revalued assets). Losses for revalued assets will be recognised against the revaluation reserve to the limit of the credit balance for that asset in the revaluation reserve, and thereafter in surplus or deficit on provision of services in the Comprehensive Income and Expenditure Statement. Losses for non-revalued assets will be recognised in surplus or deficit on provision of services in the Comprehensive Income and Expenditure Statement.

The impairment review includes an annual assessment of whether there is indication that the recoverable value of any impaired assets has increased, reversing part or all of the impairment.

For Plant, Property and Equipment, and Intangible Assets, if there is indication that the recoverable value has increased, the Valuer will reassess the economic life of the asset for the purposes of determining depreciation. The impairment will be reversed to the extent that up to the carrying value of the asset had there been no impairment. This reversal will in the first instance be used to reverse any charge made to the surplus or deficit on provision of services in the Comprehensive Income and Expenditure Statement, and then to the revaluation reserve.

4. Balance sheet – Current Assets

4.1 Inventories and Long Term Contracts

Inventories are valued at the lower of cost and net realisable value. The Council only obtains inventories through exchange transactions.

4.2 Cash and Cash Equivalents

IAS 7 defines cash and cash equivalents as cash, bank balances, and very short-term investments used for cash management purposes. The Council uses bank overdrafts as part of its cash management strategy, therefore these are disclosed as part of cash and cash equivalents in line with IAS 7. Short-term investments invested for three months or less with a known maturity value and date are included in cash and cash equivalents; the Council uses money market funds as an integral part of its cash management, so these investments are also disclosed as part of cash and cash equivalents.

4.3 Work in Progress (Construction contract In accordance with IFRS 15 Revenue from Contracts with Customers where there is a contract the Code requires revenue to be recognised in a way that reflects the pattern in which goods or services are transferred to service recipients. It requires revenue to be transferred at an amount that reflects the consideration that are expected in exchanged for those goods or services.

As such the Council recognises its construction contracts by identifying performance obligations in a contract and determining the transaction price of each performance obligations, which is then allocated to each performance obligations. The Council recognises the transaction price when the relevant performance obligation has been met.

5. Balance sheet - Liabilities

5.1 Provisions, Contingent Liabilities, and Contingent Assets

The Council makes a provision in compliance with IAS 37 where there is a present obligation as a result of a past event where it is probable that the Council will incur expenditure to settle the obligation and where a reasonable estimate can be made of the amount involved.

In addition to the provisions listed in note 9 to the Core Financial Statements, there is a provision for unrecovered debts, this has been netted off against the debtors figure on the balance sheet (see note 2 to the Core Financial Statements).

The Code of Practice requires provisions to be split into current provisions (within a year) and long term provisions. The current provision for insurance is estimated by on the basis of professional advice provided on the insurance fund.

The Council makes provision for the outcome of Non-domestic ratepayers' appeals cases, the outcome of which is decided by the Valuation Office Agency. Appeals can be backdated by five years and so a calculation is done to estimate potential losses in each year taking in to account the relevant multiplier in that particular year and the success rate of previous appeals.

A contingent liability is disclosed in the notes to the accounts where there is either a possible obligation as a result of a past event where it is possible that the Council will incur expenditure to settle the obligation; or a present obligation as a result of a past event where it is either not probable that the Council will incur expenditure to settle the obligation, or where a reasonable estimate of the future obligation cannot be made.

A contingent asset is disclosed in the notes to the accounts where a possible asset arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council.

5.2 Employee benefits

The Council recognises a provision for the entitlement of its employees to benefits within the reported financial year. This provision is estimated based on the entitlement of the Council's employees to leave as at the 1 April for the previous financial year.

Regulations prohibit Council tax payers from being charged for this provision, so any movement in this provision is transferred to the Accumulated Absences Account.

The Council accounts for employee benefits in accordance with the Code which is based on IAS 19. The underlying principle of IAS 19 is that an organisation should account for employment and post-employment benefits when employees earn them and the Authority is committed to providing them, even if the actual provision might be many years into the future.

5.3 Reserves

Reserves are divided into usable and unusable reserves. Within the usable reserves there are amounts set aside for earmarked purposes out of the balances on the Council's funds.

6 Balance Sheet - Financial Instruments

6.1 Financial Assets

IFRS 9 requires three different models to be applied to the classification and measurement of financial assets, based on the business model used:

Model Number	Asset Classification	Measurement of Financial Asset
1.	Assets held to collect contractual cash flows	Held at amortised cost
2.	Assets held to collect contractual cash flows and sell	Held at Fair value through other comprehensive income
3.	Other, not 1 or 2	Held at Fair value through profit and loss

The Council currently only has significant financial assets that meet criteria 1, so these are held at amortised cost. This means that interest receivable is recorded through profit and loss using the effective interest rate, and any impairment is also recorded through profit and loss.

Impairment of financial assets is applied based on a three stage model:

1. Performing
2. Under-performing
3. Non-performing

The stage used for financial assets depends upon the credit of quality of the assets, which is assessed each year. For this Statement of Accounts, all financial assets have been assessed as performing. Performing financial assets are impaired on the basis of 12 month expected losses and gross interest is applied. For trade receivables with no significant financing component, the Council uses the simplified model permitted by IFRS, which is to impair on the basis of lifetime expected losses.

Where debtor balances for the collection fund are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the financing and investment income and expenditure line in CIES. The impairment loss as measured as the difference between the carrying amount and the revised future cash flows.

For the Council's soft loans, the interest rate at which the fair value of the soft loan has been arrived at with reference to the methodology laid out in the EU document -Communication from the Commission on the revision of the method for setting the reference and discount rates (2008/C14/02).

6.2 Fair value measurement of non-financial assets

The authority's accounting policy for fair value measurement of financial assets is set out in note 26. The authority also measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings [other financial instruments as applicable] at fair value at each reporting date. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either:

a) in the principal market for the asset, or

b) in the absence of a principal market, in the most advantageous market for the asset.

The authority measures the fair value of an asset using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets for which fair value is measured or disclosed in the authority's financial statements are categorised within the fair value hierarchy, as follows:

• Level 1 – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date

• Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly

• Level 3 – unobservable inputs for the asset.

6.3 Premature Redemption of Debt

The practice for the Comprehensive Income and Expenditure Statement is to amortise premia and discounts over a period which reflects the life of the loans with which they are refinanced determined as described below. This will not be followed in the following situations:

- Where it is permissible and advantageous to capitalise premia (in which case the question of amortisation will not arise)
- Where the loans redeemed are not refinanced (when premia and discounts will be taken directly to the Revenue Account)
- Where discounts and premia are amortised over a broadly similar period, for convenience they will be shown as a net figure.

The practice for the HRA is different. In this case, discounts and premia are amortised, individually, over the remaining life of the loan repaid or ten years, whichever is the shorter.

6.4 Financial Liabilities

Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year in the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the surplus or deficit on the provision of services section in the Comprehensive Income and Expenditure Statement in the year of repurchase / settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount respectively would be deducted from or added to the amortised cost of the new or modified loan and the write down to the surplus or deficit on the provision of services section in the Comprehensive Income and Expenditure Statement spread over the life of the loan by an adjustment to the effective interest rate.

Where premia and discounts have been charged to the surplus or deficit on the provision of services section in the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund balance to be spread over future years. The Council has a policy of spreading the gain / loss over the term of the replacement loan, at present up to a maximum of thirty years. The reconciliation of amounts charged to the surplus or deficit on the provision of services section in the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

7 Capital Financing

7.1 Capital Expenditure

Capital expenditure on building assets is added to the value of the asset and depreciated over the remaining useful life.

Capital expenditure on HRA dwellings is added to the value of fixed assets.

Revenue expenditure funded from capital under statute (REFCUS) represents expenditure that may be capitalised under statutory provisions but does not result in the creation of tangible assets owned by the Council. Such revenue expenditure incurred during the year has been written off as expenditure to the relevant service revenue account in the year.

7.2 Leasing

The Council has acquired a number of assets, mainly vehicles, plant and computer equipment, by means of leases. The Council assesses whether or not leases have to be disclosed on the balance sheet in line with IAS 17, using guidance from the Royal Institute of Chartered Surveyors as directed by CIPFA. Where the terms of the lease transfer substantially all the risks and rewards incidental to ownership, leases are recorded on balance sheet as finance leases under the other long term liabilities category. Other leases not reported on the balance sheet are known as operating leases.

Finance leases are initially recognised on the balance sheet with assets and liabilities equal to the net present value of the minimum lease payments. Where a contract does not detail an interest rate for a specific asset, or provide sufficient information for its calculation, the interest rate implicit in the lease will in the first instance be estimated based on interest rates for other assets within the lease. If there is no interest rate detailed in the lease then a suitable interest rate is applied.

Assets financed by finance leases are treated as having an economic life equal to the minimum length of the contract and are depreciated over this period.

Finance lease repayments and interest payments are calculated using the actuarial method (allocating interest to the period it relates to) and assumes that a single payment is made at the end of the contract year. Where a contract starts part way through a single financial year payments will be apportioned to that financial year based on the number of days of the contract year within the reported financial year.

Rentals payable under operating leases are charged to revenue in the year in which they are paid and no provision is made for outstanding lease commitments.

Two interpretations of the International Financial Reporting Standards apply to contracts and series of transactions where the substance of the contract or transactions may be a lease under International Financial Reporting Standards. The Council first assesses whether or not contracts contain a service concession under IFRS Interpretations Committee (IFRIC) 12, and then whether or not there is an embedded lease under IFRIC 4. The disclosure of service concessions is complex and dealt with in further detail below. Embedded leases are disclosed as set out in IFRIC 4, accounting policies for major embedded finance leases are set out below.

Implementation of IFRS 16 Leases for Local Government has been delayed until 1st April 2024, as such there are no changes to current year's accounting policy.

From 2024/25 IFRS 16 removes the previous lease classifications of operating and finance leases for lessees, instead it requires that a lessee recognises right of use of asset with a corresponding lease liability representing the lesser obligation to make lease payments for the asset. Any lease that does not fit the right of use classification will be an operating lease.

For Lessors, the finance and operating lease classification have been retained and the provision for lessors are substantially unchanged, although there are some changes in relation to sale and lease back transactions and the accounting for the structure of sub- leases.

The Council has reviewed the impact of this change and concluded it is likely to be immaterial.

7.2.1 Service Concessions and the Private Finance Initiative (PFI)

Contracts and other arrangements that have been determined as "service concessions" are accounted for under IFRIC 12, the Code of Practice and the additional provisions of IPSAS 32 Service Concession Arrangements: Grantor.

Where new assets are identified these assets are recognised at fair value being the relevant elements of the capital cost in the PFI operators' financial model.

Where the PFI operator's right to third party income is recognised in reductions to the unitary payment, a proportion of the finance lease liability is re-allocated to a deferred income balance based on the proportion of fixed payments (if any) from the Council and expected third party payments. The deferred income balance is amortised to the Comprehensive Income and Expenditure Statement on a straight line basis over the life of the PFI scheme.

The Council's ongoing liabilities for these service concessions are recognised on the balance sheet. This has been done by recognising a finance lease liability and written down accordingly.

The assets acquired with these service concessions will be depreciated over the useful estimated economic life of the assets; with the exception of the assets generated by a Social Housing PFI. Legal title to the majority of assets from the Social Housing PFI will remain with the PFI operator, so these assets will be depreciated over the life of the contract, not their useful economic life.

Lifecycle costs will be capitalised in line with the directions of the Code of Practice on capitalising expenditure for these service concessions. All lifecycle costs for the Street lighting PFI are treated as revenue maintenance expenditure due to the nature of maintaining street lighting.

7.3 Minimum Revenue Provision

The Minimum Revenue Provision (MRP) included within this year's Statement of Accounts has been calculated on the basis of the previous year's outturn position, amended for the inclusion of PFI projects as per the requirements of the statutory guidance on Minimum Revenue Provision. In accordance with the current regulations for the calculation of MRP the following policy for non-HRA assets has been applied:

For supported borrowing, the Council will use the asset life method (Option 3) and an 'annuity' approach for calculating repayments. Based on the useful economic lives of the Council's assets a single annuity has been calculated, which results in the outstanding principal being repaid over the course of 49 years.

For prudential borrowing, the Council will adopt Option 3, 'the asset life method', and an 'annuity' approach for calculating repayments. This option allows provision for repayment of principal to be made over the estimated life of the asset. The use of the 'annuity' method is akin to a mortgage where the combined sum of principal and interest are equalised over the life of the asset.

The proposed asset lives which will be applied to different classes of assets are as follows:

- Vehicles and equipment – 5 to 15 years;
- Capital repairs to roads and buildings – 15 to 25 years;
- Purchase of buildings – 30 to 40 years;
- New construction – 40 to 60 years;
- Purchase of land – 50 to 100 years (unless there is a structure on the land with an asset life of more than 100 years, in which case the land would have the same asset life as the structure).

The Council reserves the right to charge a nil MRP where it chooses to offset a previous year's overpayment.

These policies do not apply to HRA assets.

The statutory guidance in the Guidance on Minimum Revenue Provision (second edition) from the Department of Communities and Local Government directs local authorities to make an MRP charge equal to the writing down of the finance lease liability upon transition to IFRS, and a charge equal to the writing down of the finance lease liability in subsequent years for operating leases reclassified as finance leases. It states that this is equivalent to one of the other options provided by the guidance for MRP in other circumstances. In order to ensure consistent treatment of all finance leases, an MRP charge equal to the writing down of the finance lease liability will be made for all finance leases.

In line with the statutory guidance on Minimum Revenue Provision (MRP), MRP has been charged for PFIs at a rate equal to the writing down of the finance lease liability. In addition, to ensure that all capital costs are captured by MRP, MRP includes a charge equal to any capital lifecycle additions within the scheme, and a charge equal to the release of any deferred income. Where finance lease liabilities increase in year, this is recognised by a credit to MRP equal to the increase in liability. The net effect of this policy is to maintain revenue balances at the same level under IFRS as under UK GAAP which is considered the prudent course of action within Guidance on Minimum Revenue Provision.

Minimum Revenue Provision is charged against the General Fund in the Movement in Reserves statement.

For supported borrowing, the Council will use the asset life method (Option 3) and an 'annuity' approach for calculating repayments. A review of the useful economic lives of the Council's assets has resulted in the outstanding principal being repaid over the course of 49 years rather than the previous 100 year timeframe. This is as a result of land being recognised with a 50-year useful economic life as per the code rather than a 999 year useful economic life in line with the depreciation calculation. This has resulted in a retrospective charge of £6.9m and an additional in year charge for 2022/23 of £2.0m.

7.4 Income from the Sale of Plant property and equipment

Income from the disposal of Property, Plant and Equipment is known as capital receipts. Such income that is not reserved and has not been used to finance capital expenditure in the period is included in the balance sheet as capital receipts unapplied.

The treatment of HRA capital receipts is determined by the Local Government Act 2003 as amended from 1 April 2012 in order to make new provision for the pooling of housing receipts by:

- The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No. 2) Regulations 2012 (SI 2012/711); and
- The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No.3) Regulations 2012 (SI 2013/1424).

As a result of these amendments, local authorities are able to retain the receipts generated by Right to Buy sales for replacement housing provided they can sign up to an agreement with Government that they will limit the use of the net Right to Buy receipts to 30% of the cost of the replacement homes within a 3 year period from the point of receipt. The London Borough of Brent has elected to enter into agreement with the Government to retain the net receipts from Right-to-Buy sales.

The regulations provide that receipts from Right-to-Buy sales will in future be applied as follows:

- The Council may deduct certain costs, namely: an amount to cover the housing debt supportable from the income on the additional Right to Buy sales; transaction and administration costs; and an amount which reflects the income the Council might reasonably have expected from Right to Buy sales prior to the new scheme;

- The Council must also pay the Government an amount which reflects the income which the Treasury expected from Right to Buy sales prior to the new scheme; and

- Once these costs are deducted, the remaining net receipts are available to fund (and must be applied to) replacement affordable rented homes.

7.5 Borrowing Costs

The Council may borrow to meet capital costs that are attributable to the acquisition, construction or production of a qualifying asset that has a life of more than one year. It is the Council's policy to capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Borrowing costs will be deemed as interest and other costs that the Council incurs in connection with the borrowing of funds, and a qualifying asset will be that which takes in excess of three years to get ready for intended use and has forecast expenditure in excess of £100m. Cessation of capitalisation will occur when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete.

8 Group Accounts

The Group Accounts have been prepared on the basis of a full consolidation of the financial transactions of the Council, its subsidiaries I4B Holdings Limited (I4B), First Wave Housing Limited (FWH) (formerly Brent Housing Partnership [BHP]), the Barham Park Trust and LGA Digital Services Limited. FWH was an Arm's Length Management Organisation (ALMO), but in 2017/18 the Council took back the management of its housing stock. FWH remains as a company which owns some housing independently of the Council. The Council remains the holder of the sole share in FWH. Barham Park Trust is a charity that is controlled by the Council as a result of the Council appointing all the trustees. LGA Digital Service Limited is 50% owned by the Council and 50% owned by the Local Government Association (LGA), but is controlled by the Council, which provides the company with 100% of the services it sells. The financial statements in the Group Accounts are prepared in accordance with the policies set out above.

I4B Holdings Limited records the properties it purchases as investment properties in its Statement of Accounts that are reported under FRS 102 as I4B holds these properties principally to generate a commercial return. When these properties are consolidated into the Council's accounts, they are consolidated as Plant, Property and Equipment as this reflects the fact that the Group Accounts are presented in accordance to The Code Interpretation of IAS40, which has a slightly different definition of Investment Properties, and these properties are used to provide services on behalf of the group.

Additional Supporting Information and reconciliation disclosures

1. Key Judgements and Material Estimates.

In preparing the Statement of Accounts, the Authority has had to make judgements, estimates and assumptions that affect the application of its policies and reported levels of assets, liabilities, income and expenses. The estimates and associated assumptions have been based on historical experience, including the recovery of amounts due to the Council, current trends and other relevant factors that are considered to be reasonable. These estimates and assumptions have been used to inform the basis for judgements about the carrying values of assets and liabilities, where these are not readily available from other sources. Future events may result in these estimates and assumptions being revised and could significantly change carrying balances in subsequent years' financial statements.

Estimates and underlying assumptions are regularly reviewed. Changes in accounting estimates are adjustments of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with assets and liabilities. Changes in accounting estimates result from new information or new developments, and accordingly are not correction of errors. Changes to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements made in the accounts:

- Treatment of PFI arrangements – The Council has made judgements as to whether PFI contracts require to be accounted for on the Balance Sheet. These judgements are based on whether:
    a) Brent controls or regulates what services the operator must provide with the asset, to whom it must provide them, and at what price; and where
    b) Brent– through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the term of the arrangement.

The Council is deemed to control the services provided under the following agreement and has significant residual interest through nomination rights at the end of the PFI term.

- In 2008/09 the Council entered into phase 1 of a 20 year project to provide and maintain social housing, and replacement residential facilities for people with learning disabilities. Phase 2 of this contract was signed in 2010-11 with Brent Co-Efficient Ltd, leaving the Council with a long term liability of £47m. The Contract is due to come an end in 2028/2029

The accounting policies for PFI schemes and similar contracts have been applied to this arrangement.

Key sources of estimation uncertainty which have a significant effect on the financial statements:

- **Plant, Property and Equipment Valuations -**

  - Both Council dwellings (£827.8m) and Land and Buildings (£1,097.8m) valuations are dependent on professional judgements made by the valuers, such as the exact methodology each individual uses to estimate a valuation when they have to extrapolate values from a limited number of recent sales. When this issue has been considered by the courts, they have set an expectation that valuations by different valuers should differ by no more than 10%. Therefore a change in the people carrying out the valuation could change the estimate by up to 10% as different people produce different reasonable estimates. If there was a change in valuer and this resulted in a 10% change in valuation, this would result in a £82.8m adjustment to council dwellings, and a £109.8m adjustment to Land And Buildings. Given that the council has a rolling five year revaluation programme it may take up to five years to see the full impact of this, but even one fifth of these adjustments would be material.

  - Land and Buildings Valuation – £363.9m of Land and Buildings is valued this year based on a Depreciated Replacement Cost (DRC) basis. The valuation is based on a modern equivalent replacement cost which estimates how much it would cost to replacement the building with a modern equivalent, and relies on estimating the cost of construction. If the cost of construction were to change significantly over the following year, then these estimates would change materially. The Construction output price index (produced by the Office for National Statistics) shows 10.6% increase in March 2023 for the year. Given that this is a recent statistic, and global events make it hard to be certain about the future, this is a reasonable scenario. An 10.6% increase due to increased construction costs used for these valuations would result in a £38.6m adjustment, this includes a residual value increase of £12.7m.

- **Fair Value estimates**
  - The closing balance for the Council's long-term borrowing was £695.3m as at the 31st March 2023. A small shift in the interest rate market used to calculate the fair values of the financial instruments would result in a significant change to the disclosures in the accounts which is highly likely in the current high inflation environment and expected interest rate rises. Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans. The discount rates for Lender Option Borrower Option loans have been reduced to reflect the value of the embedded options. The size of the reduction has been calculated using proprietary software alongside our treasury advisors. If interest rates were to increase by 1%

this would have resulted in a movement in fair value by £83.0m which would have a material impact on the statement of accounts.

- The carrying amount of the PFI liabilities as 31st March 2022 is £18.8m. The carrying amount of the lease liabilities as 31st March 2022 is £7.6m. A small shift in the interest rate market used to calculate the fair values of the financial instruments would result in a significant change to the disclosures in the accounts which is highly likely in the current high inflation environment and expected interest rate rises. The discount rate used for the fair values of finance lease assets and liabilities and PFI scheme liabilities have been calculated by discounting the contractual cash flows at the market rate of borrowing with similar remaining terms to maturity on 31st March for the PFI agreements and the long-term inflation forecast for our lease agreements. If rates were to move by 1% this would cause a movement in fair value by £1.0m for the PFI liabilities and £0.2m for lease liabilities which would have a material impact on the statement of accounts.
- The carrying value of the Council's long-term investments at year-end were £103.8m and £189.1m for long-term debtors. A small shift in the interest rate market used to calculate the fair values of the financial instruments would result in a significant change to the disclosures in the accounts which is highly likely in the current high inflation environment and expected interest rate rises. The fair values of long-term investments and debtors have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31st March. If interest rates were to increase by 1% this would result in a movement in fair value by £13.4m across both long-term investments and debtors.

- **Expected Credit Loss**
    - The carrying value of the assets under the remit of an expected credit loss calculation are the long-term investment balance of £103.8m and long-term debtors of £189.1m. Any significant increase to the risk of a counterparty would require the Council to calculate a lifetime credit loss which recognises the expected loss that results from all the possible default events over the expected life of the instrument. A recognition of a lifetime credit loss to any of the instruments would result in a significant change to the impairment required and is not likely given the credit quality of the counterparties the Council transacts with. The loss allowances have been calculated by reference to historic default data published by credit rating agencies and adjusted for current and forecast economic conditions. A two-year delay in cash flows is assumed to arise in the event of default. If a significant increase in the risk of a counterparty occurred, a lifetime credit loss would be required. The movement in the expected credit loss impairment from a 12-month to a lifetime loss for a £10m investment made for 4 years would be £1.8m.

- **Pension Liability**
    - Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. There are risks and uncertainties associated with whatever assumptions are adopted. The assumptions are in effect projections of future investment returns and demographic experience many years into the future therefore there is a great deal of uncertainty.
    - The changes in key assumptions used in the 2021/22 and 2022/23 financial years, and their estimated impact are as follows:

Changes in Key Assumptions Regarding Rates in 2022/23 and 2021/22

Change in 2021/22	Estimated impact on the pension liability (£m)	Key Assumptions - Rates	Change in 2022/23	Estimated impact on the pension liability (£m)
0.35%	99.9	Inflation/pensions increase rate	(0.20%)	(38.5)
0.35%	5.4	Salary increase rate	(0.20%)	(2.6)
0.70%	(212.1)	Discount rate	2.05%	(414.2)

Changes in Key Assumptions Regarding Longevity in 2022/23 and 2021/22

Change in 2021/22	Estimated impact on the pension liability (£m)	Key Assumptions - Longevity	Change in 2022/23	Estimated impact on the pension liability (£m)
(0.2 years)	(13.5)	Current pensioners (Male)	(0.1 years)	(5.0)
(0.2 years)	(13.5)	Current pensioners (Female)	0.2 years	9.9
(0.3 years)	(20.3)	Future pensioners (Male)	(0.2 years)	(9.9)
(0.2 years)	(13.5)	Future pensioners (Female)	(0.1 years)	(5.0)

2. Assumption made about the future and other major sources of estimation uncertainty

The Council includes accounting estimates within the accounts; the significant accounting estimates relate to non-current assets, impairment of financial assets. The Council's accounting policies include details on the calculation of these accounting estimates.

The Council also carries out a review of all debtor balances, and uses past experience of debt collection rates across all categories to establish allowances for non-collection.

The appropriate level of non-earmarked reserves to be held by the Council is based on an assessment of financial risks facing the Council. These risks include future funding levels, delivery of planned savings and future demands on services.

3. Accounting Standards that have been issued but have not yet been adopted

Under the Code of Practice on Local Authority Accounting in the United Kingdom (the Code), the Council is required to disclose information setting out the impact of an accounting change required by a new accounting standard that has been issued but not yet adopted by the code.

There are no such standards in the 2022/23 Code which are likely to have a material effect on the accounts.

4. Significant changes in accounting policy introduced in 2022/23

There have been no significant changes introduced in 2022/23.

5. Events after the reporting period

There have been no events since 31 March 2023, and up to the date when these accounts were authorised that require any adjustments to these accounts

6. Prior Period Restatements

The prior year figures on the Comprehensive Income and Expenditure Statement (CIES) and Note 14 Expenditure and Funding Analysis have been restated due to a restructure of the Council's directorate in October 2022.

The tables below shows the impact of the restatement.

Gross expenditure restatement for CIES and Note 14:

		Old directorate									
	2021/22 Gross Expenditure £m	Assistant Chief Executive	Chief Executive Department	Children & Young People (GF)	Children & Young People (DSG)	Community Wellbeing (GF)	Community Wellbeing (HRA)	Customer & Digital Services	Regeneration & Environment	Central Items	**Total**
New directorate (Restated)	Care, Health and Wellbeing	0.0	0.0	0.0	0.0	164.2	0.0	0.0	0.0	0.0	**164.2**
	Children & Young People (GF)	0.0	0.0	91.4	0.0	0.0	0.0	0.0	0.0	0.0	**91.4**
	Children & Young People (DSG)	0.0	0.0	0.0	231.9	0.0	0.0	0.0	0.0	0.0	**231.9**
	Communities and Regeneration	10.2	0.0	0.0	0.0	0.0	0.0	0.0	16.1	0.0	**26.3**
	Finance and Resources	3.2	16.9	0.0	0.0	0.0	0.0	15.2	12.4	0.0	**47.7**
	Governance	5.0	9.2	0.0	0.0	0.0	0.0	1.6	0.5	0.0	**16.3**
	Resident Services (GF)	3.1	0.0	0.0	0.0	55.7	0.0	44.4	76.2	0.0	**179.4**
	Resident Services (HRA)	0.0	0.0	0.0	0.0	0.0	115.2	0.0	0.0	0.0	**115.2**
	Central Items	2.7	0.0	0.0	0.0	0.0	0.0	0.1	0.1	232.6	**235.5**
	Total	**24.2**	**26.1**	**91.4**	**231.9**	**219.9**	**115.2**	**61.3**	**105.3**	**232.6**	**1,107.9**

Gross income restatement for CIES and Note 14

		Old directorate									
	2021/22 Gross Income £m	Assistant Chief Executive	Chief Executive Department	Children & Young People (GF)	Children & Young People (DSG)	Community Wellbeing (GF)	Community Wellbeing (HRA)	Customer & Digital Services	Regeneration & Environment	Central Items	**Total**
New directorate (Restated)	Care, Health and Wellbeing	0.0	0.0	0.0	0.0	(44.3)	0.0	0.0	0.0	0.0	**(44.3)**
	Children & Young People (GF)	0.0	0.0	(24.2)	0.0	0.0	0.0	0.0	0.0	0.0	**(24.2)**
	Children & Young People (DSG)	0.0	0.0	0.0	(221.7)	0.0	0.0	0.0	0.0	0.0	**(221.7)**
	Communities and Regeneration	(1.7)	0.0	0.0	0.0	0.0	0.0	0.0	(10.1)	0.0	**(11.8)**
	Finance and Resources	0.0	(0.4)	0.0	0.0	0.0	0.0	(15.5)	(3.3)	0.0	**(19.2)**
	Governance	(0.5)	(0.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**(1.2)**
	Resident Services (GF)	(0.2)	0.0	0.0	0.0	(40.4)	0.0	(18.9)	(31.3)	0.0	**(90.8)**
	Resident Services (HRA)	0.0	0.0	0.0	0.0	0.0	(55.9)	0.0	0.0	0.0	**(55.9)**
	Central Items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(298.7)	**(298.7)**
	Total	**(2.4)**	**(1.1)**	**(24.2)**	**(221.7)**	**(84.7)**	**(55.9)**	**(34.4)**	**(44.7)**	**(298.7)**	**(767.8)**

Below cost of services on CIES restatement for Note 14

		Old directorate						
	2021/22 Below cost of services on CIES £m	Assistant Chief Executive	Children & Young People (DSG)	Community Wellbeing (GF)	Community Wellbeing (HRA)	Regeneration & Environment	Central Items	**Total**
New directorate (Restated)	Care, Health and Wellbeing	0.0	0.0	(0.1)	0.0	0.0	0.0	**(0.1)**
	Children & Young People (GF)	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
	Children & Young People (DSG)	0.0	4.1	0.0	0.0	0.0	0.0	**4.1**
	Communities and Regeneration	(0.2)	0.0	0.0	0.0	(43.2)	0.0	**(43.4)**
	Finance and Resources	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
	Governance	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
	Resident Services (GF)	0.0	0.0	3.8	0.0	0.1	0.0	**3.9**
	Resident Services (HRA)	0.0	0.0	0.0	4.5	0.0	0.0	**4.5**
	Central Items	0.0	0.0	0.0	0.0	0.0	(267.7)	**(267.7)**
	Total	**(0.2)**	**4.1**	**3.7**	**4.5**	**(43.1)**	**(267.7)**	**(298.7)**

Adjustments for capital purposes for Note 14

		Old directorate							
	2021/22 Adjustments for capital purposes £m	Assistant Chief Executive	Children & Young People (GF)	Children & Young People (DSG)	Community Wellbeing (GF)	Community Wellbeing (HRA)	Regeneration & Environment	Central Items	Total
New directorate (Restated)	Care, Health and Wellbeing	0.0	0.0	0.0	(0.2)	0.0	0.0	0.0	(0.2)
	Children & Young People (GF)	0.0	(4.4)	0.0	0.0	0.0	0.0	0.0	(4.4)
	Children & Young People (DSG)	0.0	0.0	(7.6)	0.0	0.0	0.0	0.0	(7.6)
	Communities and Regeneration	0.0	0.0	0.0	0.0	0.0	36.2	0.0	36.2
	Finance and Resources	(2.9)	0.0	0.0	0.0	0.0	(1.9)	0.0	(4.8)
	Governance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Resident Services (GF)	0.0	0.0	0.0	(9.1)	0.0	(7.6)	0.0	(16.7)
	Resident Services (HRA)	0.0	0.0	0.0	0.0	(62.2)	0.0	0.0	(62.2)
	Central Items	0.0	0.0	0.0	0.0	0.0	0.0	56.6	56.6
	Total	**(2.9)**	**(4.4)**	**(7.6)**	**(9.3)**	**(62.2)**	**26.7**	**56.6**	(3.1)

Net change for Pension Adjustments for Note 14

		Old directorate						
	2021/22 Net change for Pension Adjustments £m	Assistant Chief Executive	Chief Executive Department	Children & Young People (DSG)	Community Wellbeing (GF)	Community Wellbeing (HRA)	Regeneration & Environment	**Total**
New directorate (Restated)	Care, Health and Wellbeing	0.0	0.0	0.0	(1.4)	0.0	0.0	**(1.4)**
	Children & Young People (GF)	0.0	0.0	0.0	(2.0)	0.0	0.0	**(2.0)**
	Children & Young People (DSG)	0.0	0.0	(0.5)	0.0	0.0	0.0	**(0.5)**
	Communities and Regeneration	(0.2)	0.0	0.0	0.0	0.0	(0.8)	**(1.0)**
	Finance and Resources	(1.5)	0.0	0.0	0.0	0.0	(0.3)	**(1.8)**
	Governance	(0.2)	0.0	0.0	0.0	0.0	0.0	**(0.2)**
	Resident Services (GF)	(1.2)	0.0	0.0	(1.0)	0.0	(1.0)	**(3.2)**
	Resident Services (HRA)	0.0	0.0	0.0	0.0	(0.6)	0.0	**(0.6)**
	Central Items	(2.7)	(17.7)	0.0	0.0	0.0	0.0	**(20.4)**
	Total	**(5.8)**	**(17.7)**	**(0.5)**	**(4.4)**	**(0.6)**	**(2.1)**	**(31.1)**

Transfers to/from reserves for Note 14

		Old directorate								
	2021/22 Transfers to/from reserves £m	Assistant Chief Executive	Chief Executive Department	Children & Young People (GF)	Children & Young People (DSG)	Community Wellbeing (GF)	Customer & Digital Services	Regeneration & Environment	Central Items	**Total**
New directorate (Restated)	Care, Health and Wellbeing	0.0	0.0	0.0	0.0	6.4	0.0	0.0	0.0	**6.4**
	Children & Young People (GF)	0.0	0.0	1.5	0.0	0.0	0.0	0.0	0.0	**1.5**
	Children & Young People (DSG)	0.0	0.0	0.0	(1.8)	0.0	0.0	0.0	0.0	**(1.8)**
	Communities and Regeneration	(4.3)	0.0	0.0	0.0	0.0	0.0	6.5	0.0	**2.2**
	Finance and Resources	0.0	(2.7)	0.0	0.0	0.0	0.3	(0.1)	0.0	**(2.5)**
	Governance	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	**0.3**
	Resident Services (GF)	0.2	0.0	0.0	0.0	(0.2)	1.0	1.8	0.0	**2.8**
	Resident Services (HRA)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
	Central Items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(26.5)	**(26.5)**
	Total	**(4.1)**	**(2.4)**	**1.5**	**(1.8)**	**6.2**	**1.3**	**8.2**	**(26.5)**	**(17.6)**

The Capital Financing Requirement has omitted soft loans previously issued to the West London Waste Alliance (WLWA) and the Alperton Academy. As soft loans, these outstanding balances should have been included within the Capital Financing Requirement.

The impact of this amendment on the prior year figures is shown below:

	HRA £m	GF £m	Total £m
b/f per accounts 01/04/2021	243.5	707.7	951.2
Addition of WLWA loan	0.0	15.8	15.8
Addition of Alperton Academy loan	0.0	0.8	0.8
Revised b/f 01/04/2021	243.5	724.3	967.8
In-year movement per accounts	25.1	57.2	82.3
Reduction in WLWA loan	0.0	-0.7	-0.7
Reduction in Alperton Academy loan	0.0	-0.1	-0.1
Revised c/f 31/03/2022	**268.6**	**780.7**	**1,049.3**

Housing Revenue Account

Income and Expenditure Statement for the Year Ended 31 March 2023

This statement reflects a statutory obligation to account separately for the Council's housing provision. It shows the major elements of housing expenditure and income.

Housing Income in 2021/22 and 2022/23:

2021/22 £m	Income Detail	2022/23 £m
(47.7)	Dwelling rents	(50.6)
(0.3)	Non-dwelling rents	(0.2)
(3.1)	Tenants charges for services and facilities	(3.1)
(0.6)	Contribution towards expenditure	(0.6)
(3.1)	Leaseholders charges for services and facilities	(3.0)
(1.1)	Other income	(1.0)
(55.9)	**Total Income**	**(58.5)**

Housing Expenditure in 2021/22 and 2022/23:

2021/22 £m	Expenditure Detail	2022/23 £m
14.3	Repairs and maintenance	15.0
15.2	Supervision and management	15.7
3.3	Rents, rates, taxes and other charges	4.0
10.9	Depreciation of non-current assets	11.3
0.3	Movement in the allowance for bad or doubtful debts	1.8
65.1	Impairments and revaluation losses to non-current assets	16.0
6.1	Granville refurbishment provision	0.0
115.2	**Total Expenditure**	**63.8**

Net Cost of Services included in the Council’s Income and Expenditure Account in 2021/22 and 2022/23:

2021/22 £m	Income and Expenditure Detail	2022/23 £m
(55.9)	Total Income	(58.5)
115.2	Total Expenditure	63.8
59.3	**Net Cost of Services included in the Council's Income and Expenditure Account**	**5.3**

HRA Share of the operating income and expenditure included in the Council's income and expenditure:

2021/22 £m	HRA share of the operating income and expenditure included in the Council's income and expenditure	2022/23 £m
59.3	Net Cost of Services included in the Council's Income and Expenditure Account	5.3
1.3	Payment to capital receipts pool	0.0
(4.2)	(Gain) or loss on sale of HRA non-current assets	(4.0)
7.5	Interest payable and similar charges	7.6
(0.1)	Interest and investment income	(0.4)
63.8	**(Surplus) or Deficit for the Year on HRA Services**	**8.5**

Movement on the HRA Statement for 2020/21 and 2021/22:

2021/22 £m	Movement on the HRA Statement	2022/23 £m
(1.4)	**Housing Revenue Account balance brought forward**	(0.4)
63.8	(Surplus) or deficit on the provision of services	8.5
(62.8)	Adjustment between accounting basis and funding basis under regulations	(7.9)
1.0	**Net (increase) or decrease before transfers to or from reserves**	**0.6**
0.0	Transfers to/(from) Earmarked Reserves	(0.6)
1.0	**(Increase) or decrease in year on the HRA**	**0.0**
(0.4)	**Balance as at 31 March carried forward**	**(0.4)**

HRA Adjustments between Accounting Basis and Funding Basis under Regulations for 2021/22 and 2022/23:

2021/22 £m	HRA adjustments between accounting basis and funding basis under regulations	2022/23 £m
4.3	Gain or loss on sale of HRA non-current assets	4.1
0.0	Capital expenditure funded by HRA	4.6
(65.0)	Downward revaluation of non-current assets	(14.6)
(1.3)	Payments to the capital receipts pool	0.0
(0.7)	Employer's pensions contributions and direct payments to pensioners payable in the year	(0.6)
10.9	Transfers to major repairs reserve	11.4

2021/22 £m	HRA adjustments between accounting basis and funding basis under regulations	2022/23 £m
(11.0)	Transfers to capital adjustment account	(12.8)
(62.8)	**Total adjustments between accounting basis and funding basis under Regulations**	**(7.9)**

Notes to the Housing Revenue Account

Note 1 – Housing Stock

The Council's stock of dwellings increased during the year from 8,138 to 8,221, a net increase of 83 dwellings. In addition to the units listed below, the Council also owns the freehold on 3,810properties with leaseholders paying service charges and contributing towards the cost of major works to the block.

The number of dwelling units at the end of the year was made up as follows:

Stock Type	31-Mar-2022 Dwellings Units	Disposals in Year	Additions in Year	31-Mar-2023 Dwellings Units
Flats	6,059	(18)	107	6,148
Houses	2,079	(10)	4	2,073
Total Dwellings Units	**8,138**	**(28)**	**111**	**8,221**

Note 2 – Rent Arrears

The level of service charge and rent arrears at 31st March 2023 was £1.3m. Movement on the arrears and related allowances for future credit losses are shown below.

Movement on Rent Arrears between 31 March 2022 and 31 March 2023

31-Mar-2022 £m	Arrears Detail	31-Mar-2023 £m
2.0	Arrears from tenants	3.1
6.7	Arrears from Right to Buy Leaseholders	6.5
(7.9)	Allowance for Credit Losses	(8.3)
0.8	**Total Arrears**	**1.3**

Note 3 – Non-current Assets

Total Non-Current Assets in 2021/22 £m	Non-Current Assets Detail	Council Dwellings in 2022/23 £m	Non- Council Dwellings in 2022/23 £m	Total Non-Current Assets in 2022/23 £m
675.7	**Opening Net Book Value at 1 April**	796.9	13.2	810.1
39.5	Revaluations	21.8	(0.2)	**21.6**
(0.3)	Impairment	(0.2)	0.0	**(0.2)**
26.9	Capital Expenditure	19.8	0.0	**19.8**

Total Non-Current Assets in 2021/22 £m	Non-Current Assets Detail	Council Dwellings in 2022/23 £m	Non- Council Dwellings in 2022/23 £m	Total Non-Current Assets in 2022/23 £m
(3.8)	Disposals	(2.9)	(0.5)	**(3.4)**
(10.8)	Depreciation for the year	(11.1)	(0.2)	**(11.3)**
82.9	Other Movements	6.3	0.0	**6.3**
0.0	Reclassification (to/from Assets Held for Sale)	(2.8)	0.0	**(2.8)**
810.1	**Closing Net Book Value at 31 March**	**827.8**	**12.3**	**840.1**

The £6.3m other movements within Council Dwellings represents prior year's Assets Under Construction completed in this financial year, resulting in a movement from Asset Under Construction to Council Dwellings. Detail of all Assets Under Construction can be found in Note 1 Property, Plant and Equipment.

HRA dwellings are valued at Existing Use Value – Social Housing in the balance sheet. As per the Council's Accounting policy for revaluing its assets on a 5 year basis, Council Dwellings was last revalued by our external Valuers as at 1st April 2021. The Council further calculates any arising revaluation loss or gain on the properties held within the HRA during the year through the application of a regional annual housing indexation factor.

The £21.6m upward revaluation shown on the table above is the net movement of revaluation consisting of £36.3m upward revaluations to the Revaluation Reserve and £14.7m downward revaluation charged to the surplus/deficit on the provision of service. This consist of:

- In accordance to the beacon principle of revaluation for Council Dwellings, as set out in the Accounting policies, once Council Dwellings are completed or expenditure capitalised these are valued at 25% of their Open Market Value (OMV). As per the table above there has been £6.3m of assets completed and £19.8m capital expenditure, the application of downward revaluation such that these assets are valued at 25% of their OMV resulted in a downward revaluation of £19.6m.
- There was a further upward revaluation of £40.9m for Council Dwellings due to indexation mentioned above.

The vacant possession value of dwellings within the HRA at 31 March 2022 was £3.311 billion (£3.187 billion at 31 March 2022). The difference between vacant possession value of the HRA dwellings and balance sheet value within the HRA shows the economic cost to the Government of providing Council housing at less than open market value.

Note 4 – HRA Capital Receipts

2021/22 £m	Detail	2022/23 £m
(5.9)	Dwellings	(6.8)
(5.9)	**Total Receipts**	**(6.8)**

Note 5 – Net Interest Charged to the HRA

The net interest charge to the HRA, is calculated in accordance with Government regulation.

2021/22 £m	Detail	2022/23 £m
7.4	Interest on HRA mid-year Capital Financing Requirement	7.6
7.4	**Total Interest**	**7.6**

Note 6 – Major Repairs Reserve (MRR)

The MRR is a specific capital reserve held to fund the HRA capital programme or make repayments on amounts borrowed on historic HRA capital expenditure.

2021/22 £m	Detail	2022/23 £m
(0.6)	Balance at beginning of the year	(0.9)
(10.8)	Depreciation charge on HRA Assets	(11.4)
(0.3)	Other transfers to/(from) HRA	(4.6)
10.8	Reserve applied to fund the HRA capital programme	14.0
(0.9)	**Balance at end of year**	**(2.9)**

Collection Fund Statement

Collection Fund Account for the Year ended 31 March 2023

This is a statutory fund separate from the General Fund of the Council. The Collection Fund accounts independently for income relating to Council Tax and Non-Domestic Rates on behalf of those bodies (including the Council's own General Fund) for whom the income has been raised. Administrative costs for Council Tax are borne by the General Fund.

Collection Fund Total Income for 2021/22 and 2022/23

2021/22 Council Tax £m	2021/22 Business Rates £m	2021/22 Total Collection Fund £m	Statutory Collections Detail	2022/23 Council Tax £m	2022/23 Business Rates £m	2022/23 Total Collection Fund £m
(178.8)	(97.1)	**(275.9)**	Income from Tax Payers	(184.0)	(112.7)	**(296.7)**
-	(2.5)	**(2.5)**	Business Rates Supplement	-	(2.8)	**(2.8)**
(0.5)	(1.3)	**(1.8)**	Transitional Relief	-	-	**-**
(179.3)	**(100.9)**	**(280.2)**	**Total Income**	**(184.0)**	**(115.5)**	**(299.5)**

Collection Fund Total Expenditure for 2021/22 and 2022/23

2021/22 Council Tax £m	2021/22 Business Rates £m	2021/22 Total Collection Fund £m	Collection Fund Total Expenditure Detail	2022/23 Council Tax £m	2022/23 Business Rates £m	2022/23 Total Collection Fund £m
135.7	39.7	**175.4**	LB Brent Precepts, Demands and Shares	140.1	33.8	**173.9**
35.8	43.7	**79.5**	GLA Precepts, Demands and Shares	39.1	41.5	**80.6**
-	48.9	**48.9**	Central Government Precepts, Demands and Shares	-	37.1	**37.1**
-	2.5	**2.5**	GLA - Business Rates Supplement	-	2.8	**2.8**
(11.1)	(18.2)	**(29.3)**	LB Brent Share of Surplus/(Deficit)	(2.1)	(16.7)	**(18.8)**
(2.8)	(22.0)	**(24.8)**	GLA Share of Surplus/(Deficit)	(0.5)	(20.5)	**(21.0)**
-	(19.7)	**(19.7)**	Central Government Share of Surplus/(Deficit)	-	(18.3)	**(18.3)**
6.3	(7.5)	**(1.2)**	Provisions for uncollectable amounts	(6.4)	(6.5)	**(12.9)**
9.2	0.0	**9.2**	Write offs/(Write backs)	-	-	**-**
-	0.4	**0.4**	Cost of Collection Allowance	-	0.4	**0.4**
-	-	-	Transitional Relief	-	0.1	0.1
173.1	**67.8**	**240.9**	**Total Expenditure**	**170.2**	**53.7**	**223.9**

Calculation of Collection Fund (Surplus)/Deficit in 2021/22 and 2022/23

2021/22 Council Tax £m	2021/22 Business Rates £m	2021/22 Total Collection Fund £m	Collection Fund Detail	2022/23 Council Tax £m	2022/23 Business Rates £m	2022/23 Total Collection Fund £m
(179.3)	**(100.9)**	**(280.2)**	**Total Income**	**(184.0)**	**(115.5)**	**(299.5)**
173.0	**67.8**	**240.9**	**Total Expenditure**	**170.2**	**53.7**	**223.9**
(6.3)	**(33.1)**	**(39.3)**	**(Surplus)/Deficit in year**	**(13.8)**	**(61.8)**	**(75.6)**

Movement on Balances of Collection Fund (Surplus)/Deficit in 2021/22 and 2022/23

2021/22 Council Tax £m	2021/22 Business Rates £m	2021/22 Total Collection Fund £m	Movements on Balances	2022/23 Council Tax £m	2022/23 Business Rates £m	2022/23 Total Collection Fund £m
7.7	94.3	**102.0**	(Surplus)/Deficit brought forward	1.4	61.2	**62.6**
(6.3)	(33.1)	**(39.3)**	(Surplus)/Deficit in year	(13.8)	(61.8)	**(75.6)**
1.4	**61.2**	**62.7**	**(Surplus)/Deficit carried forward**	**(12.4)**	**(0.6)**	**(13.0)**

Allocation of Collection Fund Balance for 2021/22 and 2022/23

2021/22 Council Tax £m	2021/22 Business Rates £m	2021/22 Total Collection Fund £m	Allocation of Collection Fund Balances	2022/23 Council Tax £m	2022/23 Business Rates £m	2022/23 Total Collection Fund £m
1.1	18.4	**19.5**	LB Brent	(9.5)	(0.2)	**(9.7)**
0.3	22.6	**22.9**	GLA	(2.9)	(0.3)	**(3.2)**
-	20.3	**20.3**	Central Government	-	(0.1)	**(0.1)**
1.4	**61.2**	**62.7**	**Total (Surplus)/Deficit**	**(12.4)**	**(0.6)**	**(13.0)**

Notes to the Collection Fund

Note 1 – Council Tax

Council Tax income derives from charges raised according to the value of residential properties, classified into 8 valuation bands estimating 1 April 1991 values. Charges are calculated by estimating the amount of income required to be taken from the Collection Fund by the precepting authorities (for Brent this is the GLA) and the Council for the forthcoming year and dividing this by the Council Tax Base (the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent and adjusted for discounts) to produce a standard Band D charge. For 2022/23 the standard Band D charge was £1,815.07 (£1,741.92 in 2021/22).

The standard Band D charge is multiplied by the proportion specified for each property to produce an individual amount due for every residential property.

Council Tax bills were based on the following proportions for Bands A to H, including the GLA share:

Band Name	Proportion of Band D Charge	Number of Band D Equivalent properties
Band A	6/9	1,781
Band B	7/9	6,438
Band C	8/9	25,003
Band D	9/9	30,478
Band E	11/9	23,930
Band F	13/9	8,406
Band G	15/9	5,298
Band H	18/9	450

The total number of Band D equivalent properties is then multiplied by a percentage to allow for collection loss (97.0%) to give a tax base for budget setting purposes of 98,730. When multiplied by the Band D charge the total budgeted income is £179.2m, of which £140.1m is attributable to Brent and £39.1m to the GLA.

Note 2 – Non-Domestic Rate

The total Non-Domestic Rateable Value for 2022/23 was £314.6m (£310.3m in 2021/22). The NDR Small Business Rate Multiplier for 2022/23 was £0.50 (£0.50 in 2021/22).*Note 3 – Collection*

For Council Tax, 93.4% of the debit relating to the 2022/23 financial year had been collected by 31 March 2023. This is up from the 92.3% achieved in 2021/22. For Non Domestic Rates the in-year collection rate increased from 91.3% to 93.0%.

Group Accounts

Local authorities are required to produce group accounts which include interests in subsidiaries, associates and joint ventures.

The group accounts consolidate the accounts of the First Wave Housing, Barham Park Trust, I4B and LGA Digital Services. First Wave Housing provide housing in Brent and is wholly owned by Brent Council. Barham Park Trust is a charity that is controlled by the Council as a result of the Council appointing all the trustees. I4B Holdings Limited is a company wholly owned by Brent Council to deliver the housing options defined in the Temporary Accommodation reform plan. LGA Digital Service Limited is a company that is 50% owned by the Council and 50% owned by the Local Government Association.

The following group financial statements have been prepared:

-Group Balance Sheet

-Group Movement in Reserves Statement (Group MIRS)

-Group Comprehensive Income and Expenditure Account

-Group Cash Flow Statement

A significant amount of information in these statements is identical to Brent's accounts on the preceding pages of this document. Information has not been reproduced in the group accounts where it can be readily seen in Brent's accounting statements.

Group Accounting Policies

The group accounts have been prepared using the same accounting policies as the Brent single entity accounts shown in this document. Additional details are included in the Accounting Policies section below.

Group Statements

Group Balance Sheet

31-Mar 2022 £m	Group Accounts Detail	31-Mar 2023 £m
2,408.1	Property, Plant & Equipment	2,607.7
0.5	Heritage Assets	0.5
12.8	Investment Property	14.1
19.4	Intangible Assets	23.9
0.3	Long Term Investments	0.4
35.5	Long Term Debtors	20.4
2,476.6	**Long Term Assets**	**2,667.0**
0.0	Short Term Investments	0.3
0.0	Assets Held for Sale	2.8
175.9	Short Term Debtors	205.1
142.7	Cash and Cash Equivalents	156.2
318.6	**Current Assets**	**364.4**
(123.3)	Short Term Borrowing	(85.7)
(195.4)	Short Term Creditors	(153.4)
(9.6)	Grants Receipt in Advance- Revenue	(1.4)
(2.8)	Provisions	(2.9)
(331.1)	**Current Liabilities**	**(243.4)**
(0.0)	Long Term Creditors	0.0
(30.4)	Provisions	(28.8)
(565.2)	Long Term Borrowing	(695.3)
(762.4)	Other Long Term Liabilities	(297.1)
(1,358.0)	**Long Term Liabilities**	**(1,021.2)**
1,106.1	**Net Assets**	**1,766.8**

Group Accounts Reserves for 2021/22 and 2022/23

31-Mar 2022 £m	Group Accounts Reserves	31-Mar 2023 £m
(437.7)	Usable Reserves	(467.5)
(668.4)	Unusable Reserves	(1,299.3)
(1,106.1)	**Total Reserves**	**(1,766.8)**

Group Consolidated Income & Expenditure Statement for 2022/23

Income and Expenditure Detail	2022/23 Gross Expenditure £m	2022/23 Gross Income £m	2022/23 Net Expenditure £m
Care, Health and Wellbeing	164.4	(35.5)	**128.9**
Children & Young People (GF)	104.6	(32.8)	**71.8**
Children & Young People (DSG)	222.7	(223.5)	**(0.8)**
Communities and Regeneration	27.7	(14.9)	**12.8**
Finance and Resources	32.7	(6.7)	**26.0**
Governance	16.0	(1.3)	**14.7**
Resident Services (GF)	191.1	(87.0)	**104.1**
Resident Services (HRA)	67.8	(70.5)	**(2.7)**
Central Items	249.1	(290.2)	**(41.1)**
Cost of Services	**1,076.1**	**(762.4)**	**313.7**
Other operating expenditure	-	-	24.5
Financing and investment income & expenditure	-	-	42.4
Taxation and non-specific grant income	-	-	(415.9)
(Surplus) or Deficit on Provision of Services	-	-	**(35.5)**
(Surplus) or deficit on revaluation of Property, Plant and Equipment assets	-	-	(133.2)
Deferred Tax Charge	-	-	0.0
Actuarial (gains)/losses on pension assets and liabilities	-	-	(492.0)
Other Comprehensive Income and Expenditure	-	-	**(625.2)**
Total Comprehensive Income and Expenditure	-	-	**(660.7)**

*Restated Income and Expenditure Detail	2021/22 Gross Expenditure £m	2021/22 Gross Income £m	2021/22 Net Expenditure £m
Care, Health and Wellbeing	164.2	(44.3)	**119.9**
Children & Young People (GF)	91.4	(24.2)	**67.2**
Children & Young People (DSG)	231.9	(221.7)	**10.2**
Communities and Regeneration	26.3	(11.8)	**14.5**
Finance and Resources	47.7	(19.2)	**28.5**
Governance	16.3	(1.2)	**15.1**
Resident Services (GF)	179.4	(92.0)	**87.4**
Resident Services (HRA)	115.3	(65.8)	**49.5**
Central Items	235.1	(293.5)	**(58.5)**
Cost of Services	**1,107.6**	**(773.7)**	**333.9**
Other operating expenditure	-	-	5.3
Financing and investment income & expenditure	-	-	38.7
Taxation and non-specific grant income	-	-	(337.7)
(Surplus) or Deficit on Provision of Services	**-**	**-**	**40.2**
(Surplus) or deficit on revaluation of Property, Plant and Equipment assets	-	-	(149.5)
Deferred Tax Charge	-	-	0.7
Actuarial (gains)/losses on pension assets and liabilities	-	-	(172.2)
Other Comprehensive Income and Expenditure	**-**	**-**	**(321.0)**
Total Comprehensive Income and Expenditure	**-**	**-**	**(280.8)**

*The prior year figures have been restated due to a restructure of the Council's directorates in October 2022

Group Cashflow Statement

2021/22 £m	Cash Flow Detail	2022/23 £m
(40.2)	Net surplus or (deficit) on the provision of services	35.5
173.2	Adjustments for non-cash movements	72.6
(95.6)	Adjustments for investing and financing activities	(137.0)
37.4	Net cash inflows/(outflows) from Operating Activities	**(28.9)**
(63.9)	Net cash inflows/(outflow) from Investing activities	(44.2)
22.5	Net cash inflows/(outflow) from Financing activities	86.6
(4.0)	**Net increase/(decrease) in cash and cash equivalents**	**13.5**
146.7	Cash and cash equivalents at the beginning of the reporting period	142.7
142.7	**Cash and cash equivalents at the end of the reporting period**	**156.2**

Group Movement In Reserves

Detail	General Fund Balance £m	School Balances £m	Earmarked Reserves General Fund £m	HRA Balance £m	Earmarked Reserves HRA £m	Capital Receipts Reserve £m	Major Repairs Reserve £m	Capital Grants Unapplied £m	**Total Usable Reserves £m**	Unusable Reserves £m	**Total Council Reserves £m**	Council's Share of Reserves of Subsidiaries, Associated and Joint Ventures £m	**Total Group Reserves £m**
Balance as at 1 April 2022	**(15.1)**	**(17.0)**	**(193.7)**	**(0.4)**	**(1.7)**	**(7.0)**	**(0.9)**	**(220.1)**	**(455.9)**	**(630.2)**	**(1,086.2)**	**(19.9)**	**(1,106.1)**
Movement in reserves during 2022/23 (Surplus) or deficit on the provision of services	(44.1)	0.0	0.0	8.6	0.0	0.0	0.0	0.0	(35.5)	0.0	(35.5)	0.0	(35.5)
Other comprehensive income & expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(619.2)	(619.2)	(6.0)	(625.2)
Total comprehensive income & expenditure	**(44.1)**	**0.0**	**0.0**	**8.6**	**0.0**	**0.0**	**0.0**	**0.0**	**(35.5)**	**(619.2)**	**(654.7)**	**(6.0)**	**(660.7)**
Adjustments between Group Accounts and Council Accounts	**12.8**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**12.8**	0.0	12.8	**(12.8)**	0.0
Net Increase/Decrease before Transfers	**(31.3)**	**0.0**	**0.0**	**8.6**	**0.0**	**0.0**	**0.0**	**0.0**	**(22.7)**	**(619.2)**	**(641.9)**	**(18.8)**	**(660.7)**
Adjustments between accounting basis & funding basis under regulations	92.0	0.0	0.0	(7.9)	0.0	(8.4)	(2.0)	(73.2)	0.5	(0.5)	(0.0)	0.0	0.0
Net (increase)/decrease before transfers to earmarked reserves	**60.5**	**0.0**	**0.0**	**0.7**	**0.0**	**(8.4)**	**(2.0)**	**(73.2)**	**(22.2)**	**(619.7)**	**(641.9)**	**(18.8)**	**(660.7)**
Transfers (to)/from earmarked reserves	(50.5)	1.9	49.2	(0.6)	0.0	0.0	0.0	0.0	**0.0**	0.0	**0.0**	**0.0**	**0.0**
(Increase)/decrease in 2022/23	**10.2**	**1.9**	**49.2**	**0.1**	**0.0**	**(8.4)**	**(2.0)**	**(73.2)**	**(22.2)**	**(619.7)**	**(641.9)**	**(18.8)**	**(660.7)**
Balance as at 31 March 2023	**(4.9)**	**(15.1)**	**(144.5)**	**(0.3)**	**(1.7)**	**(15.4)**	**(2.9)**	**(293.3)**	**(478.1)**	**(1,249.9)**	**(1,728.1)**	**(38.7)**	**(1,766.8)**

Group Movement in Reserves 2021/22

Detail	General Fund Balance £m	School Balances £m	Earmarked Reserves General Fund £m	HRA Balance £m	Earmarked Reserves HRA £m	Capital Receipts Reserve £m	Major Repairs Reserve £m	Capital Grants Unapplied £m	**Total Usable Reserves £m**	Unusable Reserves £m	**Total Council Reserves £m**	Council's Share of Reserves of Subsidiaries, Associated and Joint Ventures £m	**Total Group Reserves £m**
Balance as at 1 April 2021	**(15.1)**	**(17.8)**	**(210.5)**	**(1.4)**	**(1.7)**	**(7.0)**	**(0.6)**	**(189.2)**	**(443.3)**	**(364.6)**	**(807.9)**	**(17.3)**	**(825.3)**
Movement in reserves during 2021/22 (Surplus) or deficit on the provision of services	(13.1)	0.0	0.0	63.8	0.0	0.0	0.0	0.0	**50.7**	0.0	**50.7**	(10.5)	**40.2**
Other comprehensive income & expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**	(319.7)	**(319.7)**	(1.3)	**(321.0)**
Total comprehensive income & expenditure	**(13.1)**	**0.0**	**0.0**	**63.8**	**0.0**	**0.0**	**0.0**	**0.0**	**50.7**	**(319.7)**	**(269.0)**	**(11.8)**	**(280.8)**
Adjustments between Group Accounts and Council Accounts	(9.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**(9.3)**	0.0	**(9.3)**	9.3	**0.0**
Net Increase/Decrease before Transfers	**(22.4)**	**0.0**	**0.0**	**63.8**	**0.0**	**0.0**	**0.0**	**0.0**	**41.4**	**(319.7)**	**(278.3)**	**(2.5)**	**(280.8)**
Adjustments between accounting basis & funding basis under regulations	40.0	0.0	0.0	(62.8)	0.0	0.0	(0.3)	(30.9)	**(54.0)**	54.0	**0.0**	0.0	**0.0**
Net (increase)/decrease before transfers to earmarked reserves	**17.6**	**0.0**	**0.0**	**1.0**	**0.0**	**0.0**	**(0.3)**	**(30.9)**	**(12.6)**	**(265.7)**	**(278.3)**	**(2.5)**	**(280.8)**
Transfers (to)/from earmarked reserves	(17.6)	0.8	16.8	0.0	0.0	0.0	0.0	0.0	**0.0**	0.0	**0.0**	0.0	**0.0**
(Increase)/decrease in 2021/22	**(0.0)**	**0.8**	**16.8**	**1.0**	**0.0**	**0.0**	**(0.3)**	**(30.9)**	**(12.6)**	**(265.7)**	**(278.3)**	**(2.5)**	**(280.8)**
Balance as at 31 March 2022	**(15.1)**	**(17.0)**	**(193.7)**	**(0.4)**	**(1.7)**	**(7.0)**	**(0.9)**	**(220.1)**	**(455.9)**	**(630.3)**	**(1,086.2)**	**(19.9)**	**(1,106.1)**

Notes to the Group Accounts

This shows the main differences between items in Brent's single entity accounts and the group accounts. Where there are intra-group entries these are adjusted in calculating the overall group position.

2022/23 main adjustments

Adjustment Detail	Consolidated accounts £m	Brent Council £m	I4B £m	FwH £m	Barham Park £m	LGA £m	Adjustments £m
Property, Plant & Equipment	2,607.7	2,368.2	54.3	40.3	0.9	0.0	144.0
Investment Property	14.1	0.0	146.2	14.1	0.0	0.0	(146.2)
Long Term Investments	0.4	103.8	0.0	0.0	0.0	0.0	(103.4)
Long Term Debtors	20.4	172.6	0.0	0.0	0.0	0.0	(152.2)
Short Term Debtors	205.1	221.6	7.1	2.9	0.7	0.1	(27.3)
Short Term Investments	0.3	0.2	26.8	0.0	0.0	0.0	(26.7)
Cash and Cash Equivalents	156.2	134.5	7.4	11.0	0.0	0.2	3.1
Short Term Creditors	(153.4)	(177.7)	(17.9)	(8.4)	0.0	(0.3)	50.9
Long Term Creditors	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	(695.3)	(695.3)	(182.1)	(34.3)	0.0	0.0	216.4
Usable Reserves	(467.5)	(491.1)	(16.3)	0.0	(1.6)	0.0	41.5
Unusable Reserves	(1,299.3)	(1,250.0)	(24.2)	(25.1)	0.0	0.0	0.0
Resident Services (HRA)	(2.7)	5.4	(8.8)	(1.5)	0.0	0.0	2.2
Financing and investment income & expenditure	42.4	33.1	4.9	0.7	0.0	0.0	3.7
Taxation and non-specific grant income	(415.9)	(415.9)	0.0	0.0	0.0	0.0	0.0
(Surplus) or Deficit on Provision of Services	(35.5)	(35.7)	(3.9)	(0.9)	(0.1)	0.0	5.1
(Surplus) or deficit on revaluation of Property, Plant and Equipment assets	(133.2)	(127.2)	(2.3)	(1.5)	0.0	0.0	(2.2)
Other Comprehensive Income and Expenditure	(625.2)	(619.2)	(2.3)	(1.5)	0.0	0.0	(2.2)

I4B records its properties as investment properties under its accounting policies to comply with UK GAAP, whereas in the group accounts these have to be recorded as Property, Plant and Equipment to comply with the CIPFA Code. This explains the £146.2m transfer from Investment Properties to Property Plant and Equipment (PPE).

Removal of intra-group transaction relating to loans within the group, the main adjustments are £103.4m reduction in Long Term Investments and a £152.2m reduction in Long Term Debtors, combined with a £216.4m reduction in Long Term Borrowing, £41.5m reduction in Usable Reserves and £26.7m reduction in

Short Term Investments. Current Debtors have been reduced by £27.3m and Current Creditors have been reduced by £50.9m. These principally relate to:

- rents and housing benefit owed by the council to its subsidiaries,
- the remainder of the intra-company loan balances,
- monies owed by the subsidiaries to the council for services provided by the council,
- and amounts relating to money held by the council on behalf of Barham Park.

2021/22 main adjustments

Adjustment Detail	Consolidated accounts £m	Brent Council £m	I4B £m	I4B Opening Balance £m	FwH £m	Barham Park £m	LGA £m	Adjustments £m
Property, Plant & Equipment	2,408.1	2,186.9	54.2	(2.3)	43.0	0.9	0.0	125.4
Investment Property	12.8	0.0	130.9	(3.4)	12.8	0.0	0.0	(127.5)
Long Term Investments	0.3	91.8	0.0	0.0	0.0	0.0	0.0	(91.5)
Long Term Debtors	35.5	156.2	0.0	0.0	0.0	0.0	0.0	(120.7)
Short Term Debtors	175.9	182.7	4.2	(0.1)	3.0	0.6	0.4	(14.9)
Short Term Investments	0.0	0.3	0.0	0.0	0.0	0.0	0.0	(0.3)
Cash and Cash Equivalents	142.7	136.4	2.1	0.0	4.2	0.0	0.0	0.0
Short Term Creditors	(195.4)	(195.5)	(10.1)	1.5	(5.2)	0.0	(0.4)	14.3
Long Term Creditors	(30.3)	(30.3)	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	(565.2)	(565.2)	(142.1)	0.0	(34.7)	0.0	0.0	176.8
Usable Reserves	(437.7)	(456.0)	(19.0)	0.7	(0.4)	(1.5)	0.0	38.5
Unusable Reserves	(668.4)	(630.3)	(19.4)	3.5	(22.2)	0.0	0.0	0.0
Community Wellbeing (HRA)	49.6	59.3	(5.9)	2.3	(4.7)	0.0	0.0	(1.4)
Central Items	(62.4)	(66.0)	0.0	0.0	0.0	0.0	0.0	3.6
Financing and investment income & expenditure	38.8	33.7	4.0	0.0	1.1	0.0	0.0	0.0
Taxation and non-specific grant income	(337.7)	(337.7)	0.0	0.0	0.0	0.0	0.0	0.0
(Surplus) or Deficit on Provision of Services	(40.2)	(41.4)	(1.9)	2.3	(3.6)	(0.1)	0.0	4.5
(Surplus) or deficit on revaluation of Property, Plant and Equipment assets	(149.5)	(147.5)	(2.1)	0.0	0.1	0.0	0.0	0.0
Deferred Tax Charge	0.7	0.0	0.0	0.0	0.7	0.0	0.0	0.0
Other Comprehensive Income and Expenditure	(321.0)	(319.7)	1.0	0.0	(2.3)	0.0	0.0	0.0

I4B records its properties as investment properties under its accounting policies to comply with UK GAAP, whereas in the group accounts these have to be recorded as Property, Plant and Equipment to comply with the CIPFA Code. This explains the £127.5m transfer from Investment Properties to Property Plant and Equipment (PPE).

Removal of intra-group transaction relating to loans within the group, the main adjustments are £91.5m reduction in Long Term Investments and a £120.7m reduction in Long Term Debtors, combined with a £176.8m reduction in Long Term Borrowing and £38.5m reduction in Usable Reserves. Current Debtors have been reduced by £14.9m and Current Creditors have been reduced by £14.3m. These principally relate to:

- rents and housing benefit owed by the council to its subsidiaries,
- the remainder of the intra-company loan balances,
- monies owed by the subsidiaries to the council for services provided by the council,
- and amounts relating to money held by the council on behalf of Barham Park.

I4B Opening Balance Adjustment

As a result of the audit of the 2020-21 I4B accounts, the following adjustments were made and have been included in the group accounts for 2021-22:

- investment properties were reduced by £3.4m due to a double count of construction costs,
- Plant Property and Equipment was reduced by £2.3 due to a valuation adjustment,
- debtors were reduced by £0.1m due to a reduction in deferred tax asset,
- creditors were increased by £0.1m due to a reduction in corporation tax,
- deferred tax was reduced by £1.6m to an adjusted capital gains tax calculation on Stamp Duty Land Tax.
- These changes meant that retained earnings were reduced by £0.7m and the Revaluation Reserve was reduced by £3.5m.

Note 1 to the Group Accounts: Consolidated Plant Property and Equipment

Movements in Consolidated Plant, Property and Equipment for 2022/23

Movements in 2022/23	**Council Dwellings £m**	**Land & Buildings £m**	**VPF&E £m**	**Surplus Assets £m**	**Asset under Construction £m**	**Total £m**	*****PFI Assets £m***
Cost or Valuation At 1 April 2022	**808.1**	**1,257.3**	**57.6**	**11.1**	**103.2**	**2,237.3**	**93.2**
Additions	19.8	24.2	1.1	13.6	72.2	**130.9**	1.0
Depreciation written out	(10.7)	(11.8)	0.0	0.0	0.0	**(22.5)**	(1.1)
Revaluation increases (decreases) in the Revaluation Reserve	36.3	100.6	0.0	0.0	0.0	**136.9**	10.3
Revaluation increases (decreases) in the Surplus / Deficit on the Provision of Services	(14.5)	8.7	0.0	(0.1)	0.0	**(5.9)**	0.0
Derecognition - Disposals	(2.9)	(22.4)	0.0	(10.2)	(5.7)	**(41.2)**	0.0
Reclassifications (to/from Assets Held for Sale)	(2.8)	0.0	0.0	0.0	0.0	**(2.8)**	0.0
Other movements in Cost or Valuations	6.3	0.0	0.0	0.0	(6.3)	**0.0**	0.0
At 31 March 2023	**839.6**	**1,356.7**	**58.7**	**14.4**	**163.4**	**2,432.8**	**103.4**
Depreciation and Impairments At 1 April 2022	**(11.3)**	**(17.9)**	**(42.4)**	**0.0**	**0.0**	**(71.6)**	**(8.5)**
Charge for 2022/23	(11.1)	(16.4)	(3.2)	0.0	0.0	(30.5)	(1.3)
Depreciation written out	10.7	14.4	0.0	0.0	0.0	25.0	1.1
Impairment losses (reversals) recognised in the Revaluation Reserve	(0.1)	(1.5)	0.0	0.0	0.0	(1.6)	0.0
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of Services	(0.1)	(2.2)	0.0	0.0	(1.3)	(3.6)	0.0
Derecognition - Disposals	0.0	4.2	0.0	0.0	0.0	4.2	0.0
Reclassifications (to/from Assets Held for Sale)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Movements in Depreciation & Impairments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
At 31 March 2023	**(11.8)**	**(19.4)**	**(45.6)**	**0.0**	**(1.3)**	**(78.1)**	**(8.7)**
Balance Sheet NBV at 31 March 2023	**827.8**	**1,337.3**	**13.1**	**14.4**	**162.1**	**2,354.7**	**94.8**
Balance Sheet NBV at 1 April 2022	**796.9**	**1,239.6**	**14.9**	**11.1**	**103.2**	**2,165.7**	**84.7**

Movements in 2021/22	Council Dwellings £m	Land & Buildings £m	VPF&E £m	Surplus Assets £m	Asset under Construction £m	Total £m	***PFI Assets £m*
Cost or Valuation At 1 April 2021	**669.7**	**1,168.7**	**56.5**	**10.2**	**148.2**	**2,053.3**	**74.0**
Additions	26.9	32.9	0.9	0.9	69.4	**131.0**	0.9
Depreciation written out	(7.7)	(13.7)	0.0	0.0	0.0	**(21.4)**	(1.0)
Revaluation increases (decreases) in the Revaluation Reserve	103.9	45.1	0.0	0.0	0.0	**149.0**	16.1
Revaluation increases (decreases) in the Surplus / Deficit on the Provision of Services	(65.0)	(0.8)	0.0	0.0	0.0	**(65.8)**	0.0
Derecognition - Disposals	(2.6)	(6.2)	0.0	0.0	(0.1)	**(8.9)**	0.0
Reclassifications (to/from Assets Held for Sale)	0.0	0.0	0.0	0.0	0.0	**0.0**	0.0
Other movements in Cost or Valuations	82.9	31.4	0.0	0.0	(114.3)	**0.0**	0.0
At 31 March 2022	**808.1**	**1,257.4**	**57.6**	**11.1**	**103.2**	**2,237.2**	**93.2**
Depreciation and Impairments At 1 April 2021	**(8.1)**	**(17.4)**	**(39.5)**	**0.0**	**0.0**	**(65.0)**	**(8.1)**
Charge for 2021/22	(10.6)	(14.7)	(2.9)	0.0	0.0	**(28.2)**	(1.4)
Depreciation written out	7.7	14.1	0.0	0.0	0.0	**21.8**	1.0
Impairment losses (reversals) recognised in the Revaluation Reserve	(0.2)	0.0	0.0	0.0	0.0	**(0.2)**	0.0
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of Services	(0.1)	0.0	0.0	0.0	0.0	**(0.1)**	0.0
Derecognition - Disposals	0.0	0.1	0.0	0.0	0.0	**0.1**	0.0
Reclassifications (to/from Assets Held for Sale)	0.0	0.0	0.0	0.0	0.0	**0.0**	0.0
Other Movements in Depreciation & Impairments	0.0	0.0	0.0	0.0	0.0	**0.0**	0.0
At 31 March 2022	**(11.3)**	**(17.9)**	**(42.4)**	**0.0**	**0.0**	**(71.6)**	**(8.5)**
Balance Sheet NBV at 31 March 2022	**796.9**	**1,239.5**	**14.9**	**11.1**	**103.2**	**2,165.6**	**84.7**
Balance Sheet NBV at 1 April 2021	**661.7**	**1,151.2**	**16.8**	**10.4**	**148.0**	**1,988.1**	**69.1**

Infrastructure Assets

Infrastructure Assets	2022/23 £m	2021/22 £m
Net Book Value at 1 April	**242.5**	**227.9**
Additions	19.2	21.2
Derecognition	0	0.0
Depreciation	(8.7)	(6.6)
Impairment	0	0.0
Other movements in cost	0	0.0
Net Book Value at 1 April	**253.0**	**242.5**

Note 2 to the Group Accounts: Investment Property

Movements in Investment Property for 2022/23 and 2021/22

Movements	2022/23 £m	2021/22 £m
Cost or Valuation At 1 April	**12.9**	**12.6**
Additions	0.0	0.0
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	1.3	0.2
At 31 March	**14.2**	**12.8**

Note 3 to the Group Accounts: Detailed Cashflow

2021/22 £m	Cash Flow Detail	2022/23 £m
(40.2)	Net surplus or (deficit) on the provision of services	35.5
35.6	Depreciation	39.8
64.0	Impairment and downward valuations	3.5
2.2	Amortisation	3.0
14.1	Increase/(decrease) in creditors	(53.9)
25.1	(Increase)/decrease in debtors	13.0
31.2	Movement in pension liability	32.1
8.8	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	32.8
(7.8)	Other non-cash items charged to the net surplus or deficit on the provision of services	0.5
0.0	Current tax	1.8
(7.8)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(11.3)
(0.4)	Tax paid	(0.7)

2021/22 £m	Cash Flow Detail	2022/23 £m
(87.4)	Any other items for which the cash effects are investing or financing cash flows	(125.0)
37.4	**Net cash inflows/(outflows) from Operating Activities**	**(28.9)**
(159.9)	Purchase of property, plant and equipment, investment property and intangible assets	(157.8)
0.0	Purchase of short-term and long-term investments	(26.8)
7.7	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	14.9
0.6	Proceeds of sale of short and long term investments	0.5
87.7	Other receipts from investing activities	125.0
(63.9)	**Net cash inflows/(outflows) from Investing Activities**	**(44.2)**
147.4	Cash receipts of short and long term borrowing	210.4
(2.6)	Cash inflow/(outflow) relating to Private Finance Initiative schemes	(2.9)
(122.3)	Repayments of short and long term borrowing	(120.9)
22.5	**Net cash inflows/(outflows) from Financing Activities**	**86.6**
(4.0)	**Net increase/(decrease) in cash and cash equivalents**	13.5
146.7	Cash and cash equivalents at the beginning of the reporting period	142.7
142.7	**Cash and cash equivalents at the end of the reporting period**	**156.2**

Note 4 to the Group Accounts: Audit fees

Consolidated audit fees for Group Accounts for 2022/23 and 2021/22

Audit Fee Detail	2022/23 £’000	2021/22 £’000
External audit services for in-year	347.0	301.5
Fees for other services provided by external auditor for year (grants)	30.5	30.5
Total	**377.5**	**332.0**

Note 5 to the Group Accounts: Short Term Debtors

Short Term Debtors	31-Mar-2023 £m	31-Mar-2022 £m
Trade receivables Outstanding	143.3	92.0
Less impairments	(25.2)	(26.4)
Net Trade receivables	**118.1**	**65.6**
Prepayments	**5.2**	**4.1**
Local Taxation receivables Outstanding	58.2	55.0
Less impairments	(25.4)	(32.3)
Net Local Taxation receivables	**32.8**	**22.7**
Other receivables amounts Outstanding	87.5	119.3
Less impairments	(38.5)	(35.8)
Net Other receivable amounts	**49.0**	**83.5**
Total	**205.1**	**175.9**

Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Corporate Director for Finance and Resources;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

The Responsibilities of the Corporate Director for Finance and Resources

The Corporate Director for Finance and Resources is responsible for the preparation of the Council's statement of accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Council Accounting in Great Britain ('the Code of Practice'), is required to present fairly the financial position of the Council at the Accounting date and its income and expenditure for the year ended 31 March 2022.

In preparing this statement of accounts, the Corporate Director for Finance and Resources has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code of Practice;
- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities;
- assessed the Authority's [and the Group's] ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- used the going concern basis of accounting on the assumption that the functions of the Authority (and the Group) will continue in operational existence for the foreseeable future; and
- maintained such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Authority at 31 March 2023 and of its income and expenditure for the year then ended.

Minesh Patel

Corporate Director for Finance and Resources

Additional Reconciliations

Nature of Income and Expenditure for 2021/22 and 2022/23:

2021/22 £m	Income and Expenditure Detail	2022/23 £m
102.4	Depreciation & Impairment Losses	50.3
315.3	Employee Expenses	330.4
80.6	Premises Related Expenditure	69.3
135.6	Supplies and Services	154.9
300.9	Third Party Payments	215.6
147.7	Transfer Payments	236.2
25.4	Transport Related Expenditure	15.3
1,107.9	**Total Gross Expenditure**	**1,072.0**
(177.0)	Customer and Client Receipts	(152.8)
(550.3)	Government Grants	(561.4)
(40.5)	Other Grants, Reimbursements & Contributions	(36.1)
(767.8)	**Total Gross Income**	**(750.3)**
340.1	**Net Cost of Services**	**321.7**
33.7	Financing and Investment Income & Expenditure	33.1
5.3	Other Operating Expenditure	25.4
(337.7)	Taxation & non-specific grant income	(415.9)
(298.7)	**Total Other Income & Expenditure**	**(351.4)**
41.4	**(Surplus) / Deficit on Provision of Services**	**(35.7)**

Brent Pension Fund Account

Pension Fund Accounts as at 31 March 2023

2021/22 £m	Dealings with members, employers and others directly involved in the fund	Notes	2022/23 £m
(64.1)	Contributions	7	(67.5)
(6.8)	Transfers in from other pension funds	8	(6.3)
(70.9)	**Total Additions**	**-**	**(73.8)**
46.8	Benefits	9	47.8
5.9	Payments to and on account of leavers	10	7.8
52.7	**Total Withdrawals**	**-**	**55.6**
(18.2)	**Net (additions)/withdrawals from dealings with members**	**-**	**(18.2)**
4.3	Management expenses	11	4.1
(13.9)	**Net (additions)/withdrawals including management expenses**	**-**	**(14.1)**
-	**Returns on investments**	**-**	
(1.1)	Investment income	12	(1.1)
0.0	Taxes on income	13	2.9
(88.1)	(Profits) and losses on disposal of investments and changes in the market value of investments	14	25.8
(89.2)	**Net return on investments**	**-**	**27.6**
(103.1)	**Net (increase)/decrease in the net assets available for benefits during the year**	**-**	**13.5**
(1,030.7)	**Opening net assets of the scheme**	**-**	**(1,133.8)**
(1,133.8)	**Closing net assets of the scheme**	**-**	**(1,120.3)**

Net Assets Statement for the Pension Fund as at 31 March 2023

31 March 2022 £m	Net Assets Statement	Notes	31 March 2023 £m
1,127.7	Investment assets	14	1,116.1
8.6	Current assets	20	8.1
(2.5)	Current liabilities	21	(3.9)
1,133.8	**Net assets of the fund available to fund benefits at the end of the reporting period**	**-**	**1,120.3**

The net asset statement includes all assets and liabilities of the Fund as at 31 March 2023 but excludes long-term liabilities to pay pensions and benefits in future years. The actuarial present value of promised retirement benefits is disclosed in Note 19.

Notes to the Brent Pension Fund accounts

1. Description of Fund

The Brent Pension Fund (the 'Fund') is part of the Local Government Pension Scheme (LGPS) and is administered by Brent Council.

The following description of the Fund is a summary only.

a) General

The Fund is a contributory defined benefit pension scheme administered by Brent Council to provide pensions and other benefits for pensionable employees of Brent Council and a range of other scheduled and admitted bodies.

b) Membership

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme.

Organisations participating in the Brent Pension Fund include:

- Scheduled bodies whose staff are automatically entitled to be members of the Fund
- Admitted bodies which are other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

There were 42 employer organisations with active members within the Brent Pension Fund at 31 March 2023, listed below:

Scheduled bodies

London Borough of Brent

Alperton Community School

ARK Academy

ARK Elvin Academy

ARK Franklin Academy

Braintcroft Primary School

Capital City Academy

Claremont High School Academy

Compass Learning Partnership

Crest Academy

Furness Primary School

Gladstone Park Primary School

Kingsbury High School

Manor School

Michaela Community School

North West London Jewish Day School

Oakington Manor Primary School

Our Lady of Grace RC Infants School

Our Lady of Grace RC Juniors School

Preston Manor High School

Queens Park Community School

Roundwood School and Community Centre

St Andrews and St Francis School

St Claudine's Catholic School for Girls

St Gregory's RC High School

St Margaret Clitherow

Sudbury Primary School

The Village School

Wembley High Technology College

Woodfield School Academy

Admitted bodies

Barnardo's

Caterlink Ltd

Conway Aecom Ltd

DB Services

FM Conway

Local Employment Access Project (LEAP)

National Autistic Society (NAS)

Prospects Services (BR)

Sudbury Neighbourhood Centre

Taylor Shaw

Veolia

Veolia (Ground Maintenance)

Employers with Active Members of Brent Pension Fund in 2021/22 and 2022/23

31 March 2022	Brent Pension Fund	31 March 2023
44	Number of employers with active members	42

Number of Employees in Brent Pension Fund Scheme in 2021/22 and 2022/23

31 March 2022	Type of Employees in Scheme	31 March 2023
4,399	Brent Council	4,303
1,640	Other employers	1,758
6,039	**Total**	**6,061**

Number of Pensioners in Brent Pension Fund Scheme in 2021/22 and 2022/23

31 March 2022	Type of Pensioners	31 March 2023
6,210	Brent Council	6,341
757	Other employers	819
6,967	**Total**	**7,160**

Number of Deferred Pensioners in Brent Pension Fund Scheme in 2021/22 and 2022/23

31 March 2022	Type of Deferred Pensioners	31 March 2023
7,188	Brent Council	7,218
1,280	Other employers	1,326
8,468	**Total**	**8,544**

c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the LGPS (Benefits, Membership and Contributions) Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2023. Employee contributions are matched by employers' contributions which are set based on triennial actuarial funding valuations. The last such valuation was at 31 March 2022. During 2022/23, the most commonly applied employer contribution rate within the Brent Pension Fund was 35.0% of pensionable pay.

d) Benefits

Since April 2014, the scheme is a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate 1/49th. Accrued pension is updated annually in line with the Consumer Price index.

For a summary of the scheme before April 2014 and details of a range of other benefits provided under the scheme including early retirement, disability pensions and death benefits please refer to the LGPS website: www.lgpsmember.org

2. Basis of preparation

The Statement of Accounts summarises the Fund's transactions for the 2022/23 financial year and its position at year-end as at 31 March 2023. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present value of promised retirement benefits, valued on an International Accounting Standard (IAS) 19 basis, is disclosed at Note 19 of these accounts.

3. Summary of significant accounting policies

Fund Account – revenue recognition

a) Contribution income

Normal contributions, both from the members and from the employer, are accounted for on an accruals basis at the percentage rate recommended by the Fund actuary in the payroll period to which they relate.

Employers' augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

b) Transfers to and from other schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations (see Notes 8 and 10).

Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

Transfers in from members wishing to use the proceeds of their additional voluntary contributions (see section o below) to purchase scheme benefits are accounted for on a receipts basis and are included in Transfers In (see Note 8).

Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

c) Investment income

i) Interest income

Interest income is recognised in the Fund Account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.

ii) Dividend income

Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current financial asset.

iii) Distributions from pooled funds

Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current financial asset.

iv) Movement in the net market value of investments

Changes in the net market value of investments are recognised as income and comprise all realised and unrealised profits/losses during the year.

Fund Account – expense items

d) Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the Net Assets Statement as current liabilities.

e) Taxation

The Fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless

exemption is permitted. Irrecoverable tax is accounted for as a Fund expense as it arises.**f)**
Administration expenses

All administration expenses are accounted for on an accruals basis. All staff costs of the pensions' administration team are charged direct to the Fund. Management, accommodation and other overheads are apportioned to the Fund in accordance with Council policy.

g) Investment management expenses

All investment management expenses are accounted for on an accruals basis. Fees of the external investment managers are agreed in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change.

The cost of obtaining investment advice from external consultants is included in investment management charges.

Net Assets Statement

h) Financial assets

Financial assets are included in the Net Assets Statement on a fair value basis as at the reporting date. A financial asset is recognised in the Net Assets Statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date, any gains or losses arising from changes in the fair value of the asset are recognised by the Fund.

The values of investments as shown in the Net Assets Statement have been determined as follows:

i) Market-quoted investments

The value of an investment for which there is a readily available market price is determined by the bid market price ruling on the final day of the accounting period.

ii) Fixed interest securities

Fixed interest securities are recorded at net market value based on their current yields.

iii) Unquoted investments

The fair value of investments for which market quotations are not readily available is determined as follows:

- Valuations of delisted securities are based on the last sale price prior to delisting, or where subject to liquidation, the amount the Fund expects to receive on wind-up, less estimated realisation costs.
- Securities subject to takeover offer – the value of the consideration offered under the offer, less estimated realisation costs.
- Directly held investments include investments in limited partnerships, shares in unlisted companies, trusts and bonds. Other unquoted securities typically include pooled investments in property, infrastructure, debt securities and private equity. The valuation of these pools or directly held securities is undertaken by the investment manager or responsible entity and advised as a unit or security price. The valuation standards followed in these valuations adhere to industry guidelines or to standards set by the constituent documents of the pool or the management agreement.
- Investments in unquoted property and infrastructure pooled funds are valued at the net asset value or a single price advised by the fund manager.

- Investments in private equity/infrastructure funds and unquoted listed partnerships are valued based on the Fund's share of the net assets in the private equity/infrastructure fund or limited partnership using the latest financial statements published by the respective fund managers in accordance with the guidelines set out by the British Venture Capital Association.

iv) Limited partnerships

Fair value is based on the net asset value ascertained from periodic valuations provided by those controlling the partnership.

v) Pooled investment vehicles

Pooled investment vehicles are valued at closing bid price if both bid and offer prices are published; or if single priced, at the closing single price. In the case of pooled investment vehicles that are accumulation funds, change in market value also includes income which is reinvested in the fund, net of applicable withholding tax.

i) Contingent Assets

Admitted body employers in the Brent Pension Fund hold bonds to guard against the possibility of being unable to meet their pension obligations. These bonds are drawn in favour of the pension fund and payment will only be triggered in the event of employer default. Contingent Assets are disclosed in Note 25.

j) Foreign currency transactions

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

k) Derivatives

The Fund does not use derivative financial instruments to manage its exposure to specific risks arising from its investment activities in its own name. Neither does it hold derivatives for speculative purposes.

l) Cash and cash equivalents

Cash comprises cash in hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

m) Financial liabilities

The Fund recognises financial liabilities at fair value as at the reporting date. A financial liability is recognised in the Net Assets Statement on the date the Fund becomes party to the liability. From this date, any gains or losses arising from changes in the fair value of the liability are recognised by the Fund.

n) Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS 19 and relevant actuarial standards.

As permitted under IAS 26, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the Net Assets Statement (Note 19).

o) Additional voluntary contributions

Brent Pension Fund provides an additional voluntary contributions (AVC) scheme for its members, the assets of which are invested separately from those of the Pension Fund. The Fund has appointed Prudential as its AVC provider. AVCs are paid to the AVC provider by employers and are specifically for providing additional benefits for individual contributors. Each AVC contributor receives an annual statement showing the amount held in their account and the movements in the year.

AVCs are not included in the accounts in accordance with Section 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (SI 2016/946) but are disclosed as a note only (Note 22).

4. Critical judgements in applying accounting policies

In applying the accounting policies set out in note 3, the Pension Fund has had to make certain judgments about complex transactions or those involving uncertainty about future events.

There were no such critical judgments made during 2022/23.

5. Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions

Actuarial present value of promised retirement benefits (Note 19)	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Fund with expert advice about the assumptions to be applied.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% p/a decrease in the discount rate assumption would result in an increase in the pension liability of approximately £24m. A 0.1% increase in Pension Increase Rate (CPI) would increase the value of liabilities by approximately £23m, and a one-year increase in assumed life expectancy would increase the liability by around 4% (c. £55m).
Private equity / infrastructure / private debt	Private equity/infrastructure/private debt investments are valued based on the latest available information, updated for movements in cash where relevant. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total private equity/infrastructure/private debt investments in the financial statements are £116m. There is a risk that this investment may be under- or overstated in the accounts up to 17% (an increase or decrease of £20m).

6. Events after the Reporting Date

There have been no events since 31 March 2023, and up to the date when these accounts were authorised that require any adjustments to these accounts.

7. Contributions receivable

Contributions receivable by category for 2021/22 and 2022/23

Type of Contribution	**2021/22 £m**	**2022/23 £m**
Employees’ contributions	9.7	10.6
Employers’ contributions:	-	-
Normal contributions	49.9	55.0

Type of Contribution	2021/22 £m	2022/23 £m
Deficit recovery contributions	1.7	0.0
Augmentation contributions	2.8	1.9
Total employers' contributions	54.4	56.9
Total	**64.1**	**67.5**

Contributions receivable by authority for 2021/22 and 2022/23

Type of Authority	2021/22 £m	2022/23 £m
Administering Authority	50.8	54.3
Scheduled bodies	11.9	12.7
Admitted bodies	1.4	0.5
Total	**64.1**	**67.5**

8. Transfers in from other pension funds

Transfers from Other Pension Funds	2021/22 £m	2022/23 £m
Individual transfers	6.8	6.3
Total	**6.8**	**6.3**

9. Benefits payable

Benefits payable by category for 2021/22 and 2022/23

Type of Benefit	2021/22 £m	2022/23 £m
Pensions	39.6	41.4
Commutation and lump sum retirement benefits	6.1	6.1
Lump sum death benefits	1.1	0.3
Total	**46.8**	**47.8**

Benefits payable by authority category for 2021/22 and 2022/23

Type of Authority	2021/22 £m	2022/23 £m
Administering Authority and Scheduled bodies	46.5	47.5
Admitted bodies	0.3	0.3
Total	**46.8**	**47.8**

10. Payments to and on account of leavers

Type of Transfer	2021/22 £m	2022/23 £m
Refunds to members leaving service	0.2	0.2
Individual transfers	5.7	7.6
Total	**5.9**	**7.8**

11. Management Expenses

Type of Expense	2021/22 £m	2022/23 £m
Administration costs	1.6	1.4
Investment management expenses	2.5	2.5
Oversight and Governance costs	0.2	0.2
Total	**4.3**	**4.1**

The management fees disclosed above include all investment management fees directly incurred by the Fund including those charged on pooled fund investments. Audit fees were £38k (£33k 2021/22).

a) Investment management expenses

Type of Expense	2021/22 £m	2022/23 £m
Management fees	2.4	2.4
Custody fees	0.1	0.1
Total	**2.5**	**2.5**

Investment Management Expenses by Fund for 2022/23

Fund Manager	2022/23 Total £m	Management fees £m	Custody fees £m	One-off transaction costs £m
Alinda	0.3	0.3	0.0	0.0
Capital Dynamics	0.2	0.2	0.0	0.0
Fidelity UK Real Estate	0.1	0.1	0.0	0.0
LGIM	0.0	0.0	0.0	0.0
LCIV MAC	0.1	0.1	0.0	0.0
LCIV JP Morgan Emerging Markets	0.2	0.2	0.0	0.0
LCIV Baillie Gifford DGF	0.5	0.5	0.0	0.0
LCIV Infrastructure Fund	0.1	0.1	0.0	0.0
LCIV Private Debt	0.0	0.0	0.0	0.0
LCIV Ruffer	0.7	0.7	0.0	0.0
London LGPS CIV LTD	0.1	0.1	0.0	0.0
Blackrock	0.0	0.0	0.0	0.0
UBS Triton	0.1	0.1	0.0	0.0
Northern Trust (Fund Custodian)	0.1	0.0	0.1	0.0

Fund Manager	2022/23 Total £m	Management fees £m	Custody fees £m	One-off transaction costs £m
Cash	0.0	0.0	0.0	0.0
Total	**2.5**	**2.4**	**0.1**	**0.0**

Investment Management Expenses by Fund for 2021/22

Fund Manager	2021/22 Total £m	Management fees £m	Custody fees £m	One-off transaction costs £m
Alinda	0.2	0.2	0.0	0.0
Capital Dynamics	0.2	0.2	0.0	0.0
Fidelity UK Real Estate	0.1	0.1	0.0	0.0
LGIM	0.1	0.1	0.0	0.0
LCIV MAC	0.2	0.2	0.0	0.0
LCIV JP Morgan Emerging Markets	0.2	0.2	0.0	0.0
LCIV Baillie Gifford DGF	0.5	0.5	0.0	0.0
LCIV Infrastructure Fund	0.1	0.1	0.0	0.0
LCIV Private Debt	0.1	0.1	0.0	0.0
LCIV Ruffer	0.7	0.7	0.0	0.0
London LGPS CIV LTD	0.0	0.0	0.0	0.0
Blackrock	0.0	0.0	0.0	0.0
Northern Trust (Fund Custodian)	0.1	0.0	0.1	0.0
Cash	0.0	0.0	0.0	0.0
Total	**2.5**	**2.4**	**0.1**	**0.0**

12. Investment income

Type of Investment Income	2021/22 £m	2022/23 £m
Dividend income private equities/infrastructure/property	0.4	0.3
Income from private equities/infrastructure/private debt	0.7	0.5
Interest on cash deposits	0.0	0.3
Total	**1.1**	**1.1**

13. Taxes on income

Taxes on income	2021/22 £m	2022/23 £m
Withholding tax	0.0	2.9
Total	**0.0**	**2.9**

14. Investments

Investment assets	Market value 31 March 2022 £m	Market value 31 March 2023 £m
Pooled investments	986.6	947.9
Pooled property investments	15.7	25.0
Private equity/infrastructure	101.3	115.7
Total investments	**1,103.6**	**1,088.6**

14a. Investments 22/23

Type of Investment	Market value 1 April 2022 £m	Purchases during the year £m	Sales during the year £m	Change in market value during the year £m	Market value 31 March 2023 £m
Pooled investments	986.6	13.0	(13.0)	(38.7)	947.9
Pooled property investments	15.7	0.0	0.0	9.3	25.0
Private equity/infrastructure	101.3	26.2	(15.4)	3.6	115.7
Total	**1,103.6**	**39.2**	**(28.4)**	**(25.8)**	**1,088.6**
Other investment balances: Cash Deposit	24.1	-	-	-	27.5
Investment income due	0.0	-	-	-	0.0
Net investment assets	**1,127.7**	-	-	-	**1,116.1**

Investments 21/22

Type of Investment	Market value 1 April 2021 £m	Purchases during the year £m	Sales during the year £m	Change in market value during the year £m	Market value 31 March 2022 £m
Pooled investments	897.4	15.0	(1.6)	75.8	986.6
Pooled property investments	0.0	15.0	0.0	0.7	15.7
Private equity/infrastructure	81.1	37.8	(29.2)	11.6	101.3
Total	**978.5**	**67.8**	**(30.8**	**88.1**	**1,103.6**
Other investment balances: Cash Deposit	53.8	-	-	-	24.1
Investment income due	0.0	-	-	-	0.0
Net investment assets	**1,032.3**	**-**	**-**	**-**	**1,127.7**

14b. Analysis of investments by category

Pooled funds - additional analysis	31 March 2022 £m	31 March 2023 £m
UK	-	
Fixed income unit trust	43.7	41.9
Unit trusts	145.1	124.2
Diversified growth funds	232.5	222.3
Overseas	-	
Unit trusts	565.3	559.5
Total Pooled funds	**986.6**	**947.9**
Pooled property investments	15.7	25.0
Private equity/infrastructure/private debt	101.3	115.7
Total investments	**1,103.6**	**1,088.6**

14c. Investments analysed by fund manager

Market Value at 31 March 2022 £m	Percentage of Total Fund %	Fund Manager	Market Value at 31 March 2023 £m	Percentage of Total Fund %
573.9	52.0%	Legal & General	557.9	51.2%
0.2	0.0%	London CIV	0.2	0.0%
43.8	4.0%	JP Morgan	43.3	4.0%
36.2	3.3%	Capital Dynamics	27.0	2.5%
135.1	12.3%	LCIV - Baillie Gifford	123.7	11.4%
97.4	8.8%	LCIV - Ruffer	98.6	9.1%
43.7	4.0%	LCIV- MAC (CQS)	41.9	3.8%
21.4	1.9%	LCIV - Infrastructure	36.8	3.4%
20.3	1.8%	LCIV – Private Debt	34.8	3.2%
23.4	2.1%	Alinda	17.1	1.6%
15.7	1.4%	Fidelity UK Real Estate	13.7	1.2%
15.4	1.4%	Blackrock Low Carbon Global Equity	28.1	2.6%
77.1	7.0%	Blackrock	54.2	5.0%
0.0	0.0%	UBS Triton Property Fund	11.3	1.0%
1,103.6	**100.0%**	**Total**	**1,088.6**	**100.0%**

The following investments represent over 5% of the net assets of the fund. All of these companies are registered in the United Kingdom.

Security	Market value 31 March 2022	% of total fund	Market value 31 March 2023	% of total fund
L&G - Global Equities	506.1	49.0%	488.1	43.3%
L&G - UK Equities	67.8	6.6%	69.8	6.2%
Blackrock - Over 15 year Gilts	77.1	7.5%	54.2	4.8%

Security	Market value 31 March 2022	% of total fund	Market value 31 March 2023	% of total fund
LCIV - Baillie Gifford DGF	135.1	13.1%	123.7	11.0%
LCIV - Ruffer DGF	97.4	9.4%	98.6	8.7%

14d. Stock lending

The London Borough of Brent Pension Fund does not operate a Stock Lending programme.

15. Fair Value – Basis of Valuation

The basis of the valuation of each asset class of investment asset is set out below. There has been no change in the valuation techniques used during the year. All assets have been valued using fair value techniques which represent the highest and best price available at the reporting date.

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Market quoted investments	Level 1	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Quoted bonds	Level 1	Fixed interest securities are valued at a market value based on current yields	Not required	Not required
Pooled investments – overseas unit trusts and property funds	Level 2	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV-based pricing set on a forward pricing basis	Not required
Unquoted equity	Level 3	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines (2012)	EBITDA multiple Revenue multiple Discount for lack of marketability Control premium	Valuations could be affected by material events occurring between the date of the financial statements provided and the pension fund's own reporting date, by changes to expected cash flows, and by any differences between audit and unaudited accounts

15a. Sensitivity of assets valued at Level 3

Having analysed historical data and current market trends, and consulted with our independent investment advisor, the fund has determined that the valuation methods described above are likely to be accurate to within the following ranges, and has set out below the consequent potential impact on the closing value of investments held at 31 March 2023.

Investment	Assessed valuation range (+/-)	Value at 31 March 2023 £m	Value on increase £m	Value of decrease £m
Private equity	31.2%	24.4	32.0	16.8
Infrastructure	16.0%	56.5	65.5	47.5
Private debt	9.6%	34.8	38.1	31.5

15b. Fair value hierarchy

The valuation of financial instruments had been classified into three levels, according to the quality and reliability of information used to determine fair values. Transfers between levels are recognised in the year in which they occur.

Level 1

Financial instruments at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as Level 1 comprise quoted equities, quoted fixed securities, quoted index linked securities and unit trusts.

Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

Financial instruments at Level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3

Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Such instruments would include unquoted equity investments and fund of hedge funds, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The values of the investment in private equity are based on valuations provided by the general partners to the private equity funds in which Brent Pension Fund has invested.

These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which follow the valuation principles of IFRS and US GAAP. Valuations are usually undertaken annually at the end of December. Cash flow adjustments are used to roll forward the valuations to 31 March as appropriate.

Transfers between levels will be recognised when there has been a change to observable mark data (improvement or reduction) or other change in valuation technique.

The following table provides an analysis of the financial assets and liabilities of the pension fund grouped into Levels 1 to 3, based on the level at which the fair value is observable.

Financial Assets and Liabilities of the Pension Fund for 2022/23

Values at 31 March 2023	Quoted market price Level 1 £m	Using observable inputs Level 2 £m	With significant unobservable inputs Level 3 £m	Total £m
Financial assets at fair value through profit and loss	-	-	-	-
Pooled investments	-	947.9	-	**947.9**
Pooled property investments	-	25.0	-	**25.0**
Private Equity/Infrastructure/Private Debt	-		115.7	**115.7**
Subtotal Financial assets at fair value through profit and loss	**0.0**	**972.9**	**115.7**	**1,088.6**
Cash	27.5	-	-	**27.5**
Investment Income due	0.0	-	-	**0.0**
Subtotal assets at amortised cost	**27.5**	**0.0**	**0.0**	**27.5**
Total Financial Assets	**27.5**	**972.9**	**115.7**	**1,116.1**
Financial liabilities	-	-	-	-
Current liabilities	**(3.9)**	**-**	**-**	**(3.9)**
Subtotal Financial liabilities at amortised cost	**(3.9)**	**0.0**	**0.0**	**(3.9)**
Total Financial liabilities	**(3.9)**	**0.0**	**0.0**	**(3.9)**
Net Financial assets	**23.6**	**972.9**	**115.7**	**1,112.2**

Financial Assets and Liabilities of the Pension Fund for 2021/22

Values at 31 March 2022	Quoted market price Level 1 £m	Using observable inputs Level 2 £m	With significant unobservable inputs Level 3 £m	Total £m
Financial assets at fair value through profit and loss	-	-	-	-
Pooled investments	0.0	986.6	0.0	986.6
Pooled property investments	0.0	15.7	0.0	15.7
Private Equity/Infrastructure/Private Debt	0.0	0.0	101.3	101.3
Subtotal Financial assets at fair value through profit and loss	0.0	1,002.3	101.3	1,103.6
Cash	24.1	0.0	0.0	24.1
Investment Income due	0.0	0.0	0.0	0.0
Subtotal assets at amortised cost	24.1	0.0	0.0	24.1
Total Financial Assets	**24.1**	**1,002.3**	**101.3**	**1,127.7**
Financial liabilities	-	-	-	-
Current liabilities	(2.5)	0.0	0.0	(2.5)
Subtotal Financial liabilities at amortised cost	(2.5)	0.0	0.0	(2.5)
Total Financial liabilities	**(2.5)**	**0.0**	**0.0**	**(2.5)**
Net Financial assets	**21.6**	**1,002.3**	**101.3**	**1,125.2**

15c. Transfers between Level 1 and 2

There were no transfers between levels 1 and 2 during the year

15d. Reconciliation of Fair Value Measurements within Level 3

Movements	**£m**
Value at 31 March 2022	101.3
Transfers into Level 3	0.0
Transfers out of Level 3	0.0
Purchases	26.2
Sales	(15.4)
Issues	0.0
Settlements	0.0
Unrealised gains/losses	16.8

Movements	£m
Realised gains/losses	(13.2)
Value at 31 March 2023	115.7

16. Classification of financial instruments

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading. No financial assets were reclassified during the accounting period.

31 March 2022 Fair value through profit and loss £m	31 March 2022 Assets at amortised cost £m	31 March 2022 Financial liabilities at amortised cost £m	Classification	31 March 2023 Fair value through profit and loss £m	31 March 2023 Loans and receivables £m	31 March 2023 Financial liabilities at amortised cost £m
-	**-**	**-**	**Financial assets**	**-**	**-**	**-**
986.6	-	-	Pooled investments	947.9	-	-
15.7	-	-	Pooled property investments	25.0	-	-
101.3	-	-	Private equity/infrastructure	115.7	-	-
-	24.1	-	Cash	-	27.5	-
-	8.6	-	Debtors	-	8.1	-
1,103.6	**32.7**	**-**	**Total Financial assets**	**1,088.6**	**35.6**	**0.0**
-	**-**	**-**	**Financial liabilities**	-	-	-
-	-	(2.5)	Creditors	-	-	(3.9)
-	-	(2.5)	Total Financial liabilities	**0.0**	**0.0**	**(3.9)**
1,103.6	**32.7**	**(2.5)**	**Net Financial assets**	**1,088.6**	**35.6**	**(3.9)**

16a. Net gains and losses on financial instruments

31 March 2022 £'000	Financial Assets Detail	31 March 2023 £'000
88.1	Fair value through profit and loss	(25.8)
88.1	**Total**	**(25.8)**

17. Nature and extent of risks arising from financial instruments

Risk and risk management

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e., promised benefits payable to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk, and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. The Pension Fund manages these investment risks as part of its overall pension fund risk management programme.

Responsibility for the Fund's risk management strategy rests with the Pension Fund Sub-Committee. Risk management policies are established to identify and analyse the risks faced by the Pension Fund's operations. Policies are reviewed regularly to reflect changes in activity and in market conditions.

a) Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the Fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, whilst optimising the return on risk. In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the Pension Fund and its investment advisers undertake appropriate monitoring of market conditions and benchmark analysis.

Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The Fund is exposed to share and derivative price risk. This arises from investments held by the Fund for which the future price is uncertain. All securities investments present a risk of loss of capital. Except for shares sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from shares sold short are unlimited.

The Fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored by the Pension Fund to ensure it is within limits specified in the Fund investment strategy.

Other price risk – sensitivity analysis

Following analysis of historical data and expected investment return movement during the financial year, in consultation with the fund's investment advisors, the council has determined that the following movements in market price risk are reasonably possible for the 2022/23 reporting period. (Based on data as at 31 March 2023 using data provided by investment advisors scenario model). The sensitivities are consistent with the assumptions contained in the investment advisors' most recent review. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same.

Other price risk – sensitivity analysis for 2022/23

Asset Type	31/03/2023 Value (£m)	Potential market movements (+/-)
Bonds	54.2	7.6%
Equities	629.5	19.3%
Other Pooled investments	264.2	10.7%
Pooled Property investments	25.0	15.5%
Private Equity	24.4	31.2%
Infrastructure	56.5	16.0%
Private Debt	34.8	9.6%

Had the market price of the fund investments increased/decreased by 1% the change in the net assets available to pay benefits in the market price would have been as follows:

Asset Type	31/03/2023 Value	Potential value on increase	Potential value on decrease
Bonds	54.2	58.3	50.1
Equities	629.5	751.0	508.0
Other Pooled investments	264.2	292.5	235.9
Pooled Property investments	25.0	28.9	21.1
Private Equity	24.4	32.0	16.8
Infrastructure	56.5	65.5	47.5
Private debt	34.8	38.1	31.5
Total	**1,088.6**	**1,266.3**	**910.9**

Interest rate risk exposure asset type

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's interest rate risk is routinely monitored by the Pension Fund in accordance with the Fund's risk management strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the relevant benchmarks.

The Fund's direct exposure to interest rate movements as at 31 March 2022 and 31 March 2023 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value:

Financial Asset Type	31 March 2022 £m	31 March 2023 £m
Cash balances	24.1	27.5
UK Fixed income unit trust	43.7	41.9
Total	**67.8**	**69.4**

Asset type	Carrying amount as at 31 March 2023 £m	+1% £m	-1% £m
Cash balances	27.5	0.3	(0.3)
UK Fixed income unit trust	41.9	0.4	(0.4)
Total	**69.4**	**0.7**	**(0.7)**

Asset type	Carrying amount as at 31 March 2022 £m	+1% £m	-1% £m
Cash balances	24.1	0.3	(0.3)
UK Fixed income unit trust	43.7	0.4	(0.4)
Total	**67.8**	**0.7**	**(0.7)**

Currency risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the Fund (£UK). The Fund holds both monetary and non-monetary assets denominated in currencies other than £UK.

The Fund's currency rate risk is routinely monitored by the Pension Fund in accordance with the Fund's risk management strategy, including monitoring the range of exposure to currency fluctuations.

The following table summarises the Fund's currency exposure as at 31 March 2023 and as at the previous period end:

Currency risk exposure – asset type	Asset value at 31 March 2022 £m	Asset value at 31 March 2023 £m
Overseas unit trusts	565.3	559.5
Overseas pooled property investments	0.0	0.0
Overseas private equity/infrastructure/private debt	101.3	115.7
Total overseas assets	**666.6**	**675.2**

A 1% strengthening/weakening of the pound against the various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits as follows:

Assets exposed to currency rate risk	Asset value as at 31 March 2023 £m	+1% £m	-1% £m
Overseas unit trusts	559.5	5.6	(5.6)
Overseas pooled property investments	0.0	0.0	0.0
Overseas private equity/infrastructure/private debt	115.7	1.2	(1.2)
Total	**675.2**	**6.8**	**(6.8)**

Assets exposed to currency rate risk	Asset value as at 31 March 2022 £m	+1% £m	-1% £m
Overseas unit trusts	565.3	5.7	(5.7)
Overseas pooled property investments	0.0	0.0	0.0
Overseas private equity/infrastructure/private debt	101.3	1.0	(1.0)
Total	**666.6**	**6.7**	**(6.7)**

b) Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

In essence, the Fund's entire investment portfolio is exposed to some form of credit risk. However, the selection of high-quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

The Pension Fund's cash balance is held in an interest-bearing instant access deposit account with NatWest plc, which is rated independently and meets Brent Council's credit criteria.

The Pension Fund believes it has managed its exposure to credit risk and has had no experience of default or uncollectable deposits over the past five financial years. The Fund's cash holding under its treasury management arrangements at 31 March 2023 was £27.5m (31 March 2022: £24.1m). This was held with the following institutions:

Credit risk exposure	Rating	Balances as at 31 March 2022 £m	Balances as at 31 March 2023 £m
Bank deposit accounts			
NatWest	A	0.9	0.8
Northern Trust		0.1	0.1
Money Market deposits	AAA	23.1	26.6
Other short-term lending			
Local authorities		0.0	0.0
Total		**24.1**	**27.5**

c) Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Pension Fund therefore takes steps to ensure that it has adequate cash resources to meet its pensioner payroll costs and investment commitments.

The Pension Fund has immediate access to its cash holdings.

The Fund defines liquid assets as assets that can be converted to cash within three months. Illiquid assets are those assets which will take longer than three months to convert into cash. At 31 March 2023 the value of illiquid assets was £140.7m, which represented 12.6% (31 March 2022: £117.0m, which represented 10.4%) of the total fund assets.

Periodic cash flow forecasts are prepared to understand and manage the timing of the Fund's cash flows. The appropriate strategic level of cash balances to be held forms part of the Fund investment strategy.

All financial liabilities at 31 March 2023 are due within one year.

Liquidity Risk for 2021/22 and 2022/23

Liquidity Risk	**31-Mar-22**	**% of Total Fund**	**31-Mar-23**	**% of Total Fund**
Pooled investments	986.6	87.5%	947.9	84.9%
Cash deposits	24.1	2.1%	27.5	2.5%
Investment income due	0	0.0%	0.0	0.0%
Total liquid investments	**1,010.7**	**89.6%**	**975.4**	**87.4%**
Pooled property investments	15.7	1.4%	25.0	2.2%
Private Equity/Infrastructure/Private Debt	101.3	9.0%	115.7	10.4%
Total illiquid investments	**117.0**	**10.4%**	**140.7**	**12.6%**
Total investments	**1,127.7**	**100.0%**	**1,116.1**	**100.0%**

d) Refinancing risk

The key risk is that the Pension Fund will be bound to replenish a significant proportion of its financial instruments at a time of unfavourable interest rates. However, the Pension Fund does not have any financial instruments that have a refinancing risk as part of its treasury management and investment strategies.

18. Funding arrangements

In line with the LGPS Regulations 2013, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2022. The next valuation will take place as at 31 March 2025 and results are scheduled to be released by 31 March 2026.

The key elements of the funding policy are:

- to ensure the long-term solvency of the Fund, i.e., that sufficient funds are available to meet all pension liabilities as they fall due for payment
- to ensure that employer contribution rates are as stable as possible

- to minimise the long-term cost of the Scheme by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return
- to reflect the different characteristics of employing bodies in determining contribution rates where the administering authority considers it reasonable to do so
- to use reasonable measures to reduce the risk to other employers and ultimately to the council tax payer from an employer defaulting on its pension obligations.

The aim is to achieve 100% solvency over a period of 20 years from 1 April 2022 and to provide stability in employer contribution rates by spreading any increases in rates over a period of time. Solvency is achieved when the funds held, plus future expected investment returns and future contributions are sufficient to meet expected future pension benefits payable.

At the 2022 actuarial valuation the Fund was assessed as 87% funded, which is an improvement to the 78% valuation at the 2019 valuation. This corresponded to a deficit of £162m (2019 valuation: £248m deficit) at that time. As a result, a deficit recovery plan is in place which aims to achieve 100% funding over a period of 20 years from April 2022.

Contribution increases or decreases may be phased in over the three-year period beginning 1 April 2023 for both Scheme employers and admitted bodies. The most commonly applied employer contribution rate within the Brent Pension Fund is:

Year	Employers' contribution rate
2023/24	33.5%
2024/25	32.0%
2025/26	30.5%

Individual employers' rates will vary from the common contribution rate depending on the demographic and actuarial factors particular to each employer. Full details of the contribution rates payable can be found in the 2022 actuarial valuation report and the funding strategy statement on the Fund's website.

The valuation of the Fund has been undertaken using the projected unit method under which the salary increase for each member is assumed to increase until they leave active service by death, retirement or withdrawal from service. The main actuarial assumptions used for the 2022 actuarial valuation were as follows:

Discount rate	4.3% p.a.
Pay increases	3.0% p.a.
Pension increases	2.7% p.a.

Demographic assumptions

Future life expectancy based on the Actuary's fund-specific review was:

Life expectancy at age 65	Male	Female
Current pensioners	22.1 years	24.8 years
Future Pensioners retiring in 20 years	23.4 years	26.3 years

Commutation assumption
It is assumed that 50% of future retirements will elect to exchange pension for additional tax free cash up to HMRC limits.

19. Actuarial present value of promised retirement benefits

In addition to the triennial funding valuation, the Fund's Actuary also undertakes a valuation of the pension fund liabilities, on an IAS 19 basis, every year using the same base data as the funding valuation rolled forward to the current financial year, taking account of changes in membership numbers and updating assumptions to the current year. This valuation is not carried out on the same basis as that used for setting fund contribution rates and the fund accounts do not take account of liabilities to pay pensions and other benefits in the future.

In order to assess the value of the benefits on this basis, the Actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (see Note 18). The Actuary has also used valued ill health and death benefits in line with IAS 19.

Calculated on an IAS19 basis, the actuarial present value of promised retirement benefits at 31 March 2023 was £1,380m (31 March 2022: £1,838m). This figure includes both vested and non-vested benefits, although the latter is assumed to have a negligible value. The Fund Accounts do not take account of liabilities to pay pensions and other benefits in the future.

The liabilities above are calculated on an IAS 19 basis and therefore differ from the results of the 2022 triennial funding valuation because IAS 19 stipulates a discount rate rather than a rate which reflects market rates.

Financial assumptions	**% Increase**
Inflation/pensions increase rate	3.00%
Salary increase rate	3.30%
Discount rate	4.75%

Longevity assumption

The average future life expectancies at age 65 are summarised below:

Type of Pensioner	Males	Females
Current pensioners	22.0 years	24.7 years
Future pensioners*	23.0 years	25.9 years

* Future pensioners are assumed to be currently aged 45

Commutation assumption
An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits.

Sensitivity Analysis

Sensitivity to the assumptions for the year ended 31 March 2023	Approximate % increase to liabilities	Approximate monetary amount (£m)
0.1% p.a. decrease in the discount rate	2%	24
1 year increase in member life expectancy	4%	55
0.1% p.a. increase in the Salary Increase Rate	0%	2
0.1% p.a. increase in the Pension Increase Rate (CPI)	2%	23

The principal demographic assumption is the longevity assumption. For sensitivity purposes, it is estimated that a 1 year increase in life expectancy would approximately increase the liabilities by around 4% (c. £55m).

20. Assets

a) Current assets

Debtor Type	31 March 2022 £m	31 March 2023 £m
- Contributions due – employees	0.2	0.2
- Contributions due – employers	0.9	1.2
- Sundry debtors	7.5	6.7
Total	**8.6**	**8.1**

Analysis of debtors

Debtor Type	31 March 2022 £m	31 March 2023 £m
Central government bodies	0.8	0.9
Other local authorities	6.1	5.8
Other entities and individuals	1.7	1.4
Total	**8.6**	**8.1**

21. Current liabilities

Liabilities	31 March 2022 £m	31 March 2023 £m
Group transfers	0.0	0.0
Sundry creditors	2.5	3.9
Total	**2.5**	**3.9**

Analysis of creditors

Creditor	31 March 2022 £m	31 March 2023 £m
Central government bodies	1.0	1.0

Creditor	31 March 2022 £m	31 March 2023 £m
Other entities and individuals	1.5	2.9
Total	**2.5**	**3.9**

22. Additional voluntary contributions

Contribution Type	Market value 31 March 2022 £m	Market value 31 March 2023 £m
Clerical Medical*	1.3	1.1
Equitable Life	0.2	0.0
Prudential	0.7	0.7
Total	**2.2**	**1.8**

Contribution Type	Contributions 31 March 2022 £m	Contributions 31 March 2023 £m
Clerical Medical*	0.0	0.0
Prudential	0.1	0.1
Total	**0.1**	**0.1**

For information, Prudential has since replaced Clerical Medical as the Fund's AVC provider with effect from 1 April 2014.

In accordance with Regulation 4(1)(b) of the Pension Scheme (Management and Investment of Funds) Regulations 2016, the contributions paid and the assets of these investments are not included in the Fund's Accounts.

22. Related party transactions

Brent Council

The Brent Pension Fund is administered by Brent Council. Consequently, there is a strong relationship between the Council and the Pension Fund.

The Council incurred costs of £1.30m (2021/22: £1.24m) in relation to the administration of the Fund and was subsequently reimbursed by the Fund for these expenses. The Council is also the single largest employer of members of the Pension Fund and contributed £43.9m to the Fund in 2022/23 (2021/22: £41.0m)

Governance

One member of the Pension Fund Sub-committee is in receipt of pension benefits from the Brent Pension Fund (chair Cllr R Johnson). Each member of the Pension Fund Sub-Committee is required to declare their interests at each meeting.

Key management personnel

The key management personnel of the fund are the Chief Executive, Corporate Director Finance and Resources (s.151 officer), Corporate Director Governance, Deputy Director of Finance and the Head of Finance (Pensions). The proportion of the total remuneration payable to key management personnel that is charged to the Pension Fund is set out below:

Remuneration Type	31st March 2022 £m	31st March 2023 £m
Short Term Benefits	0.040	0.091
Post-Employment Benefits	0.012	0.000
Termination Benefits	0.000	0.030
Total Remunerations	**0.052**	**0.121**

24. Contingent liabilities and capital commitments

Outstanding capital commitments (investments) at 31 March 2023 totalled £60.5m (31 March 2022 £82.1m)

Fund	31st March 2022 £m	31st March 2023 £m
Capital Dynamics	12.9	13.5
Alinda Fund II	2.5	2.4
Alinda Fund III	8.1	9.1
London CIV Infrastructure Fund	28.9	17.1
London CIV Private Debt Fund	29.7	18.4
Total	**82.1**	**60.5**

These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the private equity and infrastructure parts of the portfolio. The amounts ‘called’ by these funds are irregular in both size and timing over a period of between four and six years from the date of each original commitment.

25. Contingent Assets

Contingent assets

One non-associated admitted body employers in the Brent Pension Fund hold insurance bonds to guard against the possibility of being unable to meet their pension obligations. The bond is drawn in favour of the Pension Fund and payment will only be triggered in the event of employer default.

Bond	31st March 2022 £m	31st March 2023 £m
Ricoh	0.0	0.1
Total	**0.0**	**0.1**

26. Impairment Losses

The Fund had no Impairment Losses at 31 March 2023.

Chair of the Audit Committee

The Chair of the Audit and Standards Committee is required to approve the publication of these accounts.

This is approved by:

Jumbo

Cllr Jumbo Chan

Independent auditor's report to the members of the London Borough of Brent

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of London Borough of Brent (the 'Authority') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise Balance Sheet, the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Cash Flow Statement, Housing Revenue Account Income and Expenditure Statement, Movement on the Housing Revenue Account Statement, Collection Fund Account, Group Balance Sheet, Group Consolidated Income and Expenditure Statement, Group Cash Flow Statement, Group Movement in Reserves and notes to the financial statements, including a summary of significant accounting and notes to the financial statements. The notes to the financial statements include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Authority as at 31 March 2023 and of the group's expenditure and income and the Authority's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Corporate Director Finance and Resources' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Authority or the group to cease to continue as a going concern.

In our evaluation of the Corporate Director Finance and Resources' conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 that the Authority's and group's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the group and the Authority. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the group and Authority and the group and Authority's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Corporate Director Finance and Resources’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority’s and the group’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Corporate Director Finance and Resources with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Governance Statement and the Statement of Accounts, other than the financial statements and our auditor’s report thereon and our auditor's report on the pension fund financial statements. The Corporate Director Finance and Resources is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with ‘Delivering Good Governance in Local Government Framework 2016 Edition’ published by CIPFA and SOLACE, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;

- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Authority and the Corporate Director Finance and Resources

As explained more fully in the Statement of Responsibilities, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Corporate Director Finance and Resources. The Corporate Director Finance and Resources is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, for being satisfied that they give a true and fair view, and for such internal control as the Corporate Director Finance and Resources determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporate Director Finance and Resources is responsible for assessing the Authority's and the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority and the group without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and Authority and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the Local Government Act 2003), the Local Government Act 1972, the Local Government and Housing Act 1989 and the Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992) and the Local Government Finance Act 2012.

We enquired of management and the Audit and Standards Committee, concerning the group and Authority's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

We enquired of management, internal audit and the Audit and Standards Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

We assessed the susceptibility of the Authority and group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and assessment of the risk of fraud in revenue and expenditure recognition. We determined that the principal risks were in relation to journals:

- Using data analytics, we considered all journal entries for fraud and set specific criteria to identify the entries we considered to be high risk. Such criteria included journals with unusual values; journals posted after the year end; journals with a material impact on the surplus/deficit for the year; and journals created by senior managers.

Our audit procedures involved:

- evaluation of the design effectiveness of controls that the Corporate Director Finance and Resources has in place to prevent and detect fraud.
- analysis of the journals listing and determination of the criteria for selecting high risk unusual journals
- identification and testing of unusual journals made during the year and the accounts production stage for appropriateness and corroboration.
- reviewing and testing transfers between the General Fund and HRA and inter group journals. challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and buildings valuations, council dwelling valuations, PFI valuations, the valuation of defined benefit net pension fund liabilities, grants and income recognition, PFI provisions and minimum revenue provision.
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including the potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to land and buildings valuations, council dwelling valuations, PFI valuations, depreciation, the valuation of defined benefit net pension fund liabilities, provisions, income and expenditure accruals, PFI liabilities, credit loss and impairment allowances, and fair value estimates. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.

Our assessment of the appropriateness of the collective competence and capabilities of the group and Authority's engagement team included consideration of the engagement team's

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the local government sector in which the group and Authority operates
- understanding of the legal and regulatory requirements specific to the Authority and group including:
  - the provisions of the applicable legislation
  - guidance issued by CIPFA/LASAAC and SOLACE
  - the applicable statutory provisions.

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the Authority and group’s operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- the Authority and group's control environment, including the policies and procedures implemented by the Authority and group to ensure compliance with the requirements of the financial reporting framework.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Report on other legal and regulatory requirements – the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have nothing to report in respect of the above matter.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor’s responsibilities for the review of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of ‘proper arrangements’. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor’s Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for the London Borough of Brent for the year ended 31 March 2023 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed our consideration of objections brought to our attention by local authority electors under section 27 of the Local Audit and Accountability Act 2014. We are satisfied that this these matters do not have a material effect on the financial statements for the year ended 31 March 2023.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 [and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited]. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ciaran McLaughlin

Ciaran Mclaughlin, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor
London
Date: 23 October 2023

Independent auditor's report to the members of London Borough of Brent on the pension fund financial statements of Brent Pension Fund

Opinion on financial statements

We have audited the financial statements of Brent Pension Fund (the 'Pension Fund') administered by London Borough of Brent (the 'Authority') for the year ended 31 March 2023, which comprise the Fund Account, the Net Assets Statement and notes to the pension fund financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

In our opinion, the financial statements:

- give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2023 and of the amount and disposition at that date of the fund's assets and liabilities;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the Pension Fund's financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Corporate Director Finance and Resources' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Pension Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Pension Fund to cease to continue as a going concern.

In our evaluation of the Corporate Director Finance and Resources' conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 that the Pension Fund's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Pension Fund. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Authority in the Pension Fund financial statements and the disclosures in the Pension Fund financial statements over the going concern period.

In auditing the financial statements, we have concluded that the Corporate Director Finance and Resources' use of the going concern basis of accounting in the preparation of the Pension Fund financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Pension Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Corporate Director Finance and Resources with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Statement of Accounts, other than the Pension Fund's financial statements and our auditor's report thereon, and our auditor's report on the Authority's financial statements. The Corporate Director Finance and Resources is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Pension Fund financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice (2020) published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice)

In our opinion, based on the work undertaken in the course of the audit of the Pension Fund's financial statements, the other information published together with the Pension Fund's financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the Pension Fund financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters in relation to the Pension Fund.

Responsibilities of the Authority and the Corporate Director Finance and Resources

As explained more fully in the Statement of Responsibilities, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Corporate Director Finance and Resources. The Corporate Director Finance and Resources is responsible for the preparation of the Statement of Accounts, which includes the Pension Fund's financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, for being satisfied that they give a true and fair view, and for such internal control as the Corporate Director Finance and Resources determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Pension Fund's financial statements, the Corporate Director Finance and Resources is responsible for assessing the Pension Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Pension Fund without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Pension Fund's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Pension Fund and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Local Government Act 2003, the Public Service Pensions Act 2013, The Local government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016).

We enquired of management and the Audit and Standards Committee, concerning the Authority's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

We enquired of management, internal audit and the Audit and Standards Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

We assessed the susceptibility of the Pension Fund's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of management override of controls. We determined that the principal risks were in relation to journals:

- using data analytics, we considered all journal entries for fraud and set specific criteria to identify the entries we considered to be high risk. Such criteria included journals with unusual values; journals posted after the year end; journals with a material impact on the surplus/deficit for the year; and journals created by senior managers.

Our audit procedures involved:

- evaluation of the design effectiveness of controls that the Corporate Director Finance and Resources has in place to prevent and detect fraud;

- journal entry testing, with a focus on what we deem to be high risk journals;
- challenging assumptions and judgements made by management in its significant accounting estimates in respect of Level 2 investments and Level 3 investments and IAS 26 pensions liability valuations;
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including the potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to Level 2 investments, Level 3 investments and IAS 26 pension liability valuations.

Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's.

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the local government pensions sector
- understanding of the legal and regulatory requirements specific to the Pension Fund including:
    - the provisions of the applicable legislation
    - guidance issued by CIPFA/LASAAC and SOLACE
    - the applicable statutory provisions.

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the Pension Fund's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- the Authority's control environment, including the policies and procedures implemented by the Authority to ensure compliance with the requirements of the financial reporting framework.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 [and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited]. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ciaran McLaughlin

Ciaran Mclaughlin, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

London
Date: 23 October 2023

Glossary

ACCRUALS

Amounts charged to the accounts for goods and services received during the year for which payments have not been made.

BALANCE SHEET

This shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the authority may use to provide services. The second category of reserves are those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold.

CAPITAL EXPENDITURE

Expenditure on the acquisition of assets to be of value to the Council beyond the end of the financial year, e.g. purchase of land and buildings, construction of roads, etc or revenue expenditure which the Government may exceptionally permit the Council to capitalise e.g. redundancy payments.

CAPITAL RECEIPTS

Money received from the sale of land, buildings and plant. A prescribed portion of receipts received for HRA dwellings must be “pooled” and paid to central government.

CASH FLOW STATEMENT

Shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the authority.

COMMUNITY ASSETS

A classification of fixed assets that the Council intends to hold in perpetuity that may have restrictions on their disposal. Examples of such assets are parks, historic buildings and works of art.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation or rents. Authorities raise taxation and rents to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

CONSISTENCY

The principle that the accounting treatment of like items should be treated the same from one period to the next.

CORPORATE AND DEMOCRATIC CORE

This comprises all activities which local authorities engage in specifically because they are elected multi-purpose authorities. The cost of these activities are thus over and above those which would be incurred by a single purpose body managing the same service. There is no logical basis for apportioning these costs to services. It comprises of Democratic Representation and Management and Corporate Management.

COLLECTION FUND ADJUSTMENT ACCOUNT

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

CREDITORS

Amounts owed by the Council at 31 March for goods received or services rendered but not yet paid for.

DEBTORS

Amounts owed to the Council which are collectable or outstanding at 31 March.

EXPENDITURE AND FUNDING ANALYSIS

The purpose of this statement is to demonstrate to council tax and rent payers how the funding available to the authority (i.e. government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

FINANCE LEASE

A lease that transfers substantially all of the risks and rewards of ownership of an asset to the lessee (the Council) and at the end of the lease term substantially all the asset value and interest payments have been made.

FIXED ASSETS

Tangible assets that yield benefits to the Council and the services it provides for a period of more than one year.

GOING CONCERN

The concept that the Council will remain in operational existence for the foreseeable future, in particular that the revenue accounts and balance sheet assume no intention to curtail significantly the scale of operations.

GOVERNMENT GRANTS - SPECIFIC

Assistance by Government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to the Council in return for past or future compliance with certain conditions relating to the activities of the Council.

INFRASTRUCTURE ASSETS

A classification of fixed assets, whose life is of indefinite length and which are not usually capable of being sold, e g highways, street lighting and footpaths.

LONG TERM INVESTMENTS

A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the Council. Investments should be so classified only where an intention to hold the investment for the long term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment. Investments which do not meet the above criteria should be classified as current assets.

LEVIES

These are payments to London-wide bodies whose costs are borne by local authorities in the area concerned.

LONG-TERM CONTRACTS

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken substantially to complete the contract is such that the contract activity falls into different accounting periods. Some contracts with a shorter duration than one year should be accounted for as long-term contracts if they are sufficiently material to the activity of the period.

MINIMUM REVENUE PROVISION (MRP)

The minimum amount the Council must charge to the revenue accounts each year to repay loans as defined by Government regulation.

MOVEMENT IN RESERVE STATEMENT

Shows the movement from the start of the year to the end on the different reserves held by the authority, analysed into ‘usable reserves’ (i.e. those that can be applied to fund expenditure or reduce local taxation) and other ‘unusable reserves’. The movement in Reserves Statement shows how the movements in year of the authority’s reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax or rents for the year. The Net Increase/Decrease line shows the statutory General Fund Balance and Housing Revenue Account Balance movements in the year following those adjustments.

NON DOMESTIC RATE (NDR)

A flat rate in the pound set by the Central Government and levied on all non-residential premises according to their rateable value collected by the Council.

OPERATING LEASES

The lessor is paid rental for the hire of an asset for a period, which is substantially less than the useful economic life of an asset. The lessor is taking a risk on the residual value at the end of the lease.

OPERATIONAL ASSETS/NON OPERATIONAL ASSETS

- Fixed assets held and occupied, used or consumed by the Council in the direct delivery of services for which it has either a statutory or discretionary responsibility.
- Non-operational assets, not directly occupied or surplus to requirements pending sale or development.

PRECEPTS

A charge made by another authority on the Council to finance its net expenditure. This Council has a charge on the collection fund by the Greater London Authority.

PRIOR YEAR ADJUSTMENTS

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

PRUDENCE

The concept that revenue is not anticipated but is recognised only when realised in the form either of cash or of other assets the ultimate cash realisation of which can be assessed with reasonable certainty.

REVALUATION RESERVE

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment.

REVENUE SUPPORT GRANT

A general grant paid to local councils from national taxation.

ABBREVIATIONS

ALMO Arm's Length Management Organisation

ASC Adult Social Care

AVC Additional Voluntary Contribution

BHP Brent Housing Partnership

CIL Community Infrastructure Levy

CIPFA Chartered Institute of Public Finance and Accountancy / Code of Practice on Local Authority Accounting in the United Kingdom

DCLG Department for Communities and Local Government

CIES Comprehensive Income and Expenditure Statement

DfE Department for Education

FTE Full Time Equivalent

GAAP Generally Accepted Accounting Principles/ Practice

GF General Fund

GLA Greater London Authority

HRA Housing Revenue Account

IAS International Accounting Standards

IFRS International Financial Reporting Standards

IPSAS International Public Sector Accounting Standards

LASAAC Local Authority (Scotland) Accounts Advisory Committee

LBB London Borough of Brent

LGPS Local Government Pension Scheme

MHCLG Ministry of Housing, Communities and Local Government's

MRA Major Repairs Allowance

MRP Minimum Revenue Provision

NAIL New Accommodation for Independent Living

NDR Non Domestic Rates (also called Business Rates)

PFI Private Finance Initiative

PWLB Public Works Loans Board