

London Borough of Enfield

Statement of Accounts 2024/25



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Statement of Accounts

Executive Director's Report and Written Statements

Executive Director's Report

Introduction

The Narrative Report provides information about Enfield, its main objectives and strategies and how the Council has used its resources in 2024-25 to achieve these. It provides a summary of the Council's performance and its financial position as outlined in the detailed core financial statements.

Enfield Overview and External Environment

About Enfield

Overview

Enfield is one of the most diverse parts of London, with all the benefits this brings us across our communities, culture, heritage and local economy. We also have incredibly diverse landscapes - from the urban centres of Edmonton, Southgate, Palmers Green and Enfield Town to our rural areas and farmland in the north of the borough.

Enfield is about 12 miles by road from the centre of London. It has good links to the national motorway system with the north of the borough being bounded by the M25, accessed at junctions 24 and 25. It also has two trunk roads – the A10 (London to Cambridge) and A406 (London's North Circular Road).

Five train lines pass through the borough, including the Piccadilly (Underground) Line connecting to Heathrow Airport. The other direct connections are into London Kings Cross, Moorgate and Liverpool Street, outward to Welwyn Garden City, Hertford North, Hertford East, Letchworth and Stevenage.

Executive Director's Report continued:

The authority covers an area of 8219 hectares (82.2 square kilometres, or 31.7 square miles), and, from May 2022, is made up of 25 electoral wards, with 63 councillors. The ward with the largest area is Ridgeway Chase, representing 13.5% of the total area.

Enfield is a unitary authority, having responsibility for a wide range of services. As one of the London boroughs it is also served by the Greater London Authority group, for transport, police and emergency services.

Enfield is amongst the most deprived 25% of local authority areas in England, according to the Indices of Deprivation 2019 and is the 9th most deprived of the 33 London boroughs. Enfield is the 74th most deprived local authority in England overall (out of 317).

Population

Enfield is the ninth largest London Borough by population, after Croydon (397,741), Barnet (395,007), Ealing (375,340), Newham (362,552), Brent (344,521), Wandsworth (331,456), Bromley (331,162) and Tower Hamlets (328,626). Enfield's population is estimated to be 327,429 as at June 2023. This is an estimated increase of around 5,700 (or 2%) between 2013 and 2023, while the population in London and England increased by 6% and 7% respectively. Enfield is the fifth least densely populated borough in London, with 40.52 people per hectare.

Enfield has relatively high proportions of children and young people under the age of twenty – higher than both London and England averages. The percentage of younger adults - aged 20 to 40 years - is significantly below that of London as a whole. Both the London area and Enfield have proportionately fewer older residents (aged 60 and over) than the England average.

In Enfield, average Life Expectancy at birth for the 2021-2023 period is estimated to be 84.7 years for females and 80.5 for males. This is higher for both sexes than the London and national averages, and is the eleventh best life expectancy for women, and the eighth best for men, out of the 32 London boroughs (no data are produced for City of London).

It is a diverse place, which has welcomed communities from across the world. Overseas born residents make up 40% of the borough's population, according to 2021 Census. Enfield is home to the largest numbers nationally of people belonging to the following nationalities, Greek and Greek Cypriot, Turkish and Turkish Cypriot, Kurdish, Albanian and Bulgarian.

In the year ending December 2024, the Annual Population Survey estimated that the percentage of working-age people in current employment (i.e. those aged between 16 and 64 years) was 75.7%. The employment rate in Enfield was in decline from 2016 to 2023, before recovering during 2024. It has fallen and risen roughly in line with the proportion of economically active adults (people aged 16 to 64 years who are either working or unemployed and ready to commence work). The proportion of economically inactive people was higher than national and regional averages, before falling back to a similar level in 2024, and is now believed to stand at around 21.5%.

Executive Director's Report continued:

Estimates supplied by CACI Ltd for 2025 indicate that the mean average gross household income in the borough was around £62,000. This is higher than the UK average of £54,000, but lower than the London mean of £64,000 (all figures have been rounded). Enfield's median household income (arguably, a more meaningful statistical measure of the average) is around £54,000, which is the 8th lowest of the 33 London boroughs and lower than the London average. Within the borough, there are clear differences in household income between the western and eastern parts. Median incomes in the most affluent neighbourhoods are around 70% higher than those of the least affluent.

The housing crisis affects every part of our society. The median house price in Enfield has surged from £124,000 in March 2000 to £472,000 in March 2025, marking an increase of nearly 280%. The median house in Enfield now costs around 11 times the average annual earnings, leading to issues of limited housing choices and overcrowding.

Local Economy

Enfield has made it a key priority to help businesses launch and thrive as set out in the Council's Economic Development Strategy 2020-2030. Enfield's economy is underpinned in the vitality of its small businesses. As of 2024, there were 14,910 registered businesses (enterprises based in the borough) in Enfield. The Borough's industrial strength is evident through a network of employment sites that hold regional significance and local importance, collectively providing workspace for over 22,000 employees across 247 hectares. Brimsdown stands out as London's second largest industrial estate. The borough also offers excellent locational benefits with road links into the city, to the M25 and to the main northern trunk routes, the M1 and A1(M). There are four international airports and King's Cross St Pancras all within one hour's journey and new transport projects will make travel even more efficient. At the end of March 2025 there were 7,220 businesses that pay business rates in the borough.

More information about the borough can be found on the Enfield Council website using the link below:

[Enfield Borough Profile 2024](#)

Workforce

As of end of March 2025, Enfield directly employ 3,291 people on a range of employment contracts including full-time, part-time, job share, term-time and fixed term. We also have 525 (full-time equivalent) agency workers in post.

Our Workforce Strategy 2023-28 sets out how we are developing as a high performing organisation that is collaborative, innovative, and inclusive, where we let talent flourish and develop the skills we need to succeed.

The strategy outlines how we will equip our workforce to meet the needs of our communities now and in the future, so as the Council and our services evolve, we will have the right people, with the right skills, connected to our communities and working together for Enfield.

Our four key priorities are:

- Resourcing and talent

Executive Director's Report continued:

- Developing our people
- Culture and transformational change
- Making our mark on equality, diversity and inclusion

Our values are to be bold; make a difference; and show you care.

Our behaviours are to take responsibility; be open, honest and respectful; listen and learn; and work together to find solutions. We have several staff-led equalities groups within our workforce. These groups play an important part in unlocking the potential of our diverse workforce and in helping to support staff to overcome challenges.

Corporate Objectives & Corporate Plan

The Council Plan 2023-26: Investing in Enfield sets out how we are investing in Enfield to deliver positive outcomes for our communities. It explains our plans for 2023 to 2026.


Our Council Plan 2023-26 sets out how we are investing in Enfield to deliver positive outcomes for our communities. We want to support residents to live happy, healthy and safe lives; have enough income to support themselves and their families; and live in a good quality home they can afford in a carbon neutral borough. We want children and young people to do well at all levels of learning and for residents to age well.

Each of these priorities are underpinned by a set of high-level actions. The Plan is used to inform and guide staff across the organisation on the Council vision and priorities.

To help us to deliver on these priorities, we have five principles which inform our way of working. We must tackle inequality, address issues before they become problems; deliver value for money and consider the impact on the environment and climate change. The aim of the Plan is to support the Council to work towards 6 future outcomes.

Executive Director's Report continued: Council Plan Framework

Investing in Enfield		
Priorities	Principles	Future outcomes
<ul style="list-style-type: none">• Clean and green places• Strong, healthy and safe communities• Thriving children and young people• More and better homes• An economy that works for everyone	<ul style="list-style-type: none">• Fairer Enfield• Accessible and responsive services• Financial resilience• Collaboration and early help• Climate conscious	<ul style="list-style-type: none">• Residents live happy, healthy and safe lives• Residents earn enough to support themselves and their families• Children and young people do well at all levels of learning• Residents age well• Residents live in good quality homes they can afford• Residents live in a carbon neutral borough



One of the principles of the Council Plan 2023-26 is financial resilience and commits to:

- Deliver excellent value for money in all that we do and target our resources smartly to enable us to meet the needs of our residents, now and in the future.
- Plan ahead carefully, making decisions based on evidence of what works, to deliver on the priorities set out in the plan.
- Invest in our organisation to become more efficient and effective in what we do, to prevent higher costs for the future. This includes ensuring we have the right digital infrastructure in place.
- Deliver our long-term regeneration programme for the borough to drive transformational change for Enfield and achieve better outcomes for local people. This will also support our financial resilience by growing the local economy and Council Tax base.

Executive Director's Report continued:

- e. Look for new and innovative ways to generate income, so that we have additional funding to invest in services over the long-term. In line with our Sustainable and Ethical Procurement Policy, we will use our significant purchasing power to help us achieve our strategic objectives, ensuring our suppliers show a wider commitment to the borough, our residents and local businesses through the delivery of social value.

A copy of the full Council Plan can be found here:

[Enfield-Council-Plan-2023-2026-Your-Council](#)

Executive Director's Report continued:

Delivering our Council Plan during 2024/25

Clean & Green Places		
Environmental Impact & Sustainability: <ul style="list-style-type: none"> • Council emissions reduced by 27% over the last four years. • 126,653 fly-tips cleared in 2024/25. • Dedicated street sweepers introduced in every ward. 	Litter & Recycling Initiatives: <ul style="list-style-type: none"> • CCTV installed to capture fly-tipping offenders. • Edmonton Eco Park Reuse and Recycling Centre opened in July 2024. 	Wildlife & Green Spaces: <ul style="list-style-type: none"> • Five beaver kits born, and cattle grazing introduced at Forty Hall and Trent Park. • Eight new wetlands delivered. • 100 hectares of woodland and 5.6km of footpaths created via the Enfield Chase Restoration Project. • 26 school streets made permanent for safer routes to school.
Strong, Healthy & Safe Communities		
Health & Social Care: <ul style="list-style-type: none"> • Adult Social Care rated 'Good' by the Care Quality Commission. • SMART Living Project leverages technology to support adult social care users. 	Community Safety & Crime Reduction: <ul style="list-style-type: none"> • 'Clear Hold Build' initiative in Edmonton resulted in 600 arrests and a 19% reduction in crime. • Women's Safety Charter launched in September 2024, with over 50 businesses signing up. • Child-friendly custody facilities established in Wood Green Custody Suite, increasing engagement to 80% in 2024/25. • 21 additional frontline enforcement officers hired since May 2023 	Community & Culture: <ul style="list-style-type: none"> • Edmonton Green Leisure Centre reopened. • Five new cultural venues opened for arts and community events.
Thriving Children & Young People		
Support for Families & Young People: <ul style="list-style-type: none"> • Five family hubs launched. • New 'Start for Life' services provided for parents and babies. 	Youth Activities & Programmes: <ul style="list-style-type: none"> • Meridian One Skate Park designed for accessibility, including children and young people with SEND. 	Education & Recognition: <ul style="list-style-type: none"> • Children's Services rated 'Good' by Ofsted. • Youth Justice received a 'Good' rating from His Majesty's Inspectorate of Probation.

Executive Director's Report continued:

	<ul style="list-style-type: none"> • 13,394 young people engaged in the Youth Offer in 2024/25. • Summer University programme provided 1,755 places, delivered by 37 community organisations. • Inspiring Young Enfield Mentoring Programme has actively involved 893 young people since launch. 	
More & Better Homes		
New Homes Delivered: <ul style="list-style-type: none"> • 436 council-owned homes built, including in the Alma Estate, New Avenue Estate, and Meridian Water Phase 1A. 	Housing Quality & Tenant Engagement: <ul style="list-style-type: none"> • 94% of council homes now meet the Decent Homes Standard (up from 70%). • Enfield500 platform enhances tenant engagement and scrutiny of services. • Secured £5 million to make 400 homes more energy efficient 	Community Engagement: <ul style="list-style-type: none"> • Big Door Knock initiative will connect with council housing tenants to improve communication and services.
An Economy That Works for Everyone		
Business Growth & Entrepreneurship: <ul style="list-style-type: none"> • Business and Intellectual Property (BIPC) Hub at Edmonton Green Library supported 133 entrepreneurs between September 2024 and March 2025. • Launch It Labs at Angel's Yard helped over 65 young people kickstart their businesses. 	Employment & Career Support: <ul style="list-style-type: none"> • STEPS Programme provided careers advice to 241 residents and helped 48 into jobs in 2024/25. • Thrive Into Work assisted 541 residents in overcoming health barriers to employment. • Connect to Work secured £4 million to support 950 residents with job opportunities. • Enfield Works supports 16–24-year-olds into employment, education, and training. • Meridian Water Skills Academy has had 1,300 attendees since opening. 	Networking & Recruitment Initiatives: <ul style="list-style-type: none"> • Five recruitment events with over 2,500 attendees, including a tri-borough event at Tottenham Stadium. • Business networking event hosted with NatWest in the Council Chambers. • Procurement 101 seminar to help SMEs bid for Council contracts.

Executive Director's Report continued: Current Environment

The financial position for the Local Government sector is increasingly challenging. According to recent Local Government Association (LGA) modelling¹ of councils' future cost pressures and income, the gap which councils face is £2.3bn in 2025/26 and £3.9bn in 2026/27. This gap has widened since October 2023 when the LGA estimated a gap of £4bn over the two years.

Enfield has focused on strengthening its financial resilience and financial management arrangements with considerable work undertaken to establish a stable and more resilient position over recent years. These actions strengthened our position and ensured the original 2024/25 budget was set on a solid foundation. However, the scale of the financial challenges that have emerged towards the end of 2023/24 and during the year and forecast budget gaps over future years are unprecedented with significant additional risks to our financial resilience and sustainability, particularly on forecast levels of reserves.

The Council reported throughout the year that there was likely to be an overspend. The Council took proactive action to mitigate the overspend and as a result despite pressures in key areas continuing, it has been able to bring the final outturn position down to £6.3m overspend (without using the Temporary Accommodation reserve).

As the Council was fully aware of the pressures it was facing at an early stage, it was able to robustly manage the in-year position. Due to low reserves, and the risk they may be insufficient to absorb growing demand pressures, Enfield requested to use capital receipts generated during 2024/25 to fund financial pressures rather than using reserves (this is known as 'Exceptional Financial Support') to mitigate the 2024/25 and 2025/26 position.

Looking Forward

The financial environment for future years remains one of considerable uncertainty and financial challenge. The Council's 2024/25 budget and Medium Term Financial Plan for 2025/26 to 2029/30 was agreed by Council in February 2025. The report sets out how the budget has been balanced through income and savings proposals, increases in Council Tax and Business Rates, increases in government funding but there is still considerable risk. especially in respect of:

- Housing costs pressures in Temporary Accommodation
- Uncertainty in levels of Local Government funding
- Challenging economic environment e.g. fluctuating inflation, interest rates
- Pressures on Children's and Adults' Social Care Services
- Scope to make savings while maintaining services.

Executive Director's Report continued:

And there are budget gaps over the years 2026/27 to 2029/30 totalling circa £63m and therefore, the budget position remains under continuous review and the Medium Term Financial Plan will be updated to reflect the impact of the 2024/25 outturn in the 2026/27 budget and beyond. This will include the updated position on debt impact from the cost of living crisis, inflation, cost and demography pressures and the impact of the current economy on service costs and needs.

Financial Resilience is an ongoing priority for the Council, with pressures continuing to exceed funding levels; exacerbated by the ongoing challenging economic climate. As in 2024, a refreshed approach to addressing cost pressures and identify further savings and income proposals will start with a "Budget Week" taking place in May 2025, including the identification of savings to replace the need to drawdown £5m from reserves to balance the 2025/26 budget.

Looking forward, given the scale and complexity of the challenge particularly in social care and homelessness, balancing the budget over the coming MTFP period will be challenging. The Council remains committed to balancing the budget.

Governance and Decision Making

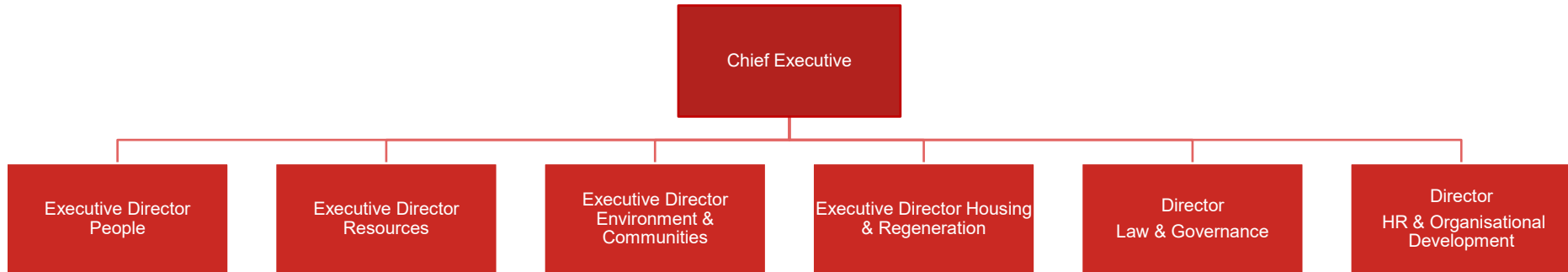
The Council operates under a leader and Cabinet model for decision making. This means that Council elects the Leader, and the Leader appoints the other members of the cabinet. Each cabinet member holds a separate portfolio, such as housing, finance, or adult social care. Decisions may be delegated to the individual members or taken by the cabinet as a whole and this detail is set out in the Council's constitution. Further details on Democracy and decision making can be found on our website:

Councillors and democracy

These decisions are scrutinised by Overview and Scrutiny committees, in addition there is a General Purposes Committee (which carries out the Audit Committee function in Enfield, a key component of good governance with a key focus on audit and risk) and several panels which are dedicated to scrutinising specific areas such as Schools and Children's Services. There are key decisions that can only be made by Council such as setting the Council's budget including Council Tax levels.

Executive Director's Report continued:

The Council's Senior Leadership Team structure in 2024/25 is set out below:



There are several regulatory posts in the structure - the Head of Paid Service is the Chief Executive; Monitoring Officer is held by the Director of Law and Governance and the role of Section 151 officer is held by the Executive Director Resources.

Our Annual Governance Statement (AGS) summarises the outcome of our review of the effectiveness of our system of internal control. The 2024/25 statement will set out the robust systems and effective governance arrangements in place and identify governance issues and planned actions.

Executive Director's Report continued: Financial Performance

General Fund

The financial position for the Local Government sector is increasingly challenging and has been building for some time. The 2024/25 net revenue budget of £318.530m was set against a backdrop of considerable uncertainty and financial challenge given the cost pressures in Children's Services, Adults Services, inflation increase and Temporary Accommodation. In setting a balanced budget for 2024/25, the Council took action to control costs through a revised capital strategy, cost control panels in Children's Services, demand management in Adult Social Care (ASC), in addition to identifying savings and the changes in the Council Tax Support Scheme and implementing the 4.99% increase in Council Tax. These actions positively contributed to balancing the budget, whilst still recognising that it was dependent on delivering £16.6m of savings and significant level of risks particularly in the areas mentioned above. Since the budget was set in February 2024, further new pressures emerged within Children's external care placement cost and Housing Benefit Subsidy loss.

Exceptional Financial Support (EFS)

Given the forecast overspend being reported during the year and the potential impact on the Council's forecast reserves position, an application for £30m of Exceptional Financial Support was submitted to central government on 17 January 2025. This application did not request an increase to Council Tax above the referendum limit but sought permission to use capital receipts to fund revenue expenditure to reduce the call on reserves and protect the Council's financial sustainability.

The Council requested and was granted provisional permission to use £30m of capital receipts (£20.0m for 2024/25 and a further £10.0m for 2025/26). The directive for 2024/25 will enable the Council to maintain earmarked reserves balances. The Council will therefore utilise £20.0m for 2024/25 to mitigate the reported overspend and replace the use of earmarked reserves.

General Fund Outturn 2024/25

The action taken during 2024/25 to contain budget pressures included concerted management actions and Member decisions around each of the main overspend areas led by the relevant Directors. In addition, the Council introduced a range of spend control measures during the year. Some decisions have required prioritisation of the short-term position. For example, the previously planned voluntary repayment of debt (Minimum Revenue Provision) was no longer assessed to be affordable for the Council given the wider revenue pressures.

Executive Director's Report continued:

The General Fund Outturn position for 2024/25 was an overspend of £6.2m due to managed corporate underspends of £12.7m and after the movement to/from specific reserves and the application of flexible capital receipts. During the year the Council faced significant financial challenges stemming from long-term structural underfunding and rapidly increasing costs and demand for statutory services. In particular:

- Adult social care – the balanced outturn was achieved by a £7.7m drawdown from reserves
- Children & families £5m overspend - despite a decrease of 8.9% in the overall number of Looked After Children, the complexity of children's needs has resulted in higher costs for care and additional support. Market dynamics have led to a 16% rise in residential care rates and a 6% increase in agency fostering costs.
- Homelessness - £8.3m overspend
- Housing benefit subsidy loss - £4.8m overspend

The following table sets out the final position for each Council department specifying the underlying budget position. The detail for each department was set out in the Provisional Financial Outturn report published in June 2025.

Applying £20m for EFS to replace planned use of NLWA and Business Rate pooling reserve will reduce drawdowns from reserves by £3.2m. The remaining £16.8m will be applied to Temporary Accommodation, Children's external care purchasing and the Housing Benefit Subsidy loss. This means that £10.5m of corporate budget have been transferred to risk reserves. The pre and post-EFS outturn is reflected in the table below.

However, the underlying financial position is still challenging. In 2024/25, the Council spent £21m above the base budget before reserve drawdowns. This indicates that there may be underlying pressures which may affect 2025/26 and future years.

Executive Director's Report continued:

Department	Net Budget £m	Total Gross Outturn £m	Flexible use of Capital Receipts £m	Reserves £m	Final Net Outturn £m	Total Variance £m	EFS £m	Reverse Planned Use of reserves £m	Transfer to Risk Reserves £m	Outturn Variance post EFS and reserve movements £m
People	163.849	178.294	(0.397)	(8.845)	169.052	5.203	(3.712)	-	-	1.491
Environment & Communities	50.809	56.457	(1.500)	(1.765)	53.192	2.383	(0.242)	0.242	-	2.383
Housing & Regeneration	15.221	25.250	-	(1.686)	23.564	8.343	(8.283)	-	-	0.060
Resources	29.891	30.032	(1.266)	(.127)	28.639	(1.252)	-	-	-	(1.252)
Chief Executive	10.715	10.569	(0.085)	.346	10.830	.115	-	-	-	0.115
Service Net Costs	270.485	300.602	(3.248)	(12.077)	285.277	14.792	(12.237)	0.242	-	2.797
Housing Benefit Subsidy Loss	(1.163)	3.600	-	-	3.600	4.763	(4.763)	-	-	-
Corporate Expenses	49.208	36.154	(0.694)	1.019	36.479	(12.729)	-	-	10.045	(2.684)
Net Expenditure	318.530	340.356	(3.942)	(11.058)	325.356	6.826	(17.000)	0.242	10.045	0.113
Taxation & Non-specific grants	(318.530)	(319.125)	-	(0.004)	(319.129)	(.599)	(3.000)	3.000	0.486	(0.113)
Final Outturn Position	-	21.231	(3.942)	(11.062)	6.227	6.227	(20.000)	3.242	10.531	-

Executive Director's Report continued: Housing Revenue Account (HRA)

The Statement of Accounts also includes the ring-fenced Housing Revenue Account (HRA), which is used for the provision of council housing. The HRA consists of expenditure on Council-owned housing, which is paid for by rental income. Since 2012 the HRA has been self-financing and operates to a thirty-year business plan.

The HRA achieves the Council's objectives through the development of new affordable homes, providing good homes in well-connected neighbourhoods, improving existing housing stock to create a lifetime of opportunities in Enfield, and sustaining strong and healthy communities. The Council has 10,768 Council Homes which generated income of £72.2m in rent in 2024/25. This income is ringfenced to the HRA and can only be used for Social Housing purposes.

HRA Outturn

The HRA outturn position was an overspend of £3.5m, which was primarily due to £2.7m above-budget spend on repairs and a £1.6m cost associated with decanting Shropshire/Cheshire and Walbrook houses to complete the essential safety maintenance works.

The HRA general balance has reduced during 2024/25 to £15.9m, from £22.6m in 2023/24.

The total other HRA Earmarked reserves stand at circa £0.9m, and a further £15.9m from Right to Buy Receipts, reflecting the need of the Council to put aside resources to fund its ambitious regeneration programme, to build 3,500 homes over the next 10 years, including the Joyce and Snells development.

The outturn reserve balances reflect the planned reduction in the level of HRA reserves this year mainly due to fund the capital programme spend. This planned use of reserves has been necessary in the short term to assist in achieving the regulatory requirements for decency and fire safety. The remaining level is well above the HRA's minimum requirement of £8m.

Dedicated Schools Grant (DSG)

The net Dedicated Schools Grant totalled £255.0m in 2024/25, of which £187.6m was directly passported to schools and the remainder is utilised for education costs. The Dedicated Schools Grant net position in 2024/25 was a deficit of £2.182m, £2.010m underspend for Early Years which was offset by an overspend of £4.192m overspend arising from High Needs cost pressures. The cumulative DSG deficit, which as per statutory requirements is accounted for as a negative reserve on the balance sheet, as at 31 March 2025 is £17.418m compared to £15.236m at 31 March 2024.

Executive Director's Report continued: Reserves

Enfield's risk reserves are low and have been substantially eroded by overspends linked to demand pressures such as temporary accommodation over the last four years. Without building the reserves back up, Enfield would be left in a precarious financial position. Risk reserves are essential for managing financial pressures and uncertainties that may arise as demand for statutory services grows. Risk reserves provide a contingency sum to cover potential pressures to ensure that the Council can continue to operate sustainably within an uncertain economic environment.

The Minimum Threshold Risk Reserves for 2025/26 are set at £43.3m. The actual risk reserves at the end of 2024/25 would have been £12.3m before the application of EFS. With EFS being applied risk reserves increase to £32.4m. This is necessary and is still below the minimum threshold levels which leaves the Council very exposed to emerging financial risks.

The Section 151 officer has also increased the General Fund Balance from £14.4m to £15.9m so that the balance is 5% of the 2024/25 Net Revenue Budget.

Executive Director's Report continued: Summary of Usable Reserves

Usable Reserves	31-Mar-24	Transfer Between	Top Up	Drawdown	EFS	31-Mar-25
	£m	£m	£m	£m	£m	£m
Risk Reserve	3.551	(0.727)	-	-	10.530	13.355
Collection Fund Pooling Reserve	4.524	-	2.996	(3.000)	3.000	7.521
NLWA Reserve	1.566	-	-	(0.242)	0.242	1.566
Temporary Accommodation Reserve	10.000	-	-	(6.227)	6.227	10.000
Subtotal – GF Risk reserves	19.641	(0.727)	2.996	(9.469)	20.000	32.441
Meridian Water	1.429	(0.85)	0.050	(0.025)	-	0.604
Companies Reserve	1.032	-	1.001	(0.127)	-	1.906
Adult Social Care Fund	7.658	-	-	(7.658)	-	-
Service Specific	8.322	-	1.604	(2.193)	-	7.732
Property	0.411	-	-	(0.058)	-	0.353
Sub-total GF usable reserves	38.493	(1.577)	5.652	(19.530)	20.000	43.037
Grants & Other Contributions	12.492	-	0.770	(3.853)	-	9.408
Insurance	7.492	-	-	(0.052)	-	7.440
Sub-total GF reserves including ringfenced	58.476	(1.577)	6.421	(23.435)	20.000	59.885
General Fund Balance	14.350	1.577	-	-	-	15.927
Total GF Earmarked Reserves & Balances (excl. HRA & Schools)	72.826	-	6.421	(23.435)	20.000	75.812
CIL Reserve	5.907	-	0.489	(6.394)	-	0.002
Total GF Earmarked Reserves (Revenue & Capital)	78.733	-	6.910	(29.829)	20.000	75.814
HRA Earmarked Reserves	24.300	-	18.284	(18.257)	-	23.327
Schools	0.816	-	2.274	(1.642)	-	1.447
Total Reserves	103.849	-	27.468	(49.728)	20.000	101.589

Executive Director's Report continued: Capital Expenditure and Financing 2024/25

The table below summarises the capital expenditure incurred, and funding applied in 2024/25 compared to the revised budget approved in September. The capital outturn will result in some re-profiling of the capital programme which will impact on 2025/26 and future years' budgets

Capital expenditure	Revised budget	Outturn
	£m	£m
Bereavement Services	0.100	0.000
Community Safety	0.100	0.200
Corporate Buildings and Improvements	6.100	4.000
Council Dwellings	135.900	117.200
Housing Grants	2.800	4.500
Housing Regeneration Projects	41.200	17.800
IT Infrastructure and Programmes	5.500	1.200
Temporary Accommodation – inc. 10 year leases	0.600	19.000
Parks and Open Spaces	5.100	6.000
Regeneration Projects – Meridian Water	121.700	78.100
Schools and Educational Establishments	19.700	14.900
Transport and Environmental Schemes	18.500	14.100
Total capital expenditure in 2024/25	357.300	277.000
Sources of Finance:		
Capital Government Grants	167.100	132.300
Section 106 & CIL	4.600	4.200
Revenue Contribution	0.100	0.100
Capital Receipts	20.900	17.300
Right to Buy receipts	13.800	11.800
Earmarked Reserves	21.900	18.300
Major Repairs Allowance	5.500	7.700
Other credit arrangements	0.000	18.400
Borrowing	123.500	66.900
Total capital funding 2024/25	357.300	277.000

Executive Director's Report continued:

The principal elements of expenditure for the 2024/25 capital programme were expenditure on improving, maintaining and regenerating council housing stock through the Housing Revenue Account (HRA), continuing investment in the Council's flagship regeneration scheme, Meridian Water, further investment in school buildings to help meet increasing demand and increased Special Educational Needs places. This investment was funded by grants, capital receipts and approximately half was funded from borrowing.

Treasury and Capital Financing Requirement

The proportion of net revenue budget allocated to total capital financing costs was 7.36% for 2024/25, which is below the affordability range of 10-12% established in the Capital Strategy.

The increase in the Capital Financing Requirement (CFR) from £1,410m to £1,488m for underlying need to borrow is a direct reflection of the Council's ambition to improve the lives of borough residents. The capital programme must be financed and all projects in the General Fund are designed to be repaid based on their asset lifespan. The Council's total CFR is £1,488m which is split into General Fund £996m and HRA £429m with the remaining £63m relating to Finance leases and PFI agreements. As at 31 March 2025 the Council's debt was £1,286m, exclusive of interest, an increase of £36m from the previous year. Treasury cash balances increased from £56m to £90m. Net debt increased by £1.8m during 2024/25. The majority of this additional borrowing was for HRA expenditure and therefore was at the discounted PWLB rate for housing; the average interest rate on all loans is 3.13%.

The Council had £80m in cash and cash equivalents at year-end, which has increased from £56m from the previous financial year as a result of fluctuations in the Council's working capital requirements. Holding high cash balances is a short-term situation and the Council will gradually run down these balances through spending on the capital programme to its preferred position of £50m cash in-hand rather than borrow unnecessarily.

During 2024/25 £90m was borrowed from the Public Works Loan Board on a long-term basis and £10m short term from the Local Authority Market to support the Council's daily cashflow requirements. In response to the risks of holding debt in a volatile interest rate environment the Council has continued on a rationalisation of its capital expenditure as set out in its budgets approved by Council in February 2025.

At the end of 2024/25, the Council had £49.9 m in the General Fund Capital Grants and receipts unapplied Account, £32.1m in the HRA Capital Receipts and Reserves Unapplied Account, including £0.2m in the HRA Major Repairs Reserve to finance future capital spend. Much of the £78m capital resources unapplied have strict conditions attached, meaning they can only be used for certain projects. In addition, the Council also had £42.9m capital grants which have been received in advance which cannot be used until 2024/25 or later.

Executive Director's Report continued: Pension Liability

The pension liability reflects the underlying long term commitment that the Council has to pay for the retirement benefits owed to its Pension Fund members. The net pension liability decreased from £46.3m as at 31 March 2024 to £31.0m as at 31 March 2025. The scheme assets are £1,229.3m for the Fund as at 31 March 2025 which has decreased from £1,400.4m at 31 March 2024. In accordance with proper accounting practice the numbers referenced here for 2025 are after an asset ceiling of £187.7m has been applied. The assets ceiling restricts the surplus the Council can recognise on their balance sheet to the present value of economic benefits available as refunds from the plan or reductions in contributions.

Subsidiaries and Group Performance

The Council has two wholly owned subsidiaries, Housing Gateway Limited (HGL) and Lee Valley Heat Network Operating Company Ltd (trading as Energetik). In addition, the Council is part of a Joint Venture with HBL (Henry Boot Ltd) to regenerate Montagu Industrial Estate. The Council record its share of Montagu in the Accounts as a joint venture. The Council's group accounts consolidate all wholly owned active companies.

HGL, was established to provide good quality housing for its residents. The Company's mission reflects its wider role and critical contribution to the Council's Housing strategy. In addition, HGL also operates an ethical letting agency, Enfield Let. These homes are let to residents in need of temporary accommodation, resulting in savings to the Council's revenue budget. HGL is funded by loans and £5.0m of equity from the Council. The value of loans advanced to HGL as at 31 March 2025 was £141.9m and the underlying book value of the fixed assets totalled £170.6m at the end of 2024/25.

The Council's commitment to the climate change agenda is in part being delivered through investment in connections to low carbon energy such as the Energetik heat network. The company has successfully attracted grants and low-cost loans to support infrastructure into the borough. During 2024/25 Energetik continued with its planned infrastructure works, including the construction of the Meridian Water energy centre. Energetik is funded by approved loans from the Council of up to £77m. As at 31 March 2025 loans of £51.7m were outstanding and £17.75m equity funding had been invested by the Council. It is supported by tangible fixed assets of £57.9m. A strategic review of Energetik is underway.

Executive Director's Report continued: Non-Financial Performance

Delivering our Council Plan during 2024/25

The Council Plan 2023-26: Investing in Enfield sets out how we are investing in Enfield to deliver positive outcomes for our communities. It explains our plans for 2023 to 2026.

Our Council Plan 2023-26 sets out how we are investing in Enfield to deliver positive outcomes for our communities. We want to support residents to live happy, healthy and safe lives; have enough income to support themselves and their families; and live in a good quality home they can afford in a carbon neutral borough. We want children and young people to do well at all levels of learning and for residents to age well.

Our achievements so far against each priority and theme are provided below.

Executive Director's Report continued: Risks and Opportunities

A risk management strategy is in place to evaluate risk, the likelihood and potential mitigations. The Risk Register is continually reviewed and considered at the General Purposes Committee meetings regularly. The key strategic risks for the upcoming year are set out below.

Risk	Mitigation
Strategic	
<p>Local Plan</p> <p>The Council's arrangements for the consultation, publication and implementation of the Local Plan are delayed and/or refused resulting in reduced future development and missed opportunities.</p>	<p>Senior leadership oversee the project and collaborates closely with legal and governance services to ensure compliance with all legal obligations and adherence to appropriate governance processes. External legal support has been engaged due to limited internal capacity. The project plan is reviewed weekly to track progress against milestones and ensure the necessary professional input is in place."</p>
Financial	
<p>Balancing the budget</p> <p>The Council is unable to make the necessary savings, transformation or additional income to bridge budget gaps.</p>	<p>This remains a challenging area; however, the Council is determined to remain financially resilient. The 2025/26 savings programme will be regularly monitored and reported as part of the Revenue Monitoring process.</p>
<p>Identifying sudden new demand pressures</p> <p>The Council's financial monitoring does not identify new sudden increases in demand pressures early enough to take early mitigating action, leading to significant financial pressures</p>	<p>Each service is responsible for horizon scanning and monitoring the demands in their own areas, including via robust data arrangements. Arrangements for escalating concerns include the refreshed risk register framework, quarterly performance reports, financial monitoring reports and Executive Management Team (EMT) meetings.</p>
<p>Council Tax and Business Rates</p> <p>The collection of council tax and business rates is below budgeted levels leading to budget gaps.</p>	<p>Collection rates are estimated annually based on historic performance and an assessment of the economic impact on the collection of income. This is monitored monthly and reported to Cabinet through the Revenue Monitoring report.</p>
<p>Temporary Accommodation</p>	<p>Cabinet approved an Accommodation Strategy and National Placement Policy. Progress is reported on to EMT monthly including performance against the wide range of delivery measures.</p>

Executive Director's Report continued:

<p>Continued reduced availability of private rented housing has resulted in significant cost increases to the Council</p>	
<p>Meridian Water repayment of debt</p> <p>Risk that the borrowing- funded cost of developing future parcels of land, planned for future sale, will not be fully recovered from future capital receipts.</p> <p>This would mean that any interest and residual borrowing would have to be repaid from the Council's revenue budget over time.</p>	<p>Savills have been appointed to review strategic options for the Council as Master Developer, due to report in summer 2025. This will result in revised future spend and capital receipts assumptions, minimising the risk of residual borrowing after disposal.</p> <p>In addition, commencing 2024/25, the Council is repaying forecast residual borrowing on disposal for M1 via Minimum Revenue Provision. This is in addition to MRP that has already been made since 2020/21 on operational assets including meanwhile assets. The Project is classed as a priority project in the Capital programme, so will be subject to monitoring by the Capital Finance Review Panel (CFRP), as well as additional focus in the Capital monitoring reports. Project Finances will also be covered in detail at the monthly Meridian Water Board</p>
<p>Energetik -Liquidity Shortfall Risk</p> <p>Delays in connections leading to Energetik not having sufficient income to service the Council's loans</p>	<p>All connection fee assumptions have been reviewed as part of the refreshed Business Plan presented to Cabinet in June 2025.</p> <p>The Council is undertaking a strategic review with a view of securing equity investment for Energetik – either from the Council or an external partner.</p> <p>Officers review Energetik's cashflow forecast monthly to ensure short and medium term liquidity.</p> <p>The Interdependency Board provides Energetik with early sight of the likelihood of timings of connections from Council owned assets.</p>
<p>Statutory Override – Dedicated Schools Grant (DSG)</p> <p>The statutory override for DSG deficits is due to end on 31 March 2026. If the override is not extended further or additional funding is provided by Central Government to cover the deficit this will have a significant impact on the balances revenue balances and could lead to an unsustainable financial position.</p>	<p>Additional capacity has been put in place to increase and improve monitoring, forecasts and challenge of financial decisions which impact the use of DSG funding.</p> <p>The Education Department have several work streams in place in to manage demand and to reduce the number of EHCP plans including the Delivering Better Value Programme and the Change Programme which are central government funded projects with specific outcomes which are monitored.</p>

Executive Director's Report continued:

<p>Changes to the ICB (Integrated Care Board)</p> <p>The changes impacting the ICB due wider NHS England changes could impact on service delivery and back office functions including the payment of invoices.</p>	<p>There are regular meetings with the ICB to discuss outstanding debt and other operational activities where the risks and issues are discussed, and actions are agreed to resolve the issues.</p>
<p>SEN Transport</p> <p>Ongoing increasing costs and demand for SEN transport.</p>	<p>The Education Department have panels in place to review and approve the use of SEN travel, in addition the department are putting processes and support in place to help manage the help SEN plans. The Environment and Communities transport team use route planners and other information to limit costs as much as possible.</p>
<p>North London Waste Authority</p> <p>The NLWA are constructing a new waste to heat plant.</p>	<p>Senior leadership from the Council meet regularly with the NLWA to review progress of the project.</p>
<p>Operational</p>	
<p>People Services Demand</p> <p>Increasing demand coupled with cost-of-living pressures adversely impacts Adults Social Care, Children & Family Services, Family Help & Community Safety and Special Educational Needs and those services' ability to:</p> <ul style="list-style-type: none"> • Reduce assessment and review backlogs. • Meet demand for care packages and care home placements. • Deliver services within available budgets. • Increased demand for special places. • DSG High Needs Block (HNB) deficit 	<p>Through analysis and research, the department understands what drives the root cause of families accessing services and there is a strong focus on early help to reduce more costly statutory interventions.</p> <p>A range of early intervention and preventative strategies are in place, e.g. Independent Living Strategy, Health & Wellbeing Strategy and the Health & Adults Social Care Transformation Programme.</p> <p>Development of local children's homes, SEN provision and foster carer initiatives to meet demand and reduce costs.</p> <p>Implementation of 5 Family Hubs that are currently being used by over 1,000 people a month.</p> <p>Re-vamped contracts with the Voluntary Care Sector with a focus on early help.</p> <p>Assistive Technology is part of the Adults Social Care preventative offer and AI is being used to support staff to manage the increased volume and demand.</p> <p>A digital parenting offer in Children's Social Care and Family Help can be accessed 24 hours a day offering advice and guidance.</p>

Executive Director's Report continued:

	<p>Preventative action is being taken through programmes in early years and Team Around the School approaches.</p> <p>The Children's MASH has been strengthened by integrating children in need and family help with one front door to access services.</p> <p>Pathways have been developed to reduce the number of Education, Health & Care Plans through the Delivering Better Value programme.</p> <p>Dedicated Schools Grant High Needs Block - Successful bids for two new special schools, adding 144 places for autistic children, and the development of 23 specialist resource provisions (SRPs) in mainstream schools, providing 268 places, with more planned for 2025/26. Enfield is part of the DfE "Delivering Better Value" (DBV) programme, receiving £1 million to support a management action plan. Progress is monitored by the DfE and the Council's Executive Management Team, with updates provided to Council Members</p> <p>There are several panels in children's, adult social care services and education to ensure rigorous and consistent decision-making.</p> <p>Change Partnership Programme (CPP) in collaboration with Barnet, Camden and Islington. This focusses on inclusion in mainstream schools to reduce the demand for specialist provision.</p>
<p>Housing Development</p> <p>New housing development, both public and private in the borough is reduced due to financial and regulatory pressures.</p>	<p>Housing and Growth strategy 2025 agreed with progress monitoring in place.</p> <p>Established Developer and Registered Provider forums are in place to promote and support housing delivery in the Borough. Review of Councils land and assets underway including how sites can be brought forward for development and reducing TA costs.</p> <p>Lobbying with London Council's to create improved conditions for development delivery by all players. Housing is the top priority for London and outcome to be seen in the CSR in June. The Council is fulfilling its AHP programme including through the proposed acquisitions of existing units flipping private to social rent providing a quicker and cost-effective route to housing delivery.</p>

Executive Director's Report continued:

Governance	
Statement of Accounts	
The 2018/19 Statement of Accounts is the last set of financial statements on which the Council's external auditors have stated an opinion. If any qualifications or inaccuracies are identified in later financial statements, these could be compounded for each subsequent year resulting in additional financial pressures for the Council.	The 2019/20, 2020/21, 2021/22, 2022/23 and 2023/24 Statement of Accounts have now been signed off as Disclaimed and published on the Council's website. The 2024/25 Statement of Accounts were published on time. Grant Thornton are the Council's external auditors since 2023/24.
Social Housing Regulation	
The Council may be subject to sanctions and reputational damage should it not comply with the significant changes arising from the Social Housing (Regulation) Act 2023.	Inspection outcome announced in June. The Council Housing workplan will be implemented along with any improvement risks. The Council has a duty to self-refer noncompliance issues on an ongoing basis going forward.
Property	
Council Housing Stock	
The nature and age of Council housing properties places rising financial pressure on the Council.	The Asset Management Strategy is being considered by Cabinet in September 2025. Good progress has been made on the 2023 strategy and well as on decanting Shires and Walbrook and future strategies to come forward for approval.
People	
Recruitment and Retention	
The Council is unable to attract and retain the best talent due to factors such as industry skill shortages, such as Building Control	The HR & OD Team work closely with managers and partners to ensure we attract a wide pool of candidates during recruitment campaigns. The council will seek to 'grow their own' where appropriate, using the apprentice levy for recognised programmes. The council will participate in national recruitment campaigns led by the LGA and the London Councils. New Career site to be launched which will offer a modern and fresh approach to recruitment pages, providing candidates with insights from current employees on why the council is a great place to work. Additionally, the site will outline the benefits and Employee Value Proposition (EVP) for prospective applicants.

Executive Director's Report continued:

Technology	
Digital Infrastructure Lack of investment in robust and resilient systems and infrastructure adds further cost and affect the Council's ability to deliver its objectives.	An annual programme review of digital investment is undertaken to ensure that systems are fit for purpose and reflected in the Council's capital programme.
Digital Projects Non-delivery of digital projects (including ERP (refreshing the new finance and HR system) prevents innovation and more efficient and cost-effective operational delivery.	There is an approved and funded portfolio of projects for 2025/26, which has allowed for focus on the approved projects, reducing the distraction of other new initiatives.
Security	
Cyber Security Lack of preparedness for a major cyber security attack leads to severe disruptions and financial and reputational loss.	A cyber remediation plan is in place to monitor improvements required and ensure preparedness.
Project/Programme	
Construction Costs Further increases in construction costs result in overspend and project delays.	As part of strong governance processes, Meridian Water report all programme risks and issues bi-annually to the General Purposes Committee (GPC). Although there is cautious optimism about the possibility of an improving market, market economic uncertainty has increased across all sectors due to persistent viability challenges, cautious client sentiment and a slowing pipeline. For existing projects (Meridian 1) the council continues to review current planning permissions and tenure mixes. In terms of future parcels, all options for delivery will include a prioritisation focused risk assessment framework.
Reputational	

Executive Director's Report continued:

<p>Inspections</p> <p>Poor staff retention and rising demand may contribute to unfavourable inspection outcomes in Health & Adults Social Care, Children's Social Care, Youth Justice Services and SEND provision.</p>	<p>Programme Boards and sub-groups of the Boards are in place to oversee inspection preparation activity.</p> <p>Risks are overseen by the Council's Assurance Board and mitigating action taken as required.</p>
<p>Safeguarding Failure</p> <p>Any failures in the Council's statutory duties to adults and children and young people in the borough could result in actual or potential harm to individuals and families, legal challenges and reputational damage and financial recompense.</p>	<p>There are procedures and policies in place to support the work of frontline practitioners.</p> <p>Strong Quality Assurance (QA) processes are in place through internal and external reviews.</p> <p>Robust governance oversight arrangements, QA processes, including external assurance reviews are in place.</p> <p>High risk services are subject to regulatory inspections.</p>
<p>Partnerships</p> <p>NCL Integrated Care Board restructure will result in a 50% reduction in staff across north central London which could result in additional responsibilities/costs for the Council, reduced co-operation and opportunities to improve services and maximise efficiencies e.g. Potential adverse impact on Council's budget and resources.</p>	<p>Strong/regular engagement at senior leadership level</p> <p>Robust governance partnership arrangements.</p> <p>Stable leadership teams.</p> <p>Functioning borough partnership of the Local Joint Commissioning Board and Borough Partnerships.</p> <p>Partnership protocols for joint commissioning arrangements.</p>
<p>Wellbeing</p>	
<p>Extreme Weather</p> <p>Inadequate planning and preparations for rising instances of extreme weather affects Council infrastructure and service delivery.</p>	<p>The Emergency Planning Team coordinate information sharing, gathering and signposting. Any repercussions of adverse weather are responded to where required. There is an extreme weather plan in place.</p> <p>There is provision of training and engagement regarding severe heat within the Adult Social Care settings and Guidance from the UK Health Security Agency (UKHSA) is monitored and disseminated by Public Health.</p>
<p>Epidemic/Pandemic</p>	<p>Procedures and policies in place to be implemented at the point of an outbreak.</p> <p>The continuous promotion of preventative measures including vaccinations.</p>

Executive Director's Report continued:

<p>Impact on the health and wellbeing of Enfield's residents and staff capacity to run essential services</p>	<p>The Government is producing an updated pandemic flu plan, and a local plan will be produced based on the newly issued document.</p> <p>Enfield is a member of the London Health Resilience Partnership who have established an overarching Local Resilience Pandemic Framework. A Pan-London exercise, Operation Pegasus, is taking place late 2025 and the framework will be reviewed following this exercise.</p>
<p>Councillor Safety</p> <p>The rising incidents of societal aggression and dissatisfaction could affect local councillors</p>	<p>Guidance and training from London Councils has been sent to all councillors. Councillors home addresses have been removed from the website and further redaction of the main register can be agreed upon request to the Monitoring Officer if she is satisfied there is a risk of harm. Councillor surgeries have been risk assessed. Training and risk assessments will be refreshed after the Local Elections 2026.</p>
<p>Staff Safety</p> <p>The rising incidents of societal aggression, discriminatory behaviour and dissatisfaction could affect front line and other staff.</p>	<p>All managers of front line staff should have in place risk assessments for their staff covering possible exposure to violence at work, especially in a lone working situation. These risk assessments should be reviewed annually or in response to an incident or new intelligence.</p> <p>Availability of lone working device 'Microguard' for staff identified as being at a higher risk, to alert trained responders to potentially serious situations.</p> <p>Health and safety procedures and policies in place to support preventative measures – for example Lone working and violence at work policy.</p> <p>Cautionary Contacts Database is provided for managers across Council departments to share information on recommended control measures to be followed should staff need to interact with individuals included on the database.</p>
<p>Procurement</p>	
<p>Procurement & Contract Management</p> <p>Non-compliance with corporate policies and Procedures or lack of focus on contract management cause operational, value for money or reputational loss to the Council.</p>	<p>Introduction of Procurement Assurance Process, Contract Management support somewhat mitigates the risk to the Council in most of the above threshold purchasing activities.</p> <p>Improved Procurement involvement and introduction of the assurance process gateways (PAG), regular training via i.Learn and improved information on the</p>

Executive Director's Report continued:

	<p>intranet pages has reduced non-compliance and increased commercial awareness across the Council.</p> <p>Audit on departmental contracts will be able to provide further clarity on compliance to rules and governance.</p> <p>Procurement Services regularly signposts clients to Governance process and their pages. The process is currently under review.</p>
<p>Leasehold Insurance</p> <p>The diminishing provider market for leasehold insurance results in rising costs to the Council and to leaseholders.</p>	<p>The Insurance service has been consulting with brokers to ensure the council has the best options available and will continue to keep a close eye of the insurance products open to us.</p>
<p>Health & Safety</p>	
<p>Corporate Health and Safety Leadership</p> <p>Risk of non-compliance to HSE requirements and lack of key issues being identified that may lead to prosecution, financial penalties, reputational loss or service disruptions.</p>	<p>Following an Independent review of our H&S function, an improvement plan has been developed responding to all the areas highlighted by the expert and this has been shared with the unions. A new Head of Health & Safety has been appointed who knows the Council well and has made an immediate impact by developing a new management system and communications strategy which includes departmental and site based meetings with staff and their H&S reps. Concerns about asbestos have been raised by the HSE following visits made pursuant to a focus by them on public sector buildings but the in-house asbestos team are continuing to respond to and address any concerns. This is not considered to be a high risk area.</p> <p>A new Head of Health & Safety has been appointed and a review of this corporate risk will take place over the next 6 months.</p>

Executive Director's Report continued: Outlook

Medium Term Financial Strategy

The Council Plan is linked to the budget through the Medium Term Financial Plan (MTFP) and the annual budget process. The Budget and MTFP forecasts the funding requirements for the Council's General Fund services and provides the mechanism to redirect limited resources to priorities.

The Council's 2025/26 Budget and updated Medium Term Financial Plan (MTFP) was agreed in February 2025 and set out the wider context for financial planning in 2025/26 and over the medium term. The Council's net budget for 2025/26 is £353.669m but there remains a gap of circa £63m over the period 2026/27 to 2029/30. Whilst a balanced budget has been set this is not without considerable risk and required a £5m one-off use of reserves pending the identification of further savings.

The Council continues to face a financially challenging outlook with a number of heightened risks to the Council's financial resilience including fluctuating inflation, impact on services of the economic environment, demand pressures, national living wage and employers National insurance pressures on social care providers, cost of living threats to reduced income levels and service need, construction costs, interest rates and ongoing challenging housing market conditions continuing to apply pressure on provision of Temporary Accommodation. Financial Resilience has been a theme of the budget strategy since 2018 and remains a key priority.

To alleviate the uncertainty in government funding that local government faced has faced over recent years, the Government is embarking on funding reform for Local Authorities for 2026/27 and for at least a two-year settlement to be provided in next year's financial settlement. Initial Government consultation on local authority funding reform closed on 12 February 2025 and the Council submitted a formal response to the consultation to ensure that the local need and position is understood by central government, with further consultation to take place over the summer of 2025. The Government has also announced its intention to undertake a reform of the business rates funding system, and it will be important again that Enfield's position is protected or enhanced in any such reform

The primary purpose of the development of the Budget and Medium Term Financial Plan is to direct resources to deliver the objectives set out in the Council's Corporate Plan and ensuring finite resources are focused on the Council's key objectives.

The Council Plan provides a strategic direction and priorities for the Council for the next three years as it continues to invest in the borough to deliver positive outcomes for residents. The Plan informs how we set our budget and reflects on and considers our challenging financial position.

The new Council Plan sets out the following five priorities:

- Clean and green places;
- Strong, healthy and safe communities;
- Thriving children and young people;

Executive Director's Report continued:

- More and better homes;
- An economy that works for everyone.

The Plan emphasises the need for financial resilience and moving to a position where we are less reliant on central government funding and instead resourced more by funding generated in-borough (e.g. our Council Tax base and National Non Domestic Rate), and through inward investment using levers such as our Local Plan.

The Council's Commercial Strategy contributes to deliver a sustainable budget going forward through development of business cases to bring in additional income as well as service redesign. In the 2025/26 budget additional income of £7.5m has been included as part of the contribution towards closing the budget gap.

The Budget has been developed alongside the Ten Year Capital Strategy and Capital Programme 2025/26 to 2034/35 and the Ten Year Treasury Management Strategy 2025/26 to 2034/35.

[Link to the Council's Medium Term Financial Plan 2025/26 to 2029/30](#)

Capital Strategy and Ten-Year Capital Programme 2025/26 to 2034/35

The Ten-Year Capital Strategy for 2025/26-2034/35, which was approved in February 2025, outlines a set of new affordability measures and principles tailored for the capital program to adapt to the evolving economic landscape. The focus of the ten year programme is to remain affordable over the ten year period. The key measure of this is ensuring the revenue impact of borrowing remain below the target of 10% and does not exceed the ceiling of 12% .

In February 2025, the Ten Year Capital Programme was agreed which set out investment of £2.19bn funded from grants, capital receipts and borrowing. The key investments include Meridian Water and investment in improvements to existing housing quality as well as new housing. Due diligence on the strategy is carried out via the Capital Finance Board, Capital Finance Review Panel and the Executive Management Team, who consider the prioritisation of schemes and monitor the progress of high risk schemes.

The Capital Strategy and Programme establish the budget framework and financial approvals for the Council's long term investment in Enfield directed by the Council Plan. The projects improve residents' lives by building homes and investing in schools, improving streets and infrastructure, regenerating the borough and creating modern workspaces for local businesses.

The aim of the Capital Programme is to set the Council's investment plans in the context of the approved Capital Strategy which in turn is informed by the Council's strategic objectives as detailed in the new Council Plan. This provides the financial framework to deliver the capital investment associated with the Council Plan.

Executive Director's Report continued:

Work is ongoing with service managers to ascertain how programmes funded by borrowing can be re-engineered to ensure borrowing is limited and other sources of funding maximised.

A link to the Council's 2025/26-2034/35 ten year Capital programme is below:

[Council's Ten Year Capital Programme 2025/26 - 2034/35](#)

Treasury Management

The Council also agreed its Ten-Year Treasury Management Strategy 2025/26 to 2034/35 in February 2025 alongside the Ten Year Capital Programme. The Council has high ambitions for the regeneration of the Borough and the Ten-Year Treasury Management Strategy supports the Ten-year Capital Strategy in delivering such ambitions, and further gives greater visibility to the longer-term Capital Financing Requirement (CFR) of the Council's capital programme. The CFR is the underlying need to borrow to finance the capital programme, with the peak debt forecast at £1.6bn in 2026/27, falling to £1.3bn in 2034/35

The rolling review of the Capital Programme set out above is in place to ensure that the capital programme continues to be affordable in the adverse economic climate of interest rate rise risk. The strategic use of capital receipts is carefully considered and monitored as part of managing borrowing costs. The Treasury Strategy confirms the approved capital programme affordability measure: cost of financing of between 10% - 12% of Net Revenue Budget (outturn at 7.3% in 2024/25).

A link to the Council's 2025/26 Treasury Management Strategy Statement is below:

[Council's 2025/26 Treasury Management Strategy](#)

Executive Director's Report continued:

Basis of preparation and presentation

The Statement of Accounts summarises the financial performance for the financial year 2024/25 and the overall financial position of the Council. This Narrative Report explains the most significant matters reported in the accounts and provides a simple summary of the Council's overall financial position.

The Statement of Accounts for 2024/25 has been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, which is based on International Financial Reporting Standards.

Whilst these accounts are presented as simply as possible, the use of some technical terminology cannot be avoided. To aid a better understanding of the terminology used, a glossary of the terms used is included at the end of the document. An explanation of the key financial statements including explanatory notes and other relevant supplementary information is also provided.

The key financial statements set out within this document include:

- **Comprehensive Income and Expenditure Statement (CIES)** – this statement brings together all the functions of the Council and summarises all the resources it has generated, consumed or set aside in providing services during the year. As such, it is intended to show the true financial position of the Council, before allowing for the concessions provided by statute to raise council tax according to different rules and the ability to divert particular expenditure to be met from capital resources.
- **Movement in Reserves Statement (MiRS)** – this statement sets out the movement on the various reserves held by the Council which are analysed into usable and unusable reserves. It analyses the increase or decrease in net worth of the Council as a result of incurring expenses, gathering income and from movements in the fair value of the assets. It also analyses the movement between reserves in accordance with statutory provisions.
- **Balance Sheet** – this records the Council's year-end financial position. It shows the balances and reserves at the Council's disposal, its long term debt, net current assets or liabilities, and summarises information on the non-current assets held. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council can use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council cannot 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; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations.
- **Cash Flow Statement** – this summarises the inflows and outflows of cash arising from transactions with third parties for both capital and revenue.
- **Notes to the Financial Statements** – the notes provide more detail about the items contained in the key financial statements, the Council's Accounting Policies and other information to aid the understanding of the financial statements.
- **Housing Revenue Account (HRA)** – this records the Council's statutory obligation to account separately for the cost of the landlord role in respect of the

Executive Director's Report continued:

provision of Council Housing.

- **Collection Fund** – the Council is responsible for collecting Council Tax and local Business Rates. The proceeds of Council Tax are distributed to the Council and the Greater London Authority (GLA). Local Business Rates are distributed between the Council, the Government and the GLA. The Fund shows the income due and application of the proceeds.
- **Group Accounts** – these consolidate the accounts of the Council with its two subsidiary companies, Housing Gateway Ltd and Energetik.

Independent Auditor's Report – London Borough of Enfield

Report on the audit of the financial statements

Disclaimer of opinion

We were engaged to audit the financial statements of London Borough of Enfield (the 'Authority') and its subsidiaries (the 'group') for the year ended 31 March 2025, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement (MiRS), the Group Comprehensive Income and Expenditure Statement, the Group Movement in Reserves Statement (MiRS), the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Housing Revenue Account, including the Statement of Movement on the Housing Revenue Account, and supporting notes, the Collection Fund Statement and supporting notes, and notes to the financial statements, including material accounting policy information. 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 2024/25.

We do not express an opinion on the accompanying financial statements of the Authority or the group. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 ('the Regulations') require the Authority to publish audited financial statements for the year ended 31 March 2025 by 27 February 2026 ('the backstop date'). The backstop date has been put in law with the purpose of clearing the backlog of historical financial statements. We have been unable to obtain sufficient appropriate audit evidence by the backstop date to conclude that the Authority's and group's financial statements for the year ended 31 March 2025 as a whole are free from material misstatement. We were unable to obtain sufficient appropriate audit evidence over the corresponding figures or whether there was any consequential effect on the Authority and Group Comprehensive Income and Expenditure Statement for the year ended 31 March 2025 for the same reason.

In addition, our audit report on the financial statements for the year ended 31 March 2024 stated that there were significant weaknesses in the Authority's financial accounting and record keeping associated with the financial statements for the year ended 31 March 2023. The Authority did not maintain adequate accounting records to support all material balances and disclosures reported within the financial statements for that year, which included areas such as property, plant and equipment of £2,467.914 million, debtors of £137.178 million, creditors of £134.020 million, Collection Fund Reliefs, Payroll, Operating Expenditure and Schools Expenditure as at 31 March 2024.

Subsequently, we were unable to confirm whether elements of the Authority's intangible assets had been accounted for correctly in line with the relevant accounting standards, nor whether a number of transactions had been correctly treated within the Capital Adjustment Account. Furthermore, we were unable to confirm whether certain assets had been correctly transferred from Council Dwellings to Other Land and Buildings and whether amendments to the Minimum Revenue Provision should have been applied retrospectively from 2019/20.

Independent Auditor's Report continued:

These matters were resolved neither in the previous year nor the current year before the associated backstop dates. We were also unable to obtain sufficient appropriate audit evidence over the corresponding figures or whether there was any consequential effect on the financial statements for the year ended 31 March 2025 for the same reason.

We have concluded that the possible effect of these matters on the financial statements could be both material and pervasive. We have therefore issued a disclaimer of opinion on the financial statements. This enables the Authority to comply with the requirement of the Regulations to publish the financial statements for the year ended 31 March 2025 by the backstop date.

Other information we are required to report on by exception under the Code of Audit Practice

Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have been unable to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, 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.

Opinion on other matters required by the Code of Audit Practice

The Section 151 Officer is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the Authority's and group's financial statements and our auditor's report thereon. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Authority gained through our work in relation to the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources, whether 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

Independent Auditor's Report continued:

- 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 except on 12 November 2025 we made one written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 relating to significant weakness in the Authority's arrangements for financial sustainability. We recommended that the Authority should:

- Agree and action options for debt reduction, and reductions to the annual cost of servicing debt. In assessing options for debt reduction, the Authority should be mindful that some of the debt relates to loans to subsidiary undertakings for investing in energy projects (£51.715 million) and private house purchases (£141.902 million); and loans to finance the Meridian Water project (£379.8 million capital financing requirement). Work is already ongoing to de-risk these projects and should be prioritised, so that debt repayments can be made and financing costs can be reduced.
- Progress those actions which have been identified to rebuild risk reserves to their minimum threshold of £43 million. The Authority should seek to prioritise recurring actions to maintain reserves at their minimum level without future recourse to exceptional financial support; and explore options for further rebuilding of risk reserves to move towards their target level of £83 million from the end of 2026/27. Recurring savings arrangements should be explored.

Responsibilities of the Authority and the Section 151 Officer

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 Section 151 Officer. The Section 151 Officer is responsible for the preparation of the Section 151 Officer, 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 2024/25, for being satisfied that they give a true and fair view, and for such internal control as the Section 151 Officer 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 Section 151 Officer 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 responsibility is to conduct an audit of the Authority's and the group's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on those financial statements.

We are independent of the Authority and the group 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.

Independent Auditor's Report continued:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The audit was defective in its ability to detect irregularities, including fraud, on the basis that we were unable to obtain sufficient appropriate audit evidence due to the matters described in the basis for disclaimer of opinion section of our 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 2025.

We have nothing to report in respect of the above matter except:

On 23 October 2024 we identified a significant weakness in the Authority's arrangements for financial sustainability. This was in relation to the Authority managing and addressing the increasing deficit incurred by the Dedicated Schools Grant (DSG).

We recommended the Authority:

- needed to place a significant focus on developing, modelling and implementing interventions which will support the management and reduction of the DSG deficit.
- Additionally, the Authority should ensure that specific training is provided to Schools Forum members in matters relating to DSG deficit, progress in respect of managing DSG deficit interventions are regularly overseen by those charge with governance, and financial risks relating to the DSG deficit are added to the Authority's Corporate Risk Register.

As part of our audit work for the year ended 31 March 2025, we followed up the Authority's progress implementing this recommendation. On 28 January 2026, we reported that the significant weakness in the arrangements the Authority has for managing its DSG position remained in place for 2024/25. We recommended that the Authority:

Independent Auditor's Report continued:

- should provide resources and support needed to confirm what can and cannot be charged to the DSG budget; and to audit the charges made to the budget so far. The Authority should consider providing support from Internal Audit. The correct approach for charging to the budget should be identified and agreed between the finance and education teams; should be made transparent to all; and should underpin all actions going forward.

On 23 October 2024 we also identified a second significant weakness in the Authority's arrangements for financial sustainability. This was in relation to the Authority managing and addressing the pressures on its in-year financial position, including the reliance on reserves and Exceptional Financial Support to help achieve in-year balance. We recommended that the Authority places a significant and immediate focus on:

- Developing mitigations to contain further emerging budget pressures; and identifying further planned savings, and wider alternatives to the use of reserves, in the management of budget gaps identified within the Authority's MTFS. These actions will support the Authority to remain financially sustainable in the short term.
- As part of our audit work for the year ended 31 March 2025, we followed up the Authority's progress implementing this recommendation. On 12 November 2025, we reported that the significant weakness in the arrangements the Authority has for managing its in-year financial position remained in place, and we strengthened this to a written recommendation under to the Authority under section 24 of the Local Audit and Accountability Act 2014, which is reflected under Matters on which we are required to report by exception of this report.

On 23 October 2024 we identified a third significant weakness in the Authority's arrangements for financial sustainability. This was in relation to the Authority managing its interests in Energetik. We recommended the Authority:

- comprehensively identifies, quantifies, and manages the financial and non-financial risks associated with its involvement in Energetik and these are assessed, along with proposed mitigations, in each stage of the Energetik project plan for strategic review to be agreed by the Authority during 2024/25 onwards. We also recommended the Authority satisfies itself that the planned governance and oversight arrangements in respect of the Energetik project plan for strategic review are sufficient considering the potential implications of decisions on the Authority.

As part of our audit work for the year ended 31 March 2025, we followed up the Authority's progress implementing this recommendation. On 28 January 2026, we reported that the significant weakness in the arrangements the Authority has for managing its arrangements with Energetik remain in place but have broadened the scope of the weakness to cover all partners, relating to the Authority's arrangements for improving economy, efficient and effectiveness. We recommended that the Authority:

- As the Authority takes steps to manage risk by diversifying Energetik Ltd, Housing Gateway Ltd and Meridian Water activities, it should engage carefully on an ongoing basis with experienced professional advisers; and
- The Authority should be mindful of the administrative capacity needed to make major changes to partnership working. At present, changes are under discussion for arrangements and activities with Energetik Ltd and Housing Gateway Ltd and Meridian Water at or around the same time. As well as the correct external professional advice and support, the Authority will need significant internal professional expertise to manage risks and execute the planned changes.

Independent Auditor's Report continued:

On 28 January 2026 we identified a fourth significant weakness in the Authority's arrangements for financial sustainability. This was in relation to the Authority's staffing at a senior level, which had seen a considerable level of change over the past 12 to 18 months. We recommended the Authority:

- Maintaining skilled resources within the finance team should be treated as a priority given the number and complexity of financial issues the Authority is dealing with and the turnover the Authority has already experienced in senior roles.

On 28 January 2026 we identified a significant weakness in the Authority's arrangements for governance. This was in relation to the Authority's arrangements for risk management. We recommended the Authority increase its focus on risk by:

- Considering whether the current remit of the General Purposes Committee (GPC) is too broad to allow dedicated focus time on risk. The Authority should consider whether there is scope for separating the administrative and elections functions of GPC away from the core Audit Committee functions of General Purposes Committee. This would mean exploring whether another Committee is best placed to cover administrative and election functions.
- Resuming regular Corporate Risk Register reporting to members, with up-to-date RAG rated consideration of the commercial risks the Authority is managing included.
- Including specific work on risk management of high-profile commercial projects in the Internal Audit Programme of work; and reviewing the current level of Internal Audit and counter fraud coverage.
- Assessing skills and experience of directors on company boards, with a view to recruiting in new skills and experience of required.

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 have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. 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;

Independent Auditor's Report continued:

- 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 London Borough of Enfield for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed the work necessary in relation to the Authority's consolidation returns and received confirmation from the National Audit Office the audit of the Whole of Government Accounts is complete for the year ended 31 March 2025.

We also need to complete our consideration of an objection brought to our attention by a local authority elector under Section 27 of the Local Audit and Accountability Act 2014.

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 85 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.

Matthew Dean

Matthew Dean, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor
London
25 February 2026

Independent Auditor's Report – Enfield Pension Fund

Report on the audit of the financial statements

Disclaimer of opinion

We were engaged to audit the financial statements of Enfield Pension Fund (the 'Pension Fund') administered by London Borough of Enfield (the 'Authority') for the year ended 31 March 2025, which comprise the Pension 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 2024/25.

We do not express an opinion on the accompanying financial statements of the Pension Fund. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 ('the Regulations') require the Authority to publish audited financial statements, including for the Pension Fund, for the year ended 31 March 2025 by 27 February 2026 ('the backstop date'). The backstop date has been put in law with the purpose of clearing the backlog of historical financial statements.

As a result of the limitations imposed by the backstop date, we have been unable to obtain sufficient appropriate audit evidence over the corresponding figures and opening balances reported in the Pension Fund financial statements for the year ended 31 March 2025 or whether there was any consequential effect on the Fund Account for the year ended 31 March 2025 for the same reason. Consequently, we have been unable to satisfy ourselves over the in-year movements reported in the Net Assets Statement. We have concluded that the possible effects on the financial statements of undetected misstatements arising from this matter could be both material and pervasive.

We have therefore issued a disclaimer of opinion on the financial statements. This enables the Authority to comply with the requirement of the Regulations to publish the financial statements for the year ended 31 March 2025 by the backstop date.

Independent Auditor's Report continued:

Opinion on other matters required by the Code of Audit Practice

The Section 151 Officer is responsible for the 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. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit of the financial statements and whether 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.

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 Section 151 Officer

As explained more fully in the Statement of Responsibilities set out within the Statement of Accounts, 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 Section 151 Officer. The Section 151 Officer 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 2024/25, for being satisfied that they give a true and fair view, and for such internal control as the Section 151 Officer 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 Section 151 Officer 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.

Independent Auditor's Report continued:

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Pension Fund's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on those financial statements.

We are independent of the Pension Fund and 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The audit was defective in its ability to detect irregularities, including fraud, on the basis that we were unable to obtain sufficient appropriate audit evidence due to the matter described in the basis for disclaimer of opinion section of our 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 85 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.

Matthew Dean

Matthew Dean, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor
London
25 February 2026

Statement of Responsibilities

The Authority's Responsibilities

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has responsibility for the administration of those affairs. For this Council, that officer is Olga Bennet, the Chief Finance Officer
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- Approve the Statement of Accounts

The Section 151 Officer's Responsibilities

The Council's Section 151 Officer is responsible for the preparation of the Council's 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 ("the Code").

In preparing this Statement of Accounts, Section 151 Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with the Code.

The Section 151 Officer has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities

Confirmation by the Section 151 Officer

I certify that the Statement of Accounts gives a true a fair view of the financial position of the Authority at 31 March 2025 and of its income and expenditure for the year then ended 31 March 2025.

Signed



**Olga Bennet
Chief Finance Officer
Section 151 Officer**

28 January 2026

Signed



**Councillor Ian Barnes
Chair of the Audit Committee**

28 January 2026

Core Financial Statements

Core Financial Statements

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost, for the year, of providing services in accordance with proper accounting practices, as set out in the CIPFA/LASAAC Code of Accounting Practice, rather than the amount to be funded from taxation.

31 March 2024			31 March 2025				
Gross Expenditure £'000s	Gross Income £'000s	Net Expenditure £'000s	On its services the council spent:	Note	Gross Expenditure £'000s	Gross Income £'000s	Net Expenditure £'000s
12,664	(2,824)	9,840	Chief Executive		14,101	(3,634)	10,467
40,180	(2,757)	37,423	Corporate		30,485	(2,845)	27,640
601,388	(443,449)	157,939	People		631,430	(442,807)	188,623
277,587	(220,570)	57,017	Resources		205,089	(168,170)	36,919
105,157	(51,267)	53,890	Environment and Communities		125,468	(55,775)	69,693
88,129	(57,204)	30,925	Housing & Regeneration		76,677	(41,606)	35,071
129,601	(85,254)	44,347	Housing Revenue Account		206,818	(87,829)	118,989
1,254,706	(863,325)	391,381	Total Cost of Services		1,290,068	(802,666)	487,402
		39,431	Other Operating Expenditure	7			18,545
		(38,701)	Financing & Investment Income & Expenditure	8			942
		(341,854)	Taxation & Non-Specific Grant Income	9			(457,137)
		50,257	Deficit on the Provision of Services				49,752
			Items that will not be reclassified to the (Surplus) or Deficit on the Provision of Services				
		(216,859)	(Surplus) / Deficit on revaluation of non-current assets				(103,352)
		(32,480)	Remeasurement of the net defined pension liability	46			(14,576)
		(249,339)	Other Comprehensive Income and Expenditure				(117,928)
		(199,082)	Total Comprehensive Income and Expenditure				(68,176)

Core Financial Statements

Movement in Reserves Statement (MiRS)

This statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes.

	General Fund Balance £'000	Housing Revenue Account £'000	Major Repairs Reserve £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Account £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
Balance at 1 April 2024	(79,549)	(24,413)	(205)	(29,047)	(55,980)	(189,194)	(1,370,525)	(1,559,719)
Total Comprehensive Income and Expenditure	(54,240)	103,992	-	-	-	49,752	(117,928)	(68,176)
Adjustments Between Accounting Basis and Funding Basis Under Regulations (Note 20)	56,636	(96,239)	205	1,025	(212)	(38,585)	38,585	-
(Increase)/Decrease In 2024/25	2,396	7,753	205	1,025	(212)	11,167	(79,343)	(68,176)
Balance at 31 March 2025	(77,153)	(16,660)	-	(28,022)	(56,192)	(178,027)	(1,449,868)	(1,627,895)

General Fund and HRA Balance analysed over:		
Earmarked Reserves*	(61,077)	(722)
Balances not earmarked	(16,076)	(15,938)
Balance at 31 March 2025	(77,153)	(16,660)

* For more information on Earmarked Reserves, please refer to Note 22 – Transfers to and from Earmarked Reserves.

Core Financial Statements

Movement in Reserves Statement (MiRS) continued:

	General Fund Balance £'000	Housing Revenue Account £'000	Major Repairs Reserve £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Account £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
Balance at 1 April 2023	(103,714)	(16,163)	(79)	(23,170)	(68,762)	(211,888)	(1,148,747)	(1,360,635)
Total Comprehensive Income and Expenditure	4,120	46,137	-	-	-	50,257	(249,339)	(199,082)
Adjustments Between Accounting Basis and Funding Basis Under Regulations (Note 20)	20,045	(54,387)	(126)	(5,877)	12,782	(27,563)	27,561	(2)
(Increase)/Decrease In 2023/24	24,165	(8,250)	(126)	(5,877)	12,782	22,694	(221,778)	(199,084)

Balance at 31 March 2024	(79,549)	(24,413)	(205)	(29,047)	(55,980)	(189,194)	(1,370,525)	(1,559,719)
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General Fund and HRA Balance analysed over:

Earmarked Reserves (Note 22)	(65,199)	(1,766)
Balances not earmarked	(14,350)	(22,647)

Balance at 31 March 2024	(79,549)	(24,413)
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Core Financial Statements

Group 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 funded from taxation.

31 March 2024				31 March 2025		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
12,664	(2,824)	9,840	Chief Executive	14,101	(3,634)	10,467
40,180	(2,757)	37,423	Corporate	30,485	(2,845)	27,640
601,388	(443,449)	157,939	People	631,430	(442,807)	188,623
277,587	(220,570)	57,017	Resources	205,089	(168,170)	36,919
109,089	(53,723)	55,366	Environment and Communities	132,961	(67,219)	65,742
86,909	(57,204)	29,705	Housing & Regeneration	76,677	(41,606)	35,071
143,471	(102,897)	40,574	Housing Revenue Account	237,174	(123,381)	113,793
1,271,288	(883,424)	387,864	Total Cost of Services	1,327,917	(849,662)	478,255
		39,431	Other Operating Expenditure			18,545
		(32,087)	Financing and Investment Income and Expenditure			1,551
		(341,854)	Taxation and non-specific grant income			(457,137)
		53,354	Deficit on the Provision of Services			41,214
		(242)	Group Tax			2,812
		(269)	Share of (surplus)/Deficit on Joint Venture			1,519
		52,843	Deficit on the Provision of Services after Tax			45,545
			Items that will not be reclassified to the (Surplus) or Deficit on the Provision of Services			
		(216,859)	(Surplus) / Deficit on revaluation of non-current assets			(103,352)
		(32,480)	Remeasurement of the net defined pension liability			(14,576)
		(249,339)	Other Comprehensive Income and Expenditure			(117,928)
		(196,496)	Total Comprehensive Income and Expenditure			(72,383)

Core Financial Statements

Group Movement in Reserves Statement (MiRS)

This statement shows the movement in the year on the different reserves held by the Group, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves (including those of Subsidiary Companies).

	LBE Usable Reserves £'000	LBE Unusable Reserves £'000	Total Authority Reserves £'000	Usable Reserves of Subsidiaries £'000	Total Group Reserves £'000
Balance at 31 March 2023	(231,306)	(1,129,331)	(1,360,637)	(30,138)	(1,390,775)
Movement in Reserves during 2023/24:					
Total comprehensive income and expenditure	50,257	(249,339)	(199,082)	2,586	(196,496)
Adjustments between group accounts and authority's accounts	31,942	-	31,942	(31,942)	-
Net (increase)/decrease before transfers	82,199	(249,339)	(167,140)	(29,356)	(196,496)
Adjustments between accounting basis and funding basis under regulations	(27,561)	27,561	-	-	-
Reversal of Loan Impairment	(5,660)	5,660	-	-	-
(Increase)/decrease in year	48,978	(216,118)	(167,140)	(29,356)	(196,496)
Balance at 31 March 2024	(182,328)	(1,345,449)	(1,527,777)	(59,494)	(1,587,271)
Late audit adjustment Energetik	-	-	-	270	270
Adjusted Opening Balance	(182,328)	(1,345,449)	(1,527,777)	(59,224)	(1,587,001)
Movement in Reserves during 2024/25:					
Total comprehensive income and expenditure	49,752	(117,928)	(68,176)	(4,207)	(72,383)
Adjustments between group accounts and authority's accounts	3,440	-	3,440	(3,440)	-
Net (increase)/decrease before transfers	53,192	(117,928)	(64,736)	(7,647)	(72,383)
Adjustments between accounting basis and funding basis under regulations	(38,585)	38,585	-	-	-
Reversal of Loan Impairment	(5,254)	5,254	-	-	-
(Increase)/decrease in year	9,353	(74,089)	(64,736)	(7,647)	(72,383)
Balance at 31 March 2025	(172,975)	(1,419,538)	(1,592,513)	(66,871)	(1,659,384)

Core Financial Statements

Consolidated Balance Sheet

Group 31 March 2024 £'000	Single Entity 31 March 2024 £'000		Note	Single Entity 31 March 2025 £'000	Group 31 March 2025 £'000
Assets:					
2,467,914	2,370,526	Property, Plant & Equipment	23	2,487,622	2,596,742
5,105	5,105	Heritage Assets	25	5,105	5,105
382,950	270,175	Investment Properties	28	252,493	372,659
15,105	6,338	Intangible Assets	25	4,175	13,485
-	-	Right of Use Assets	42	56,301	56,301
24,328	69,629	Long-Term Investments	19	77,734	22,844
9,833	112,996	Long-Term Receivables	32	114,352	7,142
2,905,235	2,834,769	Long Term Assets		2,997,782	3,074,278
10,192	10,192	Assets Held for Sale	25	-	-
10,707	10,704	Inventories		10,671	10,671
-	-	Short-Term Investments	32	5,000	5,000
130,178	128,713	Short-Term Receivables	33	121,013	125,513
55,849	53,765	Cash & Cash Equivalents	34	79,559	85,345
206,926	203,374	Current Assets		216,243	226,529
Liabilities:					
(1,260)	(1,260)	Cash & Cash Equivalents Overdrawn	34	(1,262)	(1,262)
(76,731)	(70,104)	Short-Term Borrowing	32	(68,232)	(66,847)
(134,020)	(117,281)	Short-Term Payables	35	(152,102)	(177,906)
(5,436)	(5,436)	Short-Term Provisions	38	(3,023)	(3,023)
(217,447)	(194,081)	Current Liabilities		(224,619)	(249,038)
(40,589)	(19,024)	Other Long-Term Liabilities	40	(52,753)	(81,536)
(12,032)	(9,281)	Long-Term Provisions	38	(9,053)	(11,144)
(1,188,117)	(1,188,110)	Long-Term Borrowing	32	(1,225,813)	(1,225,813)
(46,267)	(46,267)	Pensions Liability	46	(30,996)	(30,996)
(20,438)	(21,661)	LT Capital Grants RIA	37	(42,896)	(42,896)
(1,307,443)	(1,284,343)	Long Term Liabilities		(1,361,511)	(1,392,385)
1,587,271	1,559,719	Net Assets		1,627,895	1,659,384

Core Financial Statements

Consolidated Balance Sheet (continued):

Group 31 March 2024 £'000	Single Entity 31 March 2024 £'000	Note	Single Entity 31 March 2025 £'000	Group 31 March 2025 £'000
Reserves:				
9,176	9,176		9,412	9,412
(311,074)	(336,150)		(340,012)	(309,682)
(2,300)	(2,300)		480	480
46,267	46,267	46	30,996	30,996
(1,093,859)	(1,093,859)		(1,167,544)	(1,167,544)
(8,411)	(8,411)		(618)	(618)
14,752	14,752		17,418	17,418
(1,345,449)	(1,370,525)	Unusable Reserves	(1,449,868)	(1,419,538)
(55,980)	(55,980)		(56,192)	(56,192)
(29,047)	(29,047)		(28,022)	(28,022)
(56,216)	(14,350)		(16,076)	(62,338)
(65,200)	(65,199)	22	(61,077)	(62,258)
(33,408)	(22,647)		(15,938)	(30,314)
(1,766)	(1,766)	22	(722)	(722)
(205)	(205)	HRA4	0	0
			-	
(241,822)	(189,194)	Usable Reserves	(178,027)	(239,846)
(1,587,271)	(1,559,719)	Reserves / Net Worth	(1,627,895)	(1,659,384)

The Balance Sheet shows the values of assets and liabilities held by the Council and Group. The net assets of the Council and Group are matched by the reserves held by the Council and Group. The reserves are presented within two categories, usable reserves and unusable reserves. Usable reserves may be used to provide services, subject to statutory limitations on their use and the need to maintain a prudent level of reserves for financial stability. Unusable reserves cannot be used to fund Council services.

Core Financial Statements

Consolidated Cash Flow Statement

Group 31 March 2024 £'000	Single Entity 31 March 2024 £'000		Single Entity 31 March 2025 £'000	Group 31 March 2025 £'000
(52,843)	(50,257)	Net Deficit on the provision of services	(49,752)	(45,545)
134,483	134,697	Adjust to deficit on the provision of services for non-cash movements	247,868	262,633
(83,022)	(82,542)	Adjustments for items included in net deficit in the provision of services that are investing & financing activities.	(199,799)	(198,094)
(1,382)	1,898	Net cash outflow/(inflow) from operating activities	(1,683)	18,994
(119,848)	(115,272)	Investing activities	(42,085)	(59,060)
131,345	129,558	Financing activities	69,560	69,560
10,115	16,184	Net increase/(decrease) in cash and cash equivalents	25,792	29,494
44,474	36,321	Cash and cash equivalents at the beginning of the reporting period	52,505	54,589
54,589	52,505	Cash and cash equivalents at the end of the reporting period:	78,297	84,083

The Cash Flow Statement shows the cash flows of the Council and the Group during the reporting period. The Statement shows how both have generated and used cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The amount of net cash flows arising from operating activities shows how the Council and the Group have funded their operations from taxation and grant income or from the recipients of services provided.

Investing activities refer to expenditure that contributes to future service delivery. Cash flows arising from financing activities refer to the raising and repayment of loans and other long-term liabilities.

Notes to the Accounts

Note 1 Accounting Policies

1.1 Basis of Preparation

The Accounts and Audit Regulations 2015 (SI 2015 No 234) require the Council to prepare a Statement of Accounts for each financial year in accordance with proper accounting practices. For 2024/25, these proper accounting practices principally comprise:

- the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code)
- the Service Reporting Code of Practice 2024/25 (SeRCoP)
- the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (SI 2003 No 3146, as amended) (the 2003 Regs)

The Statement of Accounts has been prepared using the going concern and accruals bases. The historical cost convention has been applied, modified by the valuation of the following material categories of non-current assets and financial instruments:

Class of Assets	Measurement Basis
Property, Plant and Equipment: Dwellings	Current value, comprising existing use value for social housing. Dwellings are valued using market prices for comparable properties, adjusted to reflect occupancy under secure tenancies.
Property, Plant and Equipment: Other Land and Buildings	Current value, comprising existing use value. Where prices for comparable properties are available in an active market, properties are valued at market value taking into account the existing use. Where no market exists, or the property is specialised, current value is measured at depreciated replacement cost.
Property, Plant and Equipment: Surplus Assets	Fair value
Heritage Assets	Current value, per Property, Plant and Equipment, if ascertainable. Otherwise, historical cost.
Investment Properties	Fair value
Financial Instruments – Fair Value through Profit or Loss	Fair value
Pension Liabilities	Measured on an actuarial basis
Pensions Assets	Fair value

Fair value is 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 Statement of Accounts has been adjusted to reflect events after 31 March 2025 and before the date the Statement was authorised for issue only where the events provide evidence of conditions that existed at 31 March.

Note 1 Accounting Policies continued:

1.2 Events after the Reporting Period

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts

1.3 Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e., in the current and future years affected by the change and do not give rise to a prior period adjustment. Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

1.4 Adjustments Between Accounting Basis and Funding Basis

The resources available to the Council in any financial year and the expenses that are charged against those resources are specified by statute (the Local Government Act 2003 and the 2003 Regulations). Where the statutory provisions differ from the accruals basis used in the Comprehensive Income and Expenditure Statement, adjustments to the accounting treatment are made in the Movement in Reserves Statement so that usable reserves reflect the funding available at the year-end. Unusable reserves are created to manage the timing differences between the accounting and funding bases. The material adjustments are:

Expense	Accounting Basis in CIES	Funding Basis in MiRS	Adjustment Account
Property, Plant and Equipment	Depreciation and revaluation/impairment losses	Revenue provision to cover historical cost determined in accordance with the 2003 Regs	Capital Adjustment Account
Intangible Assets	Amortisation and impairment	Revenue provision to cover historical cost determined in accordance with the 2003 Regs	Capital Adjustment Account
Investment Properties	Movements in fair value	Revenue provision to cover historical cost determined in accordance with the 2003 Regs	Capital Adjustment Account

Expense	Accounting Basis in CIES	Funding Basis in MiRS	Adjustment Account
Revenue Expenditure Funded from Capital under Statute	Expenditure incurred in 2024/25	Revenue provision to cover historical cost determined in accordance with the 2003 Regs	Capital Adjustment Account
Capital Grants and Contributions	Grants that became unconditional in 2024/25 or were received in 2024/25 without conditions	No credit	Capital Grants Unapplied Reserve (amounts unapplied at 31 March 2025) Capital Adjustment Account (other amounts)
Non-Current Asset Disposals	Gain or loss based on sale proceeds less carrying amount of asset (net of costs of disposal)	No charge or credit	Capital Adjustment Account (carrying amount) Capital Receipts Reserve (sale proceeds and costs of disposal)
Pensions Costs	Movements in pensions assets and liabilities (see Policy 1.11)	Employer's pensions contributions payable and direct payments made by the Council to pensioners for 2024/25	Pensions Reserve
Council Tax	Accrued income from 2024/25 bills	Demand on the Collection Fund for 2024/25 plus share of estimated surplus for 2023/24	Collection Fund Adjustment Account
Business Rates	Accrued income from 2024/25 bills	Budgeted income receivable from the Collection Fund for 2024/25 plus share of estimated surplus for 2023/24	Collection Fund Adjustment Account
Dedicated Schools Grant	Expenditure incurred in 2024/25 to be met from Dedicated Schools Grant	Expenditure incurred up to the amount of the Grant receivable for 2024/25.	Dedicated Schools Grant Adjustment Account
Holiday Pay	Projected cost of untaken leave entitlements at 31 March 2025	No charge	Accumulated Absences Adjustment Account

1.5 Financial Instruments

Financial instruments are recognised on the Balance Sheet when the Council becomes a party to their contractual provisions. They are initially measured at fair value.

Financial Liabilities

Financial liabilities are subsequently measured at amortised cost. For the Council's borrowing this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest). Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument.

Note 1 Accounting Policies continued:

Financial Assets

Financial assets are subsequently measured in one of two ways:

- amortised cost – assets whose contractual terms are basic lending arrangements (i.e., they give rise on specified dates to cash flows that are solely payments of principal or interest on the principal amount outstanding, which the Council holds under a business model whose objective is to collect those cash flows)
- fair value – all other financial assets

Amortised cost assets are measured in the Balance Sheet at the outstanding principal repayable (plus accrued interest). The exception is loans made at concessionary rates to subsidiaries of the Council, where the loans are accounted for as if they had been made at commercial interest rates and the concessionary interest treated as an investment in the companies (see Note 19). Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) are based on the carrying amount of the asset, multiplied by the effective rate of interest for the instrument. Any gains or losses in fair value that might arise are not accounted for until the instrument matures or is sold.

Allowances for impairment losses have been calculated for amortised cost assets, applying the expected credit losses model (see Note 32 [Financial Instruments]). Changes in loss allowances (including balances outstanding at the date of derecognition of an asset) are debited/credited to the Financing and Investment Income and Expenditure line in the CIES.

Changes in the value of assets carried at fair value (described as Fair Value through Profit or Loss) are debited/credited to the Financing and Investment Income and Expenditure line in the CIES as they arise.

1.6 Revenue from Contracts with Service Recipients

The Council recognises revenue from contracts with service recipients when it satisfies a performance obligation by transferring promised goods or services to a recipient, measured as the amount of the overall transaction price allocated to that obligation.

1.7 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 Council when there is reasonable assurance that:

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

Note 1 Accounting Policies continued:

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until the Council has satisfied any conditions attached to the grant or contribution that would require repayment if not met.

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 CIES.

1.8 Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure is not capitalised).

Intangible assets are measured at cost. Software which is held on cloud-based platforms are considered as being 'Software as a Service'. It is a method of software delivery and licensing in which software is accessed online via a subscription, rather than bought and installed on individual computers or servers within the council. These costs are expensed annually and not held as assets.

The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that it might be impaired.

1.9 Interests in Companies and Other Entities

The Council has material interests in companies that have the nature of subsidiaries and require it to prepare group accounts. In the Council's own single-entity accounts, the interests in companies and other entities are recorded at cost, less any provision for losses.

1.10 Investment Properties

Investment properties are those that are held solely to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost and subsequently at fair value. Properties are not depreciated, with gains and losses on revaluation being posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The line is also credited/debited with gains/losses on the disposal of properties, measured as the difference between the carrying amount and sale proceeds.

Note 1 Accounting Policies continued:

1.11 Leases

From 1 April 2024, the Council has applied IFRS 16 Leases as adopted by the CIPFA Code of Practice on Local Authority Accounting. The new accounting standard requires that the rights to use items acquired under all leases are recognised as assets on the Balance Sheet, together with a liability for the payments to be made for the acquisition.

Please see detailed information under note 1.23

Operating Leases

Rentals paid by the Council under operating leases are charged to the CIES as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments. From 1st April 2024, operating leases (as lessee) will be accounted under IFRS 16 Leases, further information under Note 1.23.

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the CIES. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments.

1.12 Overheads and Support Services

Central support overheads are not apportioned to departments for purposes of internal management accounts or for the Statement of Accounts but are aggregated and reported as expenditure against the directorate incurring the expenditure.

1.13 Post-Employment Benefits

Employees of the Council are members of three separate pension schemes:

- the Teachers' Pension Scheme, administered by Teachers' Pensions on behalf of the Department for Education
- the Local Government Pension Scheme, administered by the Council.
- the NHS Pension Scheme, administered by the NHS Business Services Authority

The Teachers' and NHS Scheme provide defined benefits to members. However, Scheme arrangements mean that liabilities for these benefits cannot be attributed to the Council. The Scheme is therefore accounted for as if they were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The People line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year as are the employers' contributions payable for the year to NHS Pensions.

Note 1 Accounting Policies continued:

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- the liabilities of the Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method.
- liabilities are discounted to their value at current prices, using a discount rate of 4.8% (based on the indicative rate of return on high quality corporate bonds - the iBoxx index of AA rated corporate bonds)
- the assets of the Pension Fund attributable to the Council are included in the Balance Sheet at their fair value.

The change in the net pensions liability is analysed into the following components:

- Service cost, comprising:
 - current service cost – allocated in the Comprehensive Income and Expenditure Statement (CIES) to the services for which the employees worked.
 - past service cost – debited to the Surplus or Deficit on the Provision of Services in the CIES as part of non-distributed costs in the Corporate line.
 - net interest on the net defined benefit liability – charged to the Financing and Investment Income and Expenditure line of the CIES.
- Remeasurements, comprising:
 - the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
 - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- contributions paid to the Pension Fund – not accounted for as an expense in the CIES.

The Council also has limited powers to make discretionary awards in the event of early retirement. Amounts awarded are accounted for on the same basis as the Local Government Pension Scheme.

1.14 Property, Plant and Equipment

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

Assets are initially measured at cost, comprising:

- the purchase price;
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- borrowing costs (for assets that take a substantial period of time to get ready for their intended use or sale).

Note 1 Accounting Policies continued:

Certain categories of Property, Plant and Equipment are measured subsequently at current value – see Accounting Policy 1.1 for details. Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Where decreases in value are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Assets are assessed at each year-end as to whether there is any indication that items may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. Where impairment losses are identified, they are accounted for in the same way as revaluation losses.

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e., freehold land and certain Community Assets) and assets that are not yet available for use (i.e., assets under construction).

The useful lives used by the Council are:

Asset Category	Useful Economic Life
Council Dwellings	50 years
Operational Buildings	5-50 years
Vehicles	5-8 years
Plant and machinery	3-7 years

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the CIES against any receipts arising from the disposal as a gain or loss on disposal.

The Authority has adopted IFRS 16 Leases with effect from 1 April 2024, in accordance with the 2024/25 Code of Practice on Local Authority Accounting in the United Kingdom. Under IFRS 16, most leases are recognised on the balance sheet as a right-of-use asset and a corresponding lease liability. For further information, please refer to 1.23 IFRS16 Finance Leases.

Note 1 Accounting Policies continued:

1.15 Infrastructure Assets

Highways Network Infrastructure Assets

Highways infrastructure assets include carriageways, footways and cycle tracks, structures (e.g. Bridges), street lighting, street furniture (e.g. illuminated traffic signals, bollards) 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 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 have either been assessed by the Group Highways Engineer, based on industry standards, based on existing inventories or by using best estimates where appropriate. The useful lives for each class will be reviewed annually and are as follows:

Category	Expected Useful Life
Carriageways - roads sub-structure	40 years
Carriageways - reconstruction	30 years
Carriageways - resurfacing	20 years
Carriageways - surface dressing	10 years
Bridges	120 years
Structures	40 years
Waterways	40 years
Footways and cycleways - on-roads	30 years
Footways and cycleways - off-roads	40 years
Alleygating	40 years
Street Lighting	25 years
Street Furniture (Including CCTV)	15 years

Note 1 Accounting Policies continued:

Disposals and derecognition

When a component of the network is disposed of, 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.

1.16 Private Finance Initiative and Similar Contracts

As the Council is deemed to control the services that are provided under its PFI contracts, and as ownership of the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge, the assets used are recognised on the Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

The amounts payable to the PFI operators each year are analysed into five elements:

- fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement (CIES)
- finance cost – debited to the Financing and Investment Income and Expenditure line in the CIES.
- contingent rent – debited to the Financing and Investment Income and Expenditure line in the CIES.
- payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator.
- lifecycle replacement costs – a proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

1.17 Provisions

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as the best estimate at the balance sheet date of the expenditure required to settle the obligation, considering relevant risks and uncertainties.

Note 1 Accounting Policies continued:

1.18 Termination Benefits

Termination benefits are charged on an accruals basis to the appropriate service (or to the [specified segment in the CIES] line in the Comprehensive Income and Expenditure Statement where they relate to pensions enhancements) at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

1.19 Schools

The Code specifies that all schools maintained by the Council are deemed to be under the Council's control. The transactions and balances attributable to the governing bodies of the maintained schools have been consolidated into the Council's financial statements, applying accounting policies for recognition and measurement consistent with those applied by the Council to its own income, expenditure, cash flows, assets and liabilities. Transactions and balances between the Council and schools have been eliminated.

1.20 Current Assets Held for Sale and Surplus Assets

Current Assets Held for Sale comprise those assets that are actively being marketed for sale the Council has determined are for immediate sale in their present condition and are expected to be sold in the next twelve months. These assets are carried at Fair Value based on their potential highest and best use at the balance sheet date. The assets are not depreciated.

Assets that are not in operational use and do not meet the definition of investment properties, nor current assets held for sale, are classified as surplus assets. They are carried at fair value based on highest and best use. Surplus Assets generally refer to properties where the Council has yet to proceed with the disposal of the properties or is considering developing them for alternative use.

1.21 Pooled Budgets

The council has a Pooled Budget arrangement as per Section 75 of the NHS Act 2006 with the NHS North Central London Integrated Care Board "NCL". The intention of such an arrangement is to improve the functions carried out respectively by both organisations through joint working and efficiencies. The council and NCL agree to pool budgets across a range of services annually, principally though not exclusively, related to the Better Care Fund (BCF) and Improved Better Care Fund (iBCF) grant funding provided by government to each organisation based on national allocations. The agreement includes a standard share of risk in proportion to the financial contributions of the two participants unless a specific arrangement is made regarding a particular activity, these specific arrangements on risk are unlikely to be material to the overall share of risks within the pool. The council recognises assets and liabilities resulting from the pool and expenditure and income in the Balance Sheet and the Comprehensive Income and Expenditure Statement respectively.

1.22 Cash and Cash Equivalents

The council identifies cash as being both cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are any deposits made with financial institutions that have an initial maturity period of less than three months and readily convertible to known cash amounts with insignificant risk of change in value.

Note 1a Change in accounting policies

1.23 IFRS16 Leases

Adoption of IFRS 16

The Authority has adopted IFRS 16 Leases with effect from 1 April 2024, in accordance with the 2024/25 Code of Practice on Local Authority Accounting in the United Kingdom. IFRS 16 replaces IAS 17 and eliminates the distinction between finance leases and operating leases for lessees. Under IFRS 16, most leases are recognised on the balance sheet as a right-of-use asset and a corresponding lease liability.

Nature of Leasing Activities

The Council holds a range of lease contracts as a lessee. The majority of the lease portfolio relates to property leases for the provision of temporary accommodation, which form a key part of the Council's statutory housing duties. In addition, the Council leases several specialist vehicles, including refuse collection vehicles and other operational vehicles such as road sweepers used in service delivery. The council also leases a small number of other property assets to support the delivery of its services.

Lease terms vary across the portfolio, with both short-term and long term arrangements in place. Many property leases include extension and break options, which are assessed as part of the Council's lease liability measurement.

The Authority has applied the modified retrospective approach permitted by IFRS 16 on transition. As permitted by the standard and the Code, comparative figures for prior periods have not been restated. The cumulative effect of applying IFRS 16 has been recognised as an adjustment to opening balances on 1 April 2024.

The Authority has applied the following practical expedients permitted by IFRS 16 on transition:

- The Authority has elected to apply the short-term lease exemption to leases that, at 1 April 2024 had a remaining lease term of 12 months or less,
- The Authority has elected to apply the low-value asset exemption for relevant assets where future cash outflows under the lease fell below £10,000.

Lease Accounting

The Authority recognises a lease liability and corresponding right-of-use (ROU) asset at the lease commencement date. The lease liability is initially measure at the present value of the lease payments that are not paid at commencement, discounting using the Authority's incremental borrowing rate.

Note 1a Accounting Policies continued:

Lease payments included in the measurement of the lease liability comprise:

- Fixed payments, including in-substance fixed payments,
- Variable lease payments that depend on an index or a rate,
- Amounts expected to be payable under residual value guarantees,
- The exercise price of a purchase option if the Authority is reasonably certain to exercise that option, and
- Payments for penalties for terminating the lease, if applicable.

The discount rate used in the calculation of present value of lease liabilities was determined based on the Public Works Loan Board (PWLB) annuity rates with reference to each lease term to determine the rate over a similar time period. This reflects the rate at which the Council would be able to borrow over a similar term in a similar economic environment.

The weighted average incremental borrowing rate applied to lease liabilities at 1 April 2024 was 5.54%.

With the exception of assets held under non-commercial leases, The ROU asset is initially measured at cost which comprises:

- The amount of the initial lease liability,
- Lease payments made at or before commencement,
- Initial direct costs incurred and
- An estimate of dismantling, removal and restoration costs.

Transitioning to IFRS 16 has resulted in several existing operating lease commitments now falling in scope of IFRS 16.

The closing operating lease commitments at 31 March 2024 of £64.76m with adjustments of £16.73m for leases out of scope due to short term exclusion and additional cashflows of £4.99m as a result of term reassessments resulted in an opening lease liability of £31.45m after discounting at the incremental borrowing rate.

This position at 31 March 2025 is summarised below:

- ROU Assets: The assets Council uses under lease arrangements. These are recorded on the balance sheet as right-of-use assets and reflect the Council's right to use the assets over the lease period. ROU asset balance within disclosure note 23 Property, Plant and Equipment: £56.3m (£54.96m temporary accommodation & Property and £1.33m Vehicles)
- Lease Liabilities: Lease liabilities represent the future payments the Council is committed to make under its lease agreements.
 - £39.4m non-current creditors (lease liabilities)
 - £6.41m current creditors (lease liabilities)

Note 2 Accounting Standards Issued but Not Yet Adopted

The Code for 2025/26 is introducing two new standards IAS 21 – The effects of changes in foreign exchange rate (lack of exchangeability) and IFRS 17 Insurance Contracts. After reviewing these standards, they will not affect Enfield Council's accounts

Note 3 Critical Judgements in Applying Accounting Policies

The preparation of the financial statements requires the use and determination of accounting estimates and the application of management assumptions that have the potential to cause material adjustments to the carrying amount of assets and liabilities during the financial year. Such estimates, judgements and assumptions are reviewed on an ongoing basis and critical judgements made in applying accounting policies. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

In applying the accounting policies as set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty over future events. These are:

Treatment of Voluntary Aided & Voluntary Controlled Schools

As at 31 March 2025, Enfield had 21 voluntary aided Schools (17 Primary; 4 Secondary) and 1 Secondary Foundation School. The Council has formed a judgement that it does not control the economic benefits which flow from these properties. Regarding voluntary aided Schools, this judgement was based on correspondence from the Diocese in which they attest their legal ownership and control of school property assets. Foundation school Trusts also own and control the property of the schools they manage, and the assets are included within their Trust accounts. Therefore, the Council does not recognise voluntary aided and foundation school property as assets on its Balance Sheet.

Impairment Allowances for Doubtful Debt

As at 31 March 2025, the Council had an outstanding balance of short-term debtors totalling £121.0m. Within this debtors' balance, there is an impairment allowance of £59.8m, meaning the gross short-term debtors are £180.8m. It is not absolutely certain that this impairment allowance would be sufficient as the Council cannot assess with certainty which debts will be collected or not. The economic impact of high inflation and cost of living has made the estimation of debt impairment more difficult as there is more uncertainty about the economic viability of debtors and hence their ability to settle their debts.

The impairment allowances held are based on policies adapted to historic collection rates in relation to the specific type of debt and success rates experienced in collection. However, under IFRS 9, there is a significantly greater focus on judgement and thus the Council further takes into account future considerations, such as specific knowledge on specific debtors or classes of debtors. During 2024/25, the Council reviewed the debts outstanding and made adjustments reflecting the uncertainty of the collection rates as a result of the impact of the cost of living and the economy.

Note 3 Critical Judgements in Applying Accounting Policies continued:

The Council's share of bad debt provisions for doubtful debts have been calculated at 31 March 2025 as £20.298m for council tax and £4.370m for business rates (NNDR).

Business Rates Appeals Provision

The Council experienced very high levels of appeals against the 2017 revaluation of business hereditaments. Most of the appeals were resolved during 2024/25 with a small residual number outstanding with the Valuation Office Agency. The check, challenge, appeal process remains highly uncertain. The Collection Fund currently holds £9.6m appeals provision to counter the potential impact of successful appeals in future years.

Note 4 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Accounts contain estimated figures that are based on assumptions made by Council officers, external valuers, actuaries and the Valuation Office about future and otherwise uncertain events. Estimates are made taking into account historical and recent experience, current trends and other objective factors. Since balances cannot be determined with complete certainty, there is the possibility that actual events could be materially different from the assumptions and estimates that have been made.

There is uncertainty in relation to asset valuations on previous audits where the accounts have not been concluded and whilst adjustments have been made, until the accounts are signed off, asset valuations may change further.

The following items on the Council's Balance Sheet as of 31 March 2025 present a significant risk of material adjustment in the upcoming financial year:

Note 4 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty continued:

Items	Uncertainty	Effect If Actual Results Differ from Assumptions
Valuation of Operational Property	<p>Asset valuations are based on Current Value and are periodically reviewed to ensure that the Council does not materially misstate the value of its asset portfolio. The Council's external valuers have provided valuations as at 31 March 2024 for approximately 33% of its operational portfolio.</p> <p>The Council's Valuers use a combination of methodologies to value operational assets. This includes Depreciated Replacement Cost (DRC), Existing Use Value (EUV) and comparable methods. These methods can cause estimation uncertainty due to the comparable transactional data, indices and inputs used such as floor areas, pupil numbers, and remaining useful life estimation which are necessary to apply during the valuation process</p>	<p>A reduction in the estimated valuations would result in reductions to the Revaluation Reserve and /or an impairment loss recorded in the Comprehensive Income and Expenditure Statement (CIES).</p> <p>If the value of the Council's operational properties were to reduce by 5%, this would result in a charge to the CIES of approximately £48.4M. Similarly, an increase in estimated valuations would result in increases to the Revaluation Reserve and/or reversals of previous negative revaluation movements charged to the CIES.</p>
Depreciation of Property PPE	<p>Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.</p>	<p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for operational assets would increase by £1.5m for every year that useful lives had to be reduced and by £0.09m for every year Dwellings useful lives were reduced.</p>
Fair Value measurement of Investment Property	<p>The Council's external valuers use valuation techniques to determine the fair value of investment property. This includes lease profile, tenant covenant, rent status and asset location. The valuation of these assets involves developing estimates and assumptions consistent with how market participants would price the property. This involves developing estimates and assumptions consistent with how market participants would price the property. The valuers base their assumptions on observable data as far as possible, but this is not always available. In these scenarios, the valuers use the best information available</p>	<p>The total value of investment properties at 31st March 2025 is £252.4M. Of this £214.6M (85%) is a Level 2 valuation and £37.8M (15%) is at Level 3 where significant unobservable inputs are used. The risk that asset values may differ from the actual prices that could be achieved in an arm's length transaction at the reporting date increases between the Level 2 and Level 3 valuations.</p> <p>A reduction of 2% in estimated value of the Investment Property for Level 2 assets and a reduction of 10% in the estimated value of Level 3 assets would lead to a £8.1M reduction in the Investment Asset portfolio. This would have a negative impact on the Council's CIES Surplus/Deficit and unusable reserves.</p>

Valuation of HRA Dwellings	<p>The HRA residential portfolio is valued based on a beacon methodology, with a 25% EUV-SH (Social Housing) factor applied in line with the standardised Department for Levelling up, Housing and Communities rates published for LBE's locality. These EUV-SH rates are estimates and may be subject to review owing to the recent change in discount rates achievable in the right to buy process. The Authority carries out a Beacon valuation exercise of its Assets annually to ensure the starting point of the market value appraisal of the base stock is materially accurate at the balance sheet date prior to applying the EUV-SH factor. The assessment of market value by the external Valuers will use directly comparable sales data of similar dwellings stock as well as observations of house price movements based on published regional and national indices</p>	<p>A reduction in the estimated market value of HRA dwellings would result in a reduction to the unusable reserves and a loss in the CIES. If the value of dwellings were to reduce by 1%, this would lead to a reduction in value of approximately £8.0M.</p> <p>If the EUV-SH factors published by DLUHC were to move from 25% to 30% for the LBE locality, this would result in an increase to unusable reserves of £160.6M and resulting gain in the CIES.</p>
Pension Fund Liability	<p>Estimation of the net liability to pay pensions depends on judgements relating to the discount rate used, the rate at which employee earnings are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. The Council has engaged an actuary to advise on these assumptions and judgements.</p>	<p>The effects on the net pension liability of changes in individual assumptions can be measured. E.g.</p> <ul style="list-style-type: none"> a. 0.1% decrease in the discount rate assumption would result in an increase in the pension liability of approximately £21m. b. 1% increase in assumed earnings inflation would increase the value of liabilities by approximately £1.3m. c. one-year increase in assumed life expectancy would increase the liability by approximately £34m.

Notes Supporting the Comprehensive Income and Expenditure Statement

Notes Supporting the Comprehensive Income and Expenditure Statement

Note 5 Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) 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 amongst the Council's four directorates plus the corporate budgets as shown in the table below:

31 March 2024				31 March 2025		
Net Expenditure Chargeable to General Fund and HRA Balances £'000	Adjustments between Funding and Accounting Basis £'000	Net Expenditure in the CIES £'000	Segment	Net Expenditure Chargeable to General Fund and HRA Balances £'000	Adjustments between Funding and Accounting Basis £'000	Net Expenditure in the CIES £'000
10,001	161	9,840	Chief Executive	10,627	160	10,467
122,488	85,065	37,423	Corporate	147,929	120,289	27,640
124,171	(33,768)	157,939	People	147,486	(41,137)	188,623
52,409	(4,608)	57,017	Resources	34,822	(2,097)	36,919
36,970	(16,920)	53,890	Environment & Communities	60,069	(9,624)	69,693
21,755	(9,170)	30,925	Housing & Regeneration	25,257	(9,814)	35,071
(18,349)	(62,696)	44,347	Housing Revenue Account	6,741	(112,248)	118,989
349,445	(41,936)	391,381	Net Cost of Service	432,931	(54,471)	487,402
(333,530)	7,594	(341,124)	Other Operating Income and Expenditure	(422,782)	14,868	(437,650)
15,915	(34,342)	50,257	Deficit/(Surplus)	10,149	(39,603)	49,752
		(119,877)	Opening General Fund & HRA Balance	(103,962)		
		15,915	In year surplus / (deficit)	10,149		
		(103,962)	Closing General Fund & HRA Balance	(93,813)		

**The adjustments of £39.603m are explained below and further analysed in the table following.

Notes Supporting the Comprehensive Income and Expenditure Statement

Note 5 Expenditure and Funding Analysis continued:

Adjustments for Capital Purposes

This column adds in depreciation and impairment and revaluation gains and losses in the services line, and for other operating expenditure adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets. Financing and investment income and expenditure on the statutory charges for capital financing i.e., Minimum Revenue Provision (MRP) and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices. Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivables in the year to those receivables without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Adjustments Pension Benefits

This represents the net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income. For services this represents the removal of the employer pension contributions made by the Authority as allowed by statute and the replacement with current service costs and past service costs. For financing and investment income and expenditure the net interest on the defined benefit liability is charged to the CIES.

Notes Supporting the Comprehensive Income and Expenditure Statement

Note 5 Expenditure and Funding Analysis continued:

Other Adjustments

The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for council tax and business rates that was projected to be received at the start of the year and the income recognised according to the Code. This is a timing difference as any difference will be brought forward in future surpluses or deficits on the Collection Fund.

31 March 2024					31 March 2025				
Adjustments for Capital Purposes	Adjustments for Pension Benefits	Other Adjustments	Total Adjustments	Segment	Adjustments for Capital Purposes	Adjustments for Pension Benefits	Other Adjustments	Total Adjustments	
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000
(30)	191	-	161	Chief Executive	(85)	222	23	160	
84,758	(1,287)	1,594	85,065	Corporate	124,314	(1,245)	(2,780)	120,289	
(35,012)	760	484	(33,768)	People	(39,438)	1,201	(2,900)	(41,137)	
(5,066)	458	-	(4,608)	Resources	(2,643)	488	58	(2,097)	
(17,890)	969	-	(16,921)	Environment & Communities	(10,969)	1,418	(73)	(9,624)	
(9,317)	148	-	(9,169)	Housing & Regeneration	(10,001)	196	(9)	(9,814)	
(62,949)	253	-	(62,696)	Housing Revenue Account	(114,132)	542	1,342	(112,248)	
(45,506)	1,492	2,078	(41,936)	Net Cost of Service	(52,954)	2,822	(4,339)	(54,471)	
11,163	(3,569)	-	7,594	Other Operating Income and Expenditure	16,995	(2,127)	-	14,868	
(34,343)	(2,077)	2,078	(34,342)	Deficit/(Surplus)	(35,959)	695	(4,339)	(39,603)	

Adjustments between Internal Reporting & Statutory Position

These relate to:

- Amounts transferred from earmarked reserves to Directorates - which were included in the movement on General Fund and HRA Balances reported internally but under the Code do not form part of the net cost of service in the CIES.
- In-year overspend on School Delegated Budgets which was included in the net cost of services in the CIES but not included in the General Fund outturn report to management. The DSG deficit has been transferred to an unusable reserve.
- Net revenue income from investment properties which was included in the General Fund outturn report to management but excluded from the net cost of service in the CIES.

Notes Supporting the Comprehensive Income and Expenditure Statement

The movement in General Fund (including schools) and HRA balances is analysed by subjective nature of income and expenditure in the table below.

Note 6 Expenditure and Funding Analysis

31 March 2024	Nature of Expenses	31 March 2025
£'000		£'000
383,183	Employee Related Expenses	386,392
744,008	Other Service Expenses	692,066
36,087	Depreciation & Amortisation	42,176
35,109	Impairment & Revaluation	155,823
31,875	Interest Payable & Similar Charges	34,744
9,846	Precepts & Levies	13,238
29,585	(Gain)/ Loss on disposal of non-current assets	5,307
1,269,693	Expenditure Total	1,329,746
(285,052)	Fees, Charges & Other Service Income	(246,862)
(14,258)	Interest & Investment Income	(20,194)
(224,343)	Income from Council Tax & Non-Domestic Income	(241,783)
(695,783)	Government Grants & Contributions	(771,155)
(1,219,436)	Income Total	(1,279,994)
50,257	Deficit on Provision of Services	49,752

Notes Supporting the Comprehensive Income and Expenditure Statement

Note 7 Other Operating Income and Expenditure

31 March 2024 £'000	Other Operating Income and Expenditure	31 March 2025 £'000
-	Payments to Housing Capital Receipts Pool	-
9,846	Precepts and Levies	13,238
29,585	(Gain)/ Loss on disposal of non-current assets	5,307
39,431	Total	18,545

Note 8 Financing and Investment Income and Expenditure

31 March 2024 £'000	Financing and Investment Income and Expenditure	31 March 2025 £'000
28,306	Interest payable and similar charges	32,617
3,569	Net interest on the net defined pension liability	2,127
(8,297)	Interest Receivable and Similar Income	(12,502)
(5,961)	Income and Expenditure in relation to investment properties	(7,692)
(62,046)	Changes in fair value of investment properties	(18,828)
5,728	Other Investment Income and Expenditure	5,220
(38,701)	Total	942

Notes Supporting the Comprehensive Income and Expenditure Statement

Note 9 Taxation and Non-Specific Grant Income

31 March 2024 £000	Taxation & Non-Specific Grant Income	31 March 2025 £000
(146,119)	Income from Council Tax	(165,210)
(78,224)	Locally Retained Business Rates	(76,573)
(68,078)	General Government Grants and Contributions	(75,156)
(49,433)	Capital Grants and Contributions	(140,198)
(341,854)	Total	(457,137)

Notes Supporting the Comprehensive Income and Expenditure Statement

Note 10 Grants credited to Taxation and Non-Specific Grant Income

Grants, contributions and donations credited to the CIES are as follows:

2023/24 £'000	Capital Grants and Contributions Government	2024/25 £'000	2023/24 £'000	Non-Specific Revenue Grant Income Credited to Taxation and Non-Specific Grant Income	2024/25 £'000
(11,643)	Housing Infrastructure Fund	(55,561)			
(8,837)	Building Council Homes for Londoners	(37,647)	(20,758)	Revenue Support Grant	(22,133)
-	GLA Grant - Meridian Water 2	(9,700)	(21,106)	Social Care Grant	(27,758)
(1,938)	Local Authority Housing Fund	(5,061)	-	Local CT Support Scheme	-
(4,062)	Disabled Facilities Grant	(4,636)	(19,525)	S31 Business Rates Grants	(21,961)
(3,908)	Transport for London Grant	(4,279)	(1,503)	Housing Benefit Administration Grant	(1,501)
(4,938)	School Condition Allocations	(4,022)	(3,000)	DLUHC Services Grant	(518)
-	Highways England Designated Funds	(3,172)	(2,110)	Other Grants & Contributions (under £1m each)	(1,285)
-	SHDF Grant wave 2.2	(3,035)	(76)	Support for Energy Bills	-
-	S106 Income	(2,789)			
(7,687)	Special Provision Capital Fund	(2,466)			
(1,107)	CIL Income	(1,405)	(68,078)	Total Non-Specific Revenue Grant Income	(75,156)
-	DLUHC - Levelling Up Fund	(1,230)			
-	UK Shared Prosperity Fund	(1,098)			
(5,313)	Other Capital Grants and Contributions (under £1m each)	(4,097)			
(49,433)	Total Capital Grants and Contributions	(140,198)			

Notes Supporting the Comprehensive Income and Expenditure Statement

Note 12 Dedicated Schools' Grant

The Council's expenditure on schools is funded primarily by grant money provided by the Department for Education, the Dedicated Schools Grant (DSG). An element of DSG is recouped by the Department to fund academy schools in the Councils' area. DSG is ring fenced and can only be applied to meet expenditure properly included in the schools' budget, as defined in the School Finance (England) Regulations 2011.

The schools budget includes elements for a range of educational services provided by the Council and for the Individual Schools Budget (ISB), which is divided into a budget share for each maintained school. Details of the deployment of DSG receivable for 2024/25 are as follows:

	Central expenditure £'000	Individual schools' budget £'000	Total 31 March 2025 £'000	Total 31 March 2024 £'000
Final DSG for 2024/25 before academy and high needs recoupment			430,776	403,522
Academy and high needs figure recouped			175,817	160,191
Total DSG after academy and high needs recoupment			254,959	243,331
Plus: Brought forward from Previous Year			484	-
Less: Carry-forward to next Financial Year agreed in advance			-	-
Agreed initial budgeted distribution	65,636	189,807	255,443	243,331
In year adjustments		(218)	(218)	(2,549)
Final budget distribution	65,636	189,589	255,225	240,782
Less: Actual central expenditure	69,828		69,828	65,737
Less: Actual ISB deployed to schools		187,579	187,579	174,561
Plus: Local authority contribution current year			-	-
In Year Carry-forward	(4,192)	2,010	(2,182)	484
Plus/Minus: Carry-forward to next Financial Year agreed in advance				
Carry-forward to next Financial Year			-	484
DSG unusable reserve at the end of previous year			(15,236)	(15,236)
Addition to DSG unusable reserve at the end of current year			(2,182)	-
Total of DSG unusable reserve at the end of current year			(17,418)	(15,236)
Net DSG position at the end			(17,418)	(14,752)

Notes Supporting the Comprehensive Income and Expenditure Statement

Note 13 Material Items of Income and Expenditure

The Council incurred expenditure of £5.696m in 2024/25 which was funded from Government Grants allocated to the Council this financial year to help support residents with the cost of living(Household Support Fund). This is included in the Comprehensive Income and Expenditure net cost of service.

Note 14 Members Allowances

Regulations require the annual publication of members' allowances. Detailed information is available at the Civic Centre and at all public libraries. A summary of this information is shown in the table below. Further details can be found at this link to the [Council Website](#)

31 March 2024		31 March 2025
£'000		£'000
691	Basic allowances	715
343	Special responsibility allowances	344
1,034	Total	1,059

Notes Supporting the Comprehensive Income and Expenditure Statement

Note 15 Senior Officers' Remuneration

Senior Employees' Earnings. Taxable remuneration, expense allowances and employers pension contributions in respect of Senior Employees is detailed below. Officers' names are not required to be declared if their salary is under £150,000.

Senior Employee Designation	Note	Year	Salary and Other Allowances £	Pension Contribution £	Total £
Chief Executive (Perry Scott)	1	2024/25	16,159	3,086	19,246
Chief Executive (Ian Davis)	2	2024/25	223,838	42,753	266,591
Executive Director - Environment & Communities (Perry Scott)	1	2024/25	165,000	31,515	196,515
Executive Director - People (Tony Theodoulou)		2024/25	178,851	-	178,851
Executive Director - Resources (Olga Bennet)	3	2024/25	26,825	5,124	31,948
Executive Director - Resources (Jo Moore)	4	2024/25	69,553	13,285	82,838
Executive Director - Resources (Fay Hammond)	5	2024/25	88,929	-	88,929
Strategic Director for Housing and Regeneration (Joanne Drew)		2024/25	151,284	28,895	180,180
Director of Law & Governance		2024/25	136,911	26,150	163,061
Director of HR & Organisational Development		2024/25	136,911	26,150	163,061
Director of Meridian Water		2024/25	134,711	25,730	160,441
Director of Public Health		2024/25	105,947	20,236	126,183
Head of Electoral Services		2024/25	77,715	14,844	92,559

Senior Employee Designation	Note	Year	Salary and Other Allowances £	Pension Contribution £	Total £
Chief Executive (Ian Davis)		2023/24	221,604	38,923	260,527
Executive Director - People (Tony Theodoulou)		2023/24	174,486		174,486
Executive Director, Interim (Simon Pollock)		2023/24	150,968	28,835	179,802
Executive Director - Resources (Fay Hammond)		2023/24	174,486		174,486
Executive Director - Environment & Communities		2023/24	41,613	7,948	49,561
Strategic Director for Housing and Regeneration		2023/24	139,680	26,679	166,359
Director of Law & Governance		2023/24	133,569	25,512	159,081
Director of HR & Organisational Development		2023/24	131,448	25,102	156,550
Director of Meridian Water		2023/24	128,709	24,583	153,292
Director of Public Health		2023/24	100,189	19,136	119,326
Head of Electoral Services		2023/24	75,819	14,481	90,300

1) The officer has held two posts during the financial year, 'Executive Director of Environment & Communities' up to mid-March 2025 and then as 'Chief Executive'.

2) The officer left the Council in mid-March 2025.

3) The officer has held three posts during the financial year, 'Director of Finance - Capital & Commercial' until mid-March 2025, 'Acting Executive Director of Resources' until November 2024, and 'Executive Director of Resources' from mid-March 2025.

4) The officer commenced in this post from November 2024 and left the post in March 2025.

5) The officer left the Council in September 2024

Notes Supporting the Comprehensive Income and Expenditure Statement

Note 16 Other Employees with Remuneration over £50,000

The Council's employees, who received annual remuneration exceeding £50,000 (excluding employer pension contributions) were paid as detailed below. For completeness, this disclosure also includes senior officers(excluding employer pension contributions) already reported in Note 15, with employer pension contributions excluded.

2023/24*				2024/25		
Non Schools	Schools	Total	Taxable Remuneration Band	Non Schools	Schools	Total
186	125	311	£50,000 - £54,999	147	150	297
90	83	173	£55,000 - £59,999	160	112	272
45	65	110	£60,000 - £64,999	57	65	122
124	41	165	£65,000 - £69,999	140	50	190
28	20	48	£70,000 - £74,999	27	34	61
36	20	56	£75,000 - £79,999	43	14	57
38	10	48	£80,000 - £84,999	13	14	27
10	8	18	£85,000 - £89,999	48	13	61
6	5	11	£90,000 - £94,999	8	11	19
12	2	14	£95,000 - £99,999	4	2	6
4	2	6	£100,000 - £104,999	7	6	13
-	1	1	£105,000 - £109,999	2	1	3
6	4	10	£110,000 - £114,999	-	1	1
1	-	1	£115,000 - £119,999	3	1	4
3	1	4	£120,000 - £124,999	-	1	1
1	-	1	£125,000 - £129,999	3	1	4
3	-	3	£130,000 - £134,999	3	-	3
1	-	1	£135,000 - £139,999	5	-	5
1	1	2	£140,000 - £144,999	1	1	2
-	-	-	£145,000 - £149,999	1	-	1
1	-	1	£150,000 - £154,999	1	-	1
-	1	1	£155,000 - £159,999	-	-	-
-	-	-	£160,000 - £164,999	2	-	2
2	-	2	£170,000 - £174,999	-	1	1
-	-	-	£175,000 - £179,999	1	-	1
-	-	-	£180,000 - £184,999	1	-	1
1	-	1	£220,000 - £224,999	1	-	1
599	389	988	Totals	678	478	1156

*Restated

The above figures include severance payments to staff whose employment was terminated in the financial year.

Notes Supporting the Comprehensive Income and Expenditure Statement

Note 17 Termination Benefits and Exit Packages

Termination benefits are employee benefits payable as a result of the Council's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits.

If an employee is aged 55 or over and is a member of the pension scheme, they are entitled to receive their occupational pension at the point at which their employment was terminated. This gives rise to an extra strain on the Pension Fund, the cost of which is reimbursed from the General Fund or HRA. Redundancy payments and the pension strain effect are the key components of the cost of exit packages.

2023/24*					2024/25				
No. of Redundancies	No. of Other Departures	Total No. of Exit Packages by Band	Total Cost of Exit Packages by Band £'000	Exit Package Cost Band (including special payments)	No. of Redundancies	No. of Other Departures	Total No. of Exit Packages by Band	Total Cost of Exit Packages by Band £'000	
54	36	90	638	£0 - £20,000	24	23	47	479	
11	7	18	507	£20,000 - £40,000	19	5	24	568	
5	-	5	287	£40,000 - £60,000	11	2	13	738	
2	-	2	140	£60,000 - £80,000	3	-	3	354	
1	-	1	97	£80,000 - £100,000	2	-	2	171	
3	-	3	628	£100,000 - £150,000	6	-	6	736	
3	-	3	712	Over £150,000	2	-	2	679	
79	43	122	3,009	Total	67	30	97	3,725	

*Restated

Notes Supporting the Comprehensive Income and Expenditure Statement

Note 18 External Audit Costs

The Council has incurred the following costs in relation to the audit of the statement of accounts:

2023/24 £'000		2024/25 £'000
	Main Audit:	
446	Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year, Grant Thornton UK LLP	504
	Additional fees payable to external auditors with regard to external audit services, BDO LLP	69
	Prior Years' Objections, BDO LLP	84
	Housing Benefit:	
	Current Year	52
77	Prior Years	60
	Teachers' Pension:	
	Current Year	13
30	Prior Years	
	Housing Pooling Receipts:	
	Current Year	10
10	Prior Years	20
33	Other Grants	10
596	Full Year Audit Cost Total	822

Notes Supporting the Comprehensive Income and Expenditure Statement

Note 19 Related Parties and Group Structure

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. Disclosure of these transactions allows readers to assess the extent to which the council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Central Government

Central Government has effective control over the general operations of the Council – it is responsible for providing the statutory framework, within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g., council tax bills, housing benefits).

Members and Officers

Council Members and senior staff are required to make declarations of interest concerning third party transactions, both in the form of an annual statement and by disclosing interests at Cabinet and other Council Meetings.

For financial year 2024/25 several members and senior officers declared they had interests with Local Voluntary Bodies, Charities, schools and other organisations. Transactions between the Council and the vast majority of these organisations were not materially significant and in all cases the member or officer was not in a position to control or direct them. Details of these interests are recorded in the Register of Members Interests which is open to public inspection. Note 19 Related Parties and Group Structure continued:

Group Structure

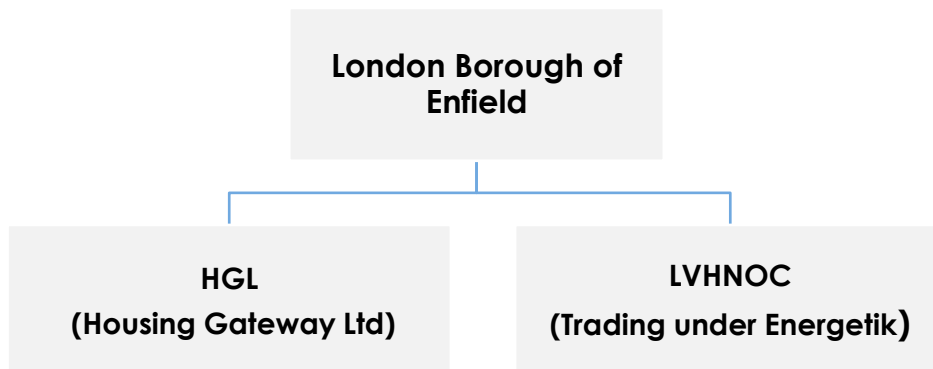
For a variety of legal, regulatory and service delivery reasons, local authorities may conduct their activities through other legal entities that fall under their ultimate control. For this reason, the financial statements of the local authority alone do not in themselves, present a full picture of its economic activities or financial position, which is why it is necessary to produce Group Accounts.

The Group Account statements, notes and disclosures have been presented next to their equivalent single entity figures in order to aid the reader's understanding. The Council's single entity accounts substantially reflect the substance of the Group for most notes, and so new notes for the Group have only been published where they are materially different.

The Council has two (2023/24: two) subsidiaries that are active. Each company is 100% owned by the Council (parent body). All companies have been consistently consolidated into the group accounts on a line-by-line basis with intercompany transactions, balances and cash flows eliminated.

Notes Supporting the Comprehensive Income and Expenditure Statement

2024/25 Structure



The Council has both loans and equity investment in its subsidiaries. Its investments are noted below:

The Council's Investment in its Subsidiaries -

31 March 2024 £'000	Subsidiary	Accounting Valuation Basis	Fair Value Level	31 March 2025 £'000
43,373	HGL (Loans)	Amortised Cost	2	50,004
4,834	HGL (Equity)	Fair Value through Profit & Loss (FVPL)	3	4,839
4,627	Energetik (Loans)	Fair Value through Profit & Loss (FVPL)	3	6,066
16,795	Energetik (Equity)	Fair Value through Profit & Loss (FVPL)	3	16,825
69,629	Total			77,734

Notes Supporting the Comprehensive Income and Expenditure Statement

Note 19 Related Parties and Group Structure continued:

As at 31 March 2025 the Council held long-term investments in two of its wholly owned subsidiaries: HGL and Energetik.

With respect to Housing Gateway Limited (HGL) the investment has arisen as a result of advancing loans to HGL where the rate of interest charged is below that of market rates for comparable organisations. Soft loan accounting for these loans has resulted in a long-term investment being created. Total nominal loans of £141.9m were outstanding at 31 March 2025. Proper accounting practice requires that £50.0m is deemed to be "investment in the subsidiary", that is valued on an amortised cost basis, and represents the benefit of the reduced interest rate.

There was no new equity injection in HGL during 2024/25. In accordance with Fair Value accounting the existing equity share (purchased in 2020/21) was revalued at £4.8m based on a perceived level of risk. The value of the gross equity prior to impairment was £5.0m.

The Lee Valley Heat Network Limited (LVHN) long-term investment, total nominal loans of £51.7m were advanced as at 31 March 2025, of which £6.1m was deemed to be an "investment in subsidiary" under proper accounting practice that is valued on a fair value through the profit & loss accounting basis. The accounting basis recognises the company being an innovative start-up company, which by their very nature are deemed to be of a higher business risk.

There was no new equity injection in LVHN during 2024/25 and in accordance with Fair Value accounting the equity share valuation (purchased in 2020/21 and 2023/24 remains at £16.8m The value of the gross equity prior to impairment was £17.8m.

Housing Gateway Limited (HGL)

HGL was formed in March 2014 with the purpose of acquiring properties to increase the availability of value for money social housing for Enfield residents and to discharge the Council's statutory duties for homelessness. HGL commenced trading in financial year 2014/15. During 2024/25 the Board of Directors included non-executive directors Peter Nwosu , Joanna Embling, Councillor Sabri Ozaydin (resigned 10 December 2024), Councillor Joshua Abey (appointed 10 December 2024). Officers on the Board of Directors were Kayt Wilson (Head of Legal Services) and Joanne Drew (Director of Housing & Regeneration). As at 31 March 2025, HGL had an outstanding loan balance of £141.9m (2023/24: £132.9m) and included new loans advanced of £10.0m during the year.

The HGL Loan is split between long-term debtor loans of £91.9m and long-term investment of £50.0m. The long-term investment is a consequence of soft loan accounting reflecting HGL receiving loans at sub-market rates.

The Council also holds a £5.0m equity share in HGL that was purchased in 2023/24. The proceeds have been used for capital purposes. In accordance with Fair Value accounting this equity share is valued at £4.8m based on a perceived level of risk.

Notes Supporting the Comprehensive Income and Expenditure Statement

Note 19 Related Parties and Group Structure continued:

Lee Valley Heating Network Operating Company (LVHNOC)/Energetik

In 2011, the Council set up New River Services Ltd with the Board made up of Councillors and Senior Officers. The Company provided a legal platform to enable the Council to trade its services with other public bodies on a commercial basis. The Company was renamed Lea Valley Heat Network Ltd in June 2013 and is also known commercially as Energetik. The Company began trading in 2016/17.

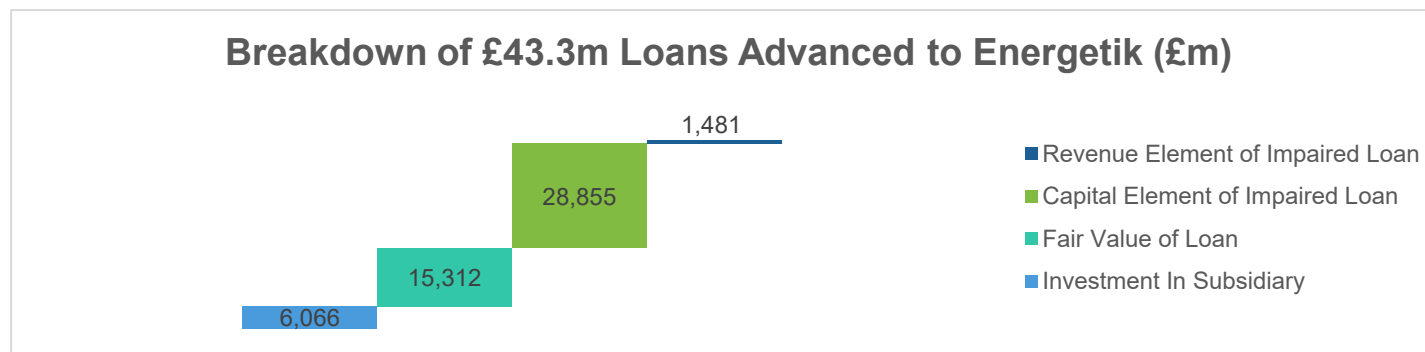
During 2024/25, the Management Board included Mr S Pollock, Mr I Guest, Mr M King, Cllr Doug Taylor and Dr T Groth. As at 31 March 2025 Energetik had outstanding loans with the Council of £51.7m (2023/24: £43.3m), a growth of £8.4m (2023/24: £9.4m) over the previous year.

There was no new equity purchased by the Council in 2024/25, and the gross value of equity remained at £17.8m which was purchased in 2023/24 (£12.8m) and 2020/21 (£5.0m). In accordance with Fair Value accounting this equity share is valued at £16.8m based on a perceived level of risk as noted in the above paragraph.

Similar to HGL, loans to Energetik are issued below the Market rate and therefore undergo a soft loan assessment under proper accounting practice that is valued on a fair value through the profit & loss accounting basis. The accounting basis recognises the company being an innovative start-up company, which by its very nature is deemed to be of a higher risk. Therefore, of the £51.7m loans outstanding with Energetik, £6.1m is deemed to be an "investment in subsidiary" as a result of soft loan accounting; there is an impairment of £30.3m to the loan, which is split £1.5m to Revenue and £28.9m to Capital, which is reversed out of the General Fund to the Capital Adjustment Account. The balance of £15.3m loan is held on the balance sheet as a long-term Debtor and comprises of revenue and capital loans. The loan is reviewed annually for possible impairments.

Impairments have been recognised in accordance with revised MRP Regulations announced by HM Government 10th April 2024 effective from 2024/25 onwards. These regulations are designed to ensure Councils set aside adequate financial resources through the MRP mechanism to repay debt supporting capital loans advanced to subsidiaries.

Breakdown of Loan to LVHN/Energetik



Notes Supporting the Comprehensive Income and Expenditure Statement

Note 19 Related Parties and Group Structure continued:

Joint Venture

Montagu 406 Regeneration LLP

The Council has entered into a 50:50 Joint Venture with Henry Boot Developments Limited to redevelop the Montagu Industrial Estate. Montagu 406 Regeneration LLP was incorporated on the 1 February 2018 and the Joint LLP Members Agreement, which governs arrangements for the site's redevelopment, was signed on 22 February 2018.

Following the granting of a lease in 2020/21 the LLP has completed the development of Phase 1 with the units largely now let and generating income.

The Council transferred land to Montagu 406 Regeneration LLP to enable the development and subsequent disposal of phase one.

A hybrid planning application has been made for the remainder of the site. Currently the details and financial viability of the remaining phases are being reviewed.

Meridian Water

This is not a separate entity but the Council's flagship development project. All assets are contained directly within the single entity's financial accounts.

Notes Supporting the Movement in Reserves Statement

Notes Supporting the Movement in Reserves Statement

Note 20 Adjustments Between Accounting Basis and Funding Basis Under Regulations

The resources available to the Council in any financial year and the expenses that are charged against those resources are specified by statute (the Local Government Act 2003 and the 2003 Regulations). Where the statutory provisions differ from the accruals basis used in the Comprehensive Income and Expenditure Statement, adjustments to the accounting treatment are made in the Movement in Reserves Statement (MiRS) so that usable reserves reflect the funding available at the year-end. Unusable reserves are created to manage the timing differences between the accounting and funding bases. The material adjustments are:

Expense	Accounting Basis in CIES	Funding Basis in MiRS	Adjustment Account
Property, Plant and Equipment	Depreciation and revaluation/impairment losses	Minimum Revenue Provision (MRP) to cover historical cost determined in accordance with the 2003 Regs	Capital Adjustment Account
Intangible Assets	Amortisation and impairment	Minimum Revenue Provision (MRP) to cover historical cost determined in accordance with the 2003 Regs	Capital Adjustment Account
Investment Properties	Movements in fair value	Minimum Revenue Provision (MRP) to cover historical cost determined in accordance with the 2003 Regs	Capital Adjustment Account
Revenue Expenditure Funded from Capital under Statute	Expenditure incurred in 2024/25	Minimum Revenue Provision (MRP) to cover historical cost determined in accordance with the 2003 Regs	Capital Adjustment Account
Capital Grants and Contributions	Grants that became unconditional in 2024/25 or were received in 2024/25 without conditions	No credit	Capital Grants Unapplied Reserve (amounts unapplied at 31 March 2025) Capital Adjustment Account (other amounts)
Non-Current Asset Disposals	Gain or loss based on sale proceeds less carrying amount of asset (net of costs of disposal)	No charge or credit	Capital Adjustment Account (carrying amount) Capital Receipts Reserve (sale proceeds and costs of disposal)
Pensions Costs	Movements in pensions assets and liabilities (see Note 45)	Employer's pensions contributions payable and direct payments made by the Council to pensioners for 2024/25	Pensions Reserve
Council Tax	Accrued income from 2024/25 bills	Demand on the Collection Fund for 2024/25 plus share of estimated surplus for 2023/24	Collection Fund Adjustment Account
Business Rates	Accrued income from 2024/25 bills	Budgeted income receivable from the Collection Fund for 2024/25 plus share of estimated surplus for 2023/24	Collection Fund Adjustment Account
Dedicated Schools Grant	Expenditure incurred in 2024/25 to be met from Dedicated Schools Grant	Expenditure incurred up to the amount of the Grant receivable for 2024/25.	Dedicated Schools Grant Adjustment Account
Holiday Pay	Projected cost of untaken leave entitlements at 31 March 2025	No charge	Accumulated Absences Adjustment Account

Notes Supporting the Movement in Reserves Statement

Note 20 Adjustments Between Accounting Basis and Funding Basis Under Regulations continued:

31 March 2025	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Unusable Reserves £'000	Corresponding Unusable Reserve
Adjustments to Revenue Resources							
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement differ from increases / decreases in revenue for the year calculated in accordance with statutory requirements:							
· Pensions costs	153	542	-	-	-	(695)	Pensions Reserve
· Council tax & business rates	(2,780)	-	-	-	-	2,780	Collection Fund Adjustment Account
· Schools deficit	(2,666)	-	-	-	-	2,666	Dedicated Schools Grant Reserve
· Holiday pay	(235)	(1)	-	-	-	236	Accumulated Absences Account
· Capital expenditure	60,286	(128,408)	(54,001)	(7,507)	(126,602)	256,232	Capital Adjustment Account
Capital and Revenue Financing							
Resources set aside for capital financing	33,862	33,070	29,394	7,712	126,390	(230,428)	Capital Adjustment Account
Use of capital receipts for revenue purposes	(24,742)	(890)	25,632	-	-	-	
Transfer to and from deferred capital receipts	(7,242)	(552)	-	-	-	7,794	Deferred capital Receipts reserve
Total adjustments	56,636	(96,239)	1,025	205	(212)	38,585	
31 March 2024							
Adjustments to Revenue Resources							
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement differ from increases / decreases in revenue for the year calculated in accordance with statutory requirements:							
· Pensions costs	(2,330)	253	-	-	-	2,077	Pensions Reserve
· Council tax & business rates	1,594	-	-	-	-	(1,594)	Collection Fund Adjustment Account
· Schools deficit	484	-	-	-	-	(484)	Dedicated Schools Grant Reserve
· Holiday pay	(587)	265	-	-	-	322	Accumulated Absences Account
· Capital expenditure	(326)	(63,215)	(34,091)	(10,526)	(28,359)	136,517	Capital Adjustment Account
Capital and Revenue Financing							
Resources set aside for capital financing	28,343	8,310	21,081	10,400	41,141	(109,275)	Capital Adjustment Account
Use of capital receipts for revenue purposes	(7,133)	-	7,133	-	-	-	
Transfer to and from deferred capital receipts	-	-	-	-	-	-	Deferred capital Receipts reserve
Total adjustments	20,045	(54,387)	(5,877)	(126)	12,782	27,563	

Notes Supporting the Movement in Reserves Statement

Note 21 Unusable Reserves

The tables below summarise the unusable reserves as disclosed in the Balance Sheet:

Adjustments between Accounting and Funding Basis 2024/25						
Unusable Reserves	Opening Balance 1 April 2024 £'000	Other Comprehensive Income and Expenditure £'000	Adjustments to Revenue Resources £'000	Capital and Revenue Financing £'000	Other Movements £'000	Closing Balance 31 March 2025 £'000
Revaluation Reserve	(1,093,859)	(103,352)	-	-	29,667	(1,167,544)
Capital Adjustment Account	(336,150)	-	256,233	(230,428)	(29,667)	(340,012)
Collection Fund Adjustment Account	(2,300)	-	2,780	-	-	480
Dedicated Schools Grant Reserve	14,752	-	2,666	-	-	17,418
Accumulated Absences Account	9,176	-	236	-	-	9,412
Pensions Reserve	46,267	(14,576)	(695)	-	-	30,996
Deferred Capital Receipts Reserve	(8,411)	-	7,793	-	-	(618)
Total	(1,370,525)	(117,928)	269,013	(230,428)	-	(1,449,868)

Adjustments between Accounting and Funding Basis 2023/24						
Unusable Reserves	Opening Balance 1 April 2023 £'000	Other Comprehensive Income and Expenditure £'000	Adjustments to Revenue Resources £'000	Capital and Revenue Financing £'000	Other Movements £'000	Closing Balance 31 March 2024 £'000
Revaluation Reserve	(913,369)	(216,859)	-	-	36,369	(1,093,859)
Capital Adjustment Account	(327,022)	-	136,518	(109,275)	(36,371)	(336,150)
Collection Fund Adjustment Account	(706)	-	(1,594)	-	-	(2,300)
Dedicated Schools Grant Reserve	15,236	-	(484)	-	-	14,752
Accumulated Absences Account	8,855	-	321	-	-	9,176
Pensions Reserve	76,670	(32,480)	2,077	-	-	46,267
Deferred Capital Receipts Reserve	(8,411)	-	-	-	-	(8,411)
Total	(1,148,747)	(249,339)	136,838	(109,275)	(2)	(1,370,525)

Notes Supporting the Movement in Reserves Statement

Note 22 Transfers (To) / From Earmarked Reserves

This note shows the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in future years.

Reserves and Balances	31 March 2024 £'000	Net Transfers 2024/25 £'000	31 March 2025 £'000
General Fund – Earmarked Reserves			
01 – Risk + MTFP Smoothing Reserves	(24,204)	(1,321)	(25,525)
02 - Capital Financing	(1,095)	(902)	(1,997)
03 - Service Specific	(4,361)	496	(3,865)
04 - Insurance	(7,492)	52	(7,440)
05 - Property	(411)	58	(353)
06 - Grants & Other Contributions	(26,820)	6,370	(20,450)
07 - Schools	(816)	(631)	(1,447)
Sub Total	(65,199)	4,122	(61,077)
08 – General Fund Balance	(14,350)	(1,577)	(15,927)
Total General Fund Reserves	(79,549)	2,545	(77,004)
Housing Revenue Account - Earmarked Reserves			
09 - Grants & Other Contributions	-	-	-
10 - Insurance	(693)	(27)	(720)
11 - Property	(1,073)	1,072	(1)
Sub Total	(1,766)	1,045	(721)
12 – HRA Balance	(22,647)	6,709	(15,938)
Total HRA Reserves	(24,413)	7,754	(16,659)
Total Revenue Reserves	(103,962)	10,299	(93,663)

Notes Supporting the Movement in Reserves Statement

General Fund Earmarked Reserves includes:

Risk + MTFP Smoothing Reserves

These reserves are kept aside to smooth out the ebbs and flows of the Collection Fund and the timing of savings delivery (Risk Reserve and Adult Social Care Smoothing Reserve. this includes £10m set aside for Temporary Accommodation cost pressures in 2024/25).

Capital Financing

The Capital Financing Reserves of £1 million is dedicated to covering the expenses related to the strategic review of Energetik. This amount has been earmarked from the investment returns generated by the benefit of the low interest loans received but not yet allocated to Energetik, as set out in the Treasury outturn

Service Specific

These reserves are put aside to fund one-off items of spending. They are reviewed annually, to determine whether they still remain necessary.

Insurance Reserve

This reserve is set aside in order to finance costs (e.g. claims and premium payments) associated with insurable risk. The reserve meets expenditure relating to various types of future claims.

Property Reserve

These are kept aside to meet contractual commitments and to meet potential liabilities in relation to building works.

Grants & Other Contributions

These reserves are grant monies for which the Council has met the conditions but not the restrictions and so cannot utilise the resources. This includes the Covid-19 Grant from Central Government.

Schools

Following a change in regulation, the DSG overspend on the Schools Budget has been reversed by the Movement in Reserves Statement into an unusable Dedicated Schools Grant Reserve, leaving the School Balances' deficit as the sole reserve in this category.

General Fund Balance

This balance is the unallocated balance, which represents the working capital of the authority and to manage emergency situations. It is not anticipated to be utilised except in extreme emergencies.

Housing Revenue Account Reserves include:

Grants & Other Contributions

These reserves are grant monies for which the Council has met the conditions but not the restrictions and so cannot utilise the resources. The only Grant currently in this category is a Home Building Capacity Fund.

Insurance

Similar to the General Fund, the HRA maintains a small Insurance Reserve to finance costs associated with insurable risks.

Property

The Council's Housing Estate has significant needs to form repairs and spend on capital works and this is the reserve where these resources are maintained.

Housing Revenue Account Balance

This reserve is similar in function to the General Fund Balance

Notes Supporting the Consolidated Balance Sheet

Notes Supporting the Consolidated Balance Sheet

Note 23 Property, Plant and Equipment

Balances as at 31 March 2025	Council Dwellings £'000	Other Land & Buildings £'000	Vehicles, Plant & Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Right of Use Assets £'000	Total £'000
Cost or Valuation	803,419	987,627	37,138	39,459	93,949	390,119	63,143	2,414,854
Accumulated Depreciation	(8)	(18,709)	(27,991)	-	-	-	(6,842)	(53,550)
Carrying Amount	803,411	968,918	9,147	39,459	93,949	390,119	56,301	2,361,304
Owned	803,411	947,697	9,147	39,459	93,949	390,119	-	2,283,782
PFI	-	21,221	-	-	-	-	-	21,221
Leased	-	-	-	-	-	-	56,301	56,301
Carrying Amount	803,411	968,918	9,147	39,459	93,949	390,119	56,301	2,361,304
Movement in Carrying Amount	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 April 2024	745,738	892,076	8,718	40,400	90,764	412,818	31,452	2,221,966
Additions and Enhancements	82,000	29,947	3,752	140	9,031	94,316	19,326	238,512
Revaluation increases / (decreases) recognised in Revaluation Reserve	12,998	87,729	-	-	2,135	-	-	102,862
Revaluation increases / (decreases) recognised in the CIES	(141,359)	(26,196)	-	-	(398)	-	490	(167,463)
Depreciation	(4,458)	(14,107)	(1,777)	-	-	-	(6,842)	(27,184)
Impairments recognised in the CIES	-	(1,522)	-	-	-	-	-	(1,522)
Disposals and Derecognitions	(2,482)	(24,795)	(41)	(734)	(13,423)	-	-	(41,475)
Transfer to Inventory	-	-	-	-	-	-	-	-
Reclassifications	110,974	(1,082)	(1,405)	(347)	(1,700)	(117,015)	10,575	-
IFRS 16 ROU Reclassification Adjustment	-	-	(98)	-	-	-	-	(98)
Reclassifications (to) / from Investment Property	-	26,870	-	-	7,540	-	1,300	35,710
Other Movements	-	(2)	(2)	-	-	-	-	(4)
As at 31 March 2025	803,411	968,918	9,147	39,459	93,949	390,119	56,301	2,361,304

Notes Supporting the Consolidated Balance Sheet

Note 23 Property, Plant and Equipment continued:

Balances as at 31 March 2024	Council Dwellings £'000	Other Land & Buildings £'000	Vehicles, Plant & Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total £'000
Cost or Valuation	745,738	899,131	35,182	40,400	90,764	412,818	2,224,033
Accumulated Depreciation	-	(7,055)	(26,464)	-	-	-	(33,519)
Carrying Amount	745,738	892,076	8,718	40,400	90,764	412,818	2,190,514
Owned	745,738	827,346	8,718	40,400	90,764	412,818	2,125,784
PFI	-	64,730	-	-	-	-	64,730
Carrying Amount	745,738	892,076	8,718	40,400	90,764	412,818	2,190,514
Movement in Carrying Amount	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 April 2023	757,848	662,794	9,078	41,418	434,344	97,924	2,003,406
Additions and Enhancements	74,927	13,483	3,385	773	42,259	32,746	167,573
Revaluation increases / (decreases) recognised in Revaluation Reserve	(2,268)	287,420	-	-	(68,986)	70	216,236
Revaluation increases / (decreases) recognised in the CIES	(69,764)	(21,730)	-	(953)	-	553	(91,894)
Depreciation	(4,505)	(11,492)	(3,394)	-	-	-	(19,391)
Impairments recognised in the CIES	-	(848)	(74)	-	-	-	(922)
Disposals and Derecognitions	(8,214)	(32,232)	(277)	(997)	(2,595)	-	(44,315)
Transfer to Inventory	-	-	-	-	-	-	-
Reclassifications	(2,288)	1,244	-	143	-	-	(901)
Reclassifications (to) / from Assets Held for Sale	-	(10,192)	-	-	-	-	(10,192)
Reclassifications (to) / from Investment Property	-	3,629	-	-	-	-	3,629
Reclassifications (to) / from SA to Others	-	-	-	15	(314,258)	281,525	(32,718)
Other Movements	2	-	-	1	-	-	3
As at 31 March 2024	745,738	892,076	8,718	40,400	90,764	412,818	2,190,514

*The stated carrying value of Surplus Assets reflects their highest and best use as Level 2 inputs in the IFRS 13 Fair Value measurement hierarchy. Meridian Water represents £68.332m of the net book value in 2024/25.

Notes Supporting the Consolidated Balance Sheet

Note 24 Infrastructure Assets

As per paragraph 4.1.4.3 1) d) as a temporary relief from the reporting periods commencing 1 April 2021 through to 31 March 2025, local authorities are not required to report gross book value 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.

As infrastructure assets are not disclosed on the face of the Balance Sheet, a reconciling note below shows the totals for Property Plant and Equipment.

31 March 2024 £'000		31 March 2025 £'000
184,447	Net book value as at 1 April	180,011
12,028	Additions and Enhancements	15,960
(11,615)	Depreciation	(12,848)
(496)	Impairments recognised in the CIES	(504)
(4,354)	Disposals and Derecognitions	-
1	Other Movements	-
180,011	Net Book Value as at 31 March	182,619
180,011	Infrastructure assets	182,619
2,190,514	Other Property, Plant & Equipment (PPE) assets	2,361,304
2,370,526	Total Property Plant and Equipment	2,543,923

Notes Supporting the Consolidated Balance Sheet

Note 25 Movement in Investment Property, Heritage Assets, Intangible Assets and Assets Held for Sale

Balances as at 31 March 2025	Investment Property £'000	Heritage Assets £'000	Assets Held for Sale £'000	Intangible Assets £'000
Cost or Valuation	252,493	5,105	-	52,272
Accumulated Depreciation	-	-	-	(48,097)
Carrying Amount	252,493	5,105	-	4,175
Movements in Carrying Amount	Investment Property £'000	Heritage Assets £'000	Assets Held for Sale £'000	Intangible Assets £'000
As at 1 April 2024	270,175	5,105	10,192	6,338
Additions	678	-	-	-
Revaluation increases / (decreases) recognised in Revaluation Reserve	-	-	-	-
Revaluation increases / (decreases) recognised in the CIES	18,828	-	-	-
Depreciation	-	-	-	(2,163)
Disposals and Decommissioning	(1,479)	-	(10,192)	-
Reclassifications (to) / from Assets Held for Sale	-	-	-	-
Reclassifications (to) / from Property, Plant & Equipment	-	-	-	-
As at 31 March 2025	252,493	5,105	-	4,175

Notes Supporting the Consolidated Balance Sheet

Note 25 Movement in Investment Property, Heritage Assets, Intangible Assets and Assets Held for Sale continued:

Balances as at 31 March 2024	Investment Property £'000	Heritage Assets £'000	Assets Held for Sale £'000	Intangible Assets £'000
Cost or Valuation	270,175	5,105	10,192	52,270
Accumulated Depreciation	-	-	-	(45,932)
Carrying Amount	270,175	5,105	10,192	6,338

Movements in Carrying Amount	Investment Property £'000	Heritage Assets £'000	Assets Held for Sale £'000	Intangible Assets £'000
As at 1 April 2023	182,015	3,929	1,721	11,409
Additions	312	65	-	-
Revaluation increases / (decreases) recognised in Revaluation Reserve	-	623	-	-
Revaluation increases / (decreases) recognised in the CIES	62,046	-	-	-
Depreciation	-	-	-	(3,450)
Disposals and Decommissioning	(7,651)	(412)	(1,711)	(1,621)
Reclassifications (to) / from Assets Held for Sale	10	-	(10)	-
Reclassifications (to) / from Property, Plant & Equipment	33,443	900	10,192	-
As at 31 March 2024	270,175	5,105	10,192	6,338

Notes Supporting the Consolidated Balance Sheet

Note 26 Non-Current Assets Valuation

The Council carries out a programme that ensures that all property, plant and equipment required to be measured at current value is revalued at least every five years.

Valuations have been undertaken on behalf of the Council by external valuers having specialised knowledge in particular property types.

- Housing stock - Sanderson Weatherall
- Green belt property - Knight Frank LLP
- Retail portfolios - Spencer Craig Partnership Limited
- All other property - Sanderson Weatherhall

The valuations of land and buildings have been carried out in accordance with the methodologies and bases for estimation set out in the professional standards in the Red Book of the Royal Institution of Chartered Surveyors (RICS). Valuations of vehicles, plant, furniture and equipment are based on cost prices.

The following table demonstrates the year of valuation of the various categories of the Council's non-current assets, where applicable.

Revaluations	Council Dwellings £'000	Other Land & Buildings £'000	Vehicles, Plant & Equipment £'000	Infrastructure Assets £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Investment property £'000	Heritage £'000	Assets Held for Sale £'000	Intangible Assets £'000	Total £'000
Carried at Historical / Depreciated Historical Cost	1	25,967	9,147	185,341	1,260	0	403,660	252,493	1,100	-	4,175	883,144
Valued at current value as at:												
31 March 2025	800,120	216,524	-	-	-	25,245	-	-	-	-	-	1,041,889
31 March 2024	112	690,152	-	-	80	-	-	-	940	-	-	691,284
31 March 2022	-	12,053	-	-	38,593	68,679	-	-	3,065	-	-	122,390
31 March 2021	-	12,973	-	-	-	25	-	-	-	-	-	12,998
31 March 2020	-	-	-	-	-	-	-	-	-	-	-	-
Total Cost or Valuation	800,233	957,669	9,147	185,341	39,933	93,949	403,660	252,493	5,105	-	4,175	2,751,705

Notes Supporting the Consolidated Balance Sheet

Note 27 Surplus Assets

These assets are recorded at fair value and are classified according to the level of observable inputs, as per RICS and CIPFA guidance.

For all valuations as at 31 March 2025, the level of observable inputs were all deemed to be Level 2. This includes the value of the Meridian Water assets.

Level 2

2024/25	1 April 2024 £'000	Transfers In £'000	Transfers Out £'000	Additions £'000	Disposals £'000	Fair Value Movements £'000	31 March 2025 £'000
Land	76,344	-	(4,870)	9,031	(12,173)	-	68,332
Buildings	-	-	-	-	-	-	-
	76,344	-	(4,870)	9,031	-	-	68,332

Level 2

2023/24	1 April 2023 £'000	Transfers In £'000	Transfers Out £'000	Additions £'000	Disposals £'000	Fair Value Movements £'000	31 March 2024 £'000
Land	420,000	-	(314,258)	42,259	(2,250)	(69,407)	76,344
Buildings	-	-	-	-	-	-	-
	420,000	-	(314,258)	42,259	-	(69,407)	76,344

Notes Supporting the Consolidated Balance Sheet

Note 28 Investment Properties

The fair value of the Council's investment property is measured annually at each reporting date. For 2024/25 the fair value for investment properties has been certified by RICS qualified valuers (Knight Frank, Spencer Craig & Sanderson Weatherhall) based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area.

In estimating the fair value of the Council's investment properties, the highest and best use of the properties is their current use. There has been no change in the valuation techniques used during the year for investment properties.

The fair value of investment properties at 31 March is analysed as follows:

31 March 2024		31 March 2025
£'000		£'000
121,789	Land	123,857
48,305	Commercial Units	49,880
30,856	Shops	31,050
69,225	Other	47,706
270,175	Total	252,493

The following items are included in the investment property lines in the CIES and Balance Sheet:

31 March 2024		31 March 2025
£'000		£'000
(8,927)	Rental and Service Charge Income from Investment Property	(9,827)
2,966	Related Operating Expenses	2,135
(62,046)	Changes in Fair Value ((Increase)/Decrease)	(18,828)
(68,007)	Net (gain)/loss	(26,520)

Notes Supporting the Consolidated Balance Sheet

Note 28 Investment Properties continued:

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on its right to the remittance of income and the proceeds of disposal, except for a number of covenants and other contractual restrictions attached to the rural estate that do not have a material impact on fair value. The movement in the fair value of investment properties over the year is summarised above.

Market conditions for these asset types are such that the levels of observable inputs are significant leading to the majority of the properties being categorised at Level 2 in the fair value hierarchy. This is because the Council's shops and residential properties are assessed with readily available market data with the vast majority of professional judgement calls in relation to that market data. However, the Council's rural estate relies on confidential information of private sales and detailed reviews of covenants, contracts and legislative terms and conditions of various agricultural Acts and are Level 3 valuations.

There were no transfers between any of the three levels during 2024/25 or the preceding year.

The breakdown of the Level 3 Properties for 2023/24 and 2024/25 is as follows:

31 March 2025	Land £'000	Commercial Units £'000	Total £'000
Opening Balance	28,563	5,768	34,331
Additions	919	-	919
Disposals	-	-	-
Unrealised Gains/Losses	27	(4)	23
Closing Balances	29,509	5,764	35,273

31 March 2024	Land £'000	Commercial Units £'000	Total £'000
Opening Balance	27,812	5,686	33,498
Additions	312	-	312
Disposals	-	(26)	(26)
Unrealised Gains/Losses	439	108	547
Closing Balances	28,563	5,768	34,331

Notes Supporting the Consolidated Balance Sheet

Note 29 Intangible Assets

The Council's intangible assets comprise non-financial' fixed assets that do not have physical substance but are identifiable and are controlled by the Council through custody or legal rights., whose cost is amortised over a three to five year period.

Movements in the carrying value over the year are summarised in note 26.

Notes Supporting the Consolidated Balance Sheet

Note 30 Capital Expenditure and Capital Financing

31 March 2024				31 March 2025		
General Fund £'000	Housing Revenue Account £'000	Total £'000		General Fund £'000	Housing Revenue Account £'000	Total £'000
1,022,553	296,780	1,319,333	Opening Capital Financing Requirement	1,030,382	380,057	1,410,439
519	(519)	-	Correction between HRA and GF, in-line with Balance Sheet	(43)	43	-
			Opening Balance adjustment for IFRS16 Leases	31,452		31,452
1,023,072	296,261	1,319,333	Revised Opening Capital Financing Requirement	1,061,791	380,100	1,441,891
			Capital Investment:			
63,227	104,346	167,573	Property, Plant and Equipment (PPE)	102,052	117,134	219,186
12,028	-	12,028	Infrastructure Assets	15,960	-	15,960
312	-	312	Investment Properties	678	-	678
-	-	-	Intangible Assets	-	-	-
-	-	-	Right of Use Assets	19,326	-	19,326
2,952	3,847	6,799	Revenue Expenditure Funded from Capital Under Statute	4,988	94	5,082
65	-	65	Heritage Assets	-	-	-
13,720	-	13,720	Companies Investment	17,682	-	17,682
(10,842)	10,842	-	Housing Stock transfer between GF and HRA	(26,775)	26,775	-
81,462	119,035	200,497	Total Capital Investment	133,911	144,003	277,914
			Sources of Finance			
(4,552)	(16,529)	(21,081)	Capital Receipts	(5,722)	(23,672)	(29,394)
(45,914)	(8,310)	(54,224)	Government Grants and Contributions	(99,271)	(46,493)	(145,764)
-	(10,400)	(10,400)	HRA Major Repairs Reserve	-	(7,712)	(7,712)
(37)	-	(37)	Direct Revenue Contributions	(64)	(18,257)	(18,321)
(19,300)	-	(19,300)	Minimum Revenue Provision	(17,847)	-	(17,847)
-	-	-	IFRS16 Leases Repayment (Minimum Revenue Provision)	(6,489)	-	(6,489)
(547)	-	(547)	Repayment of Loans	(1,400)	-	(1,400)
(4,233)	-	(4,233)	Decrease in PFI Contract Liabilities	(4,897)	-	(4,897)
467	-	467	Correction of over accrued income prior year	-	-	-
(36)	-	(36)	Correction to reconcile to Balance Sheet	-	-	-
			IFRS16 Leases- Reassessment of Vehicles previously under PPE	(117)	-	(117)
(74,152)	(35,239)	(109,391)	Total Sources of Finance	(135,807)	(96,134)	(231,941)
1,030,382	380,057	1,410,439	Closing Capital Financing Requirement	1,086,670	401,194	1,487,864
7,310	83,277	91,106	Increase in underlying need to borrow	24,879	21,094	45,973
7,310	83,277	91,106	Increase in Capital Financing Requirement	24,879	21,094	45,973

Notes Supporting the Consolidated Balance Sheet

Note 31 Capital Commitments

The Council has entered into a number of contracts for the construction or enhancement of property, plant and equipment. Significant contractual commitments at 31 March 2025 total £131.5m (£178.1m as at 31 March 2024). Details are below:

31 March 2024	Schemes	31 March 2025
£'000		£'000
38	Children & Family Services	341
-	Customer Experience & Change	-
40	Digital Data & Technology	36
6,913	Education	2,141
1,093	Environment & Operations	3,134
37,521	HRA	53,911
132,123	Meridian Water	71,182
435	Property & Economy	760
178,163	Total	131,505

Notes Supporting the Consolidated Balance Sheet

Note 32 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Non-contractual transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

Financial Instruments - Assets

The financial assets disclosed in the Balance Sheet are analysed in the table below by basis of valuation:

31 March 2024			31 March 2025	
Long-term	Short-term		Long-term	Short-term
£'000	£'000		£'000	£'000
		Fair Value through Profit or Loss		
		Debtor		
13,583	-	Loan to LVHN	15,312	-
		Amortised Cost		
		Debtor		
-	-	Loans to LVHN	-	-
89,579	-	Loans to HGL	91,898	-
-	-	Accrued Interest on above loans	-	-
138	-	School Loans	96	-
-	44,850	Trade Debtors	-	30,926
1,427	-	Finance Lease	1,427	-
8,269	-	Other Debtors	5,619	5,000
-	53,765	Cash and Cash Equivalents	-	79,559
112,996	98,615	Total	114,352	115,485

Notes Supporting the Consolidated Balance Sheet

Note 32 Financial Instruments continued:

The Council has entered into a 50:50 Joint Venture with Henry Boot Construction Ltd to redevelop the Montagu Industrial Estate. Montagu 406 Regeneration LLP was incorporated on the 1 February 2018 and the Joint Special Purpose Vehicle agreement signed on 22 February 2018. The company is trading but not yet in position to distribute surpluses to the Joint Venture partners. The Council has transferred land to Montagu 406 Regeneration LLP to support the development of the estate. The land was valued at £6.16m and a long-term debtor has been created on the balance sheet.

Cash and cash equivalents increased by £25.8m. Most of this increase related to cash balances that were held in Money Market Funds and call accounts used to support daily cashflow operational requirements. The Council also set up a new Call account during the year to optimise returns which held £7.3m at the end of the year.

31 March 2024		31 March 2025		Change
£'000	Cash and Cash Equivalents movement	£'000	£'000	£'000
20	Petty Cash	13		(7)
56,140	Money Market Funds	72,765		16,625
-	Call Accounts	7,323		7,323
(18,586)	Cash In Transit	(12,910)		5,676
3,876	Bank	1,731		(2,145)
12,315	School Loans	10,637		(1,678)
53,765	Cash and Cash Equivalents	79,559		25,794

As at 31 March 2025 Loans advanced to Housing Gateway Limited (HGL) were valued on a cash basis at £141.9m and were categorised as soft loans, i.e. loans that are issued at sub-market interest rate. However, of this valuation, and in accordance with soft loan accounting, £50m was categorised as a long-term investment and is deemed as equity. Equity investments are not classed as a financial instrument and are considered outside of this note. The equity investment has arisen due to a difference between amortised cost valuation and cash basis valuation.

There was a net change of £9m in the nominal loan balance for HGL made up of new advances of £10m offset by repayments of £1m. The value of the element that is classified as a long-term debtor loan increased by the same amount from £89.5m to £98.5m. The impact of soft loan accounting has in an increase in this element of £6.6m from £43.4m to £50m. A high-level reconciliation is shown below.

Notes Supporting the Consolidated Balance Sheet

Note 32 Financial Instruments continued:

31 March 2024			31 March 2025		
HGL	LVHN		HGL	LVHN	
£'000	£'000	Company Loan Accounting	£'000	£'000	
126,772	33,941	Opening loan balance (cash basis)	132,952	43,285	
6,500	10,893	New loans advanced in year	10,000	8,809	
(320)	(1,549)	Loans repaid in year	(1,050)	(386)	
132,952	43,285	Closing nominal loan balance (cash basis)	141,902	51,708	
(43,373)	(4,627)	Value of long-term investment (Equity) that has risen upon soft loan accounting	(50,004)	(6,066)	
-	(25,075)	Loan Impairment	-	(30,329)	
89,579	13,583	Value of long-term debtors' loans	91,898	15,313	

Loans advanced to Lee Valley Heat Network Limited (LVHN) were valued on a cash basis at £51.7m as at 31 March 2025 and were also categorised (in part) as soft loans. New loans of £8.8m were advanced by the Council to LVHN to support ongoing capital works for the construction of a heat network. £386k of loan capital was repaid by LVHN to the Council in the year. In accordance with soft loan accounting, £6.1m was categorised as a long-term investment and is deemed equity. The Council impairs loans advanced to LVHN as a prudent assessment of the inherent business risk of lending to an organisation that does not yet have large cash inflows and will be substantially dependent on events in the medium-term future. The total value of the LVHN loan impairment as at 31 March 2025 was £30.3m.

Notes Supporting the Consolidated Balance Sheet

Note 32 Financial Instruments continued:

Financial Instruments – Liabilities: The financial liabilities disclosed in the Balance Sheet are analysed across the following categories:

31 March 2024*			31 March 2025	
Long-term	Short-term		Long-term	Short-term
£'000	£'000		£'000	£'000
		Amortised Cost		
		Borrowings		
(1,188,110)	(62,117)	Principal	(1,225,813)	(60,148)
-	(7,987)	Accrued interest	-	(8,084)
		Creditors		
(829)	(1,570)	PFI - Highlands School	-	(829)
(6,913)	(1,128)	PFI - Street lighting	(5,204)	(1,099)
(9,918)	(1,749)	PFI - Starksfield & Refurbishment	(8,106)	(1,972)
(1,364)	(277)	Finance leases	(39,443)	(6,409)
-	(70,468)	Trade creditors	-	(92,439)
-	(1,260)	Cash and Cash Equivalents	-	(1,262)
(1,207,134)	(146,556)	Total	(1,278,566)	(172,242)

During the financial year, the Council had repaid short-term principal debt of £64.2m. This was mainly comprised of reclassified long-term PWLB debt (£44.5m) and Local Authority and other short-term loans (£19.7m).

There were no changes in contract terms for financial instrument liabilities during the reported period. The Council does not offset financial assets and financial liabilities on its balance sheet.

Soft Loans made by the Council

A soft loan is where the rate of interest charged is below that of market rates for comparable organisations and the Council has made material soft loans to two wholly owned subsidiaries, Housing Gateway Limited (HGL) and Lee Valley Heat Network Limited (LVHN).

For HGL, of the total £141.9m outstanding nominal loan, proper accounting practice requires that £50m is deemed to be “investment in the subsidiary” and this is detailed in Note 19 Related Parties and Group Structure. It represents the benefit of the reduced interest rate. The remaining balance (£91.9m) is held at amortised cost as a long-term debtor.

For LVHN, the valuation has been more complex due to it being an innovative start-up company, which by their very nature are deemed to be of a higher business risk. Of the total £51.7m outstanding nominal loan, proper accounting practice required that £6.1m be deemed to be investment in subsidiary, £15.3m

Notes Supporting the Consolidated Balance Sheet

Note 32 Financial Instruments continued:

as a long-term debtor, with the balance (£30.3m) being a prudent assessment of the inherent business risk of lending to an organisation that does not yet have large cash inflows and subsequently impaired mainly through the Capital Adjustment Account and the CIES. The basis of the fair value valuation is an assessment of the recoverable amounts in the case of a default, and then taking the probability of default happening, estimated by means of standard industry benchmarks. Full movements on loans, and their recognition on the balance sheet, are given below.

31 March 2024			31 March 2025	
HGL	LVHN		HGL	LVHN
£'000	£'000		£'000	£'000
		Total Loans (nominal values)		
126,772	33,941	Opening Balance	132,952	43,285
6,500	10,893	New Loans Granted	10,000	8,809
(320)	(1,549)	Loans Repaid	(1,050)	(386)
132,952	43,285	Closing Balance of nominal loans	141,902	51,708
		<i>. . . of which:</i>		
-	8,274	Loans at Market Rates	-	9,379
132,952	35,011	Loans at Sub-Market Rates	141,902	42,329
132,952	43,285		141,902	51,708
		Loans are shown on the Balance Sheet as:		
89,579	-	Debtors at Amortised Cost	91,898	-
-	13,583	Debtors at Fair Value	-	15,312
89,579	13,583	Total	91,898	15,312
(43,373)	(29,703)	Difference to nominal loan value	(50,004)	(36,395)
43,373	4,627	Loan element classified as investment in subsidiary (Equity) and not deemed as a financial instrument	50,004	6,066
-	24,149	Impairment charged to Capital Adjustment Account (Cumulative)	-	28,855
-	927	Impairment charged to CIES (Cumulative)	-	1,474
-	-	Soft Loan Reconciliation Total	-	-

Notes Supporting the Consolidated Balance Sheet

Note 32 Financial Instruments continued:

Expected Credit Loss Model

Under IFRS 9 the Council is required to undertake an annual impairment assessment of qualifying financial assets for expected credit losses occurring over the lifetime of the asset. Accordingly, at 31 March 2025 the Council had advanced loans of £51.7m to LVHN, but the loans on the Balance Sheet were valued at £21.4m (inclusive of the loan element that is classified as Equity investment due to soft loan accounting). The residual amount of £30.3m has been charged to the CIES over the last five years as an impairment charge, of which £28.9m has been reversed to the Capital Adjustment Account, as these were capital charges associated with loans used for capital purposes. As the loans are reviewed annually, impairments may be reversed in the future. The loan schedule has remained at the original nominal amount, all principal payments to date have still been received to date and the Council expects the entire loan to be repaid in full, with interest. There were no defaults in loan repayments during the financial year.

The Council has also assessed the HGL loans under IFRS 9 for an expected credit loss allowance provision. As at 31 March 2025 there was no requirement to set aside a provision to cover twelve months expected credit losses for HGL as the assessment had proved the impact to be immaterial. Any such losses, should they occur as evidenced in the IFRS 9 assessment, would be absorbed by Council balances. There were no defaults in loan repayments during the financial year

Financial Instruments - Gains and Losses

The gains and losses recognised in the surplus or deficit on the provision of services in relation to financial instruments consist of the following items:

31 March 2024		31 March 2025
£'000	Net (gains)/losses on:	£'000
254	Financial Assets at Fair Value in Profit and Loss	547
-	Financial Assets at Amortised Cost	-
-	Financial Liabilities at Amortised Cost	-
(8,697)	Interest Revenue	(12,825)
36,407	Interest Expense	44,536
27,964	Total	32,258

The £0.5m debit charge against Financial assets at fair value in profit and loss relates the impairment assessment of the LVHN loans. The debit has arisen due mainly to an extension of the term of working capital support for Energetik.

Notes Supporting the Consolidated Balance Sheet

Note 32 Financial Instruments continued:

Both revenue and capital categorised loans are impaired, with capital impairment being reversed out of the Comprehensive Income & Expenditure Statement and into the Capital Adjustment Account. Impairment associated with revenue loans is charged directly to the General Fund and impacts on Council balances. New regulations applying to loans agreed after 7th May 2024 are aimed at ensuring adequate MRP provision is made for loans for capital purposes. A review of the loans has concluded no MRP adjustment is required.

Financial Instruments - Fair Values

The Council's financial instrument assets are all classified and carried in the Balance Sheet at amortised cost except for the loans to LVHN, which are held at fair value through profit and loss. This note provides a comparison of those valuations with fair values estimated by calculating the net present value of the remaining contractual cash flows at 31 March using the following methods and assumptions:

- Borrowings of 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 (Public Works Loan Board (PWLB) new loan rate). The calculation has been determined by adopting the PWLB redemption calculation.
- The fair values of other long-term loans have been discounted at the market rates using the Public Works Loan Board new loan rate with similar remaining terms to maturity on 31 March. The calculation has been determined by adopting the PWLB redemption calculation.
- The fair value of short-term instruments, including trade payables and receivables; cash and cash equivalents is assumed to be approximate to the carrying amount given the low and stable interest rate environment.
- The fair value of Cash and cash equivalents is assumed to be the carrying value.
- The fair value of PFI and lease contracts has been determined by discounting the contractual cash flows over the whole life of the instrument at the UK Government Gilt (AA rated) rate with similar remaining terms to maturity on 31 March.
- The fair value for HGL is assumed to approximate to the carrying amount.
- The fair value for LVHN loans is based on a credit impairment assessment and the balance sheet value reflects such impairment. The impairment has been calculated by discounting the loan cashflows using an appropriate discount rate that reflects the credit quality of LVHN and the annual average UK money market rate.
- 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. With respect to LVHN, fair value of loans has been assessed using an appropriate discount rate that is reflective of the inherent business risk.

Notes Supporting the Consolidated Balance Sheet

Note 32 Financial Instruments continued:

31 March 2024**				31 March 2025	
Carrying amount £'000	Fair Value £'000		Fair Value Level	Carrying amount £'000	Fair Value £'000
Financial Liabilities:					
(1,258,214)	(1,049,662)	Total Borrowing	2	(1,294,045)	(1,031,811)
(23,747)	(20,968)	PFI and Finance Lease Liabilities*	2	(63,062)	(63,062)
(1,260)	(1,260)	Cash and Cash Equivalents	N/A	(1,262)	(1,262)
(70,468)	(70,468)	Trade Payables (Creditors)	N/A	(92,439)	(92,439)
(1,353,689)	(1,142,358)	Total Financial Liabilities		(1,450,808)	(1,188,574)
Financial Assets:					
89,579	89,579	Long Term Loans to HGL	2	91,898	91,898
43,285	13,583	Long Term Loans to LVHN	3	51,708	15,312
138	138	Long Term School Loans	N/A	96	96
1,427	1,427	Finance Leases	N/A	1,427	1,427
8,269	8,269	Other long-term debtors	N/A	585	585
44,850	44,850	Trade Receivables (Debtors)	N/A	30,926	30,926
53,765	53,765	Cash and Cash Equivalents	N/A	79,559	79,559
241,313	211,611	Total Financial Assets		256,199	219,803

The fair value for total borrowings reflects the increase in PWLB rates as a result of the underlying increase in UK Gilt rates during 2024/25. The reduction in the fair value of borrowings represents a discount that would be achieved if the Authority had prematurely repaid its total loans at 31 March due to the discount rate being higher than the fixed interest rates of the loans within the portfolio.

Transfers between Levels of the Fair Value Hierarchy - There were no transfers between input levels 1 and 2 during the year.

Changes in the Fair Valuation Technique - There was no change in the valuation technique used during the year for financial instruments.

Nature and Extent of Risks arising from Financial Instruments

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

Notes Supporting the Consolidated Balance Sheet

Note 32 Financial Instruments continued:

In line with the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The 2025/26 Treasury Management Strategy was approved at the Council's meeting on the 27th February 2025. 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 Department for Levelling Up, Housing and Communities (DLUHC) 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.
- Re-financing risk: the possibility that the Council may be required to renew a financial instrument upon maturity at disadvantage interest rates or terms.
- 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: Loans to Subsidiary Companies

In furtherance of the Council's service objectives, the Council has committed to lend money to HGL and LVHN should it be requested to do so at market rates of interest. In the case of HGL the Council has committed to lend money at interest rates equal to the Council's own cost of borrowing, PWLB rates, which is below the market rates. The Council manages the credit risk inherent in its loan commitments by:

- Wholly owning the companies
- Ensuring the council has first right of call on assets in the event of default
- Obtaining assurance that there is sound governance and controls in place within the companies referred to above

For HGL expected credit losses have been estimated and been found to be immaterial over a range of scenarios.

For LVHN, the council has recognised that there is a credit risk and has adjusted the book value downwards accordingly (from £33.9m to £14.5m), by applying an appropriate discount factor. This is reviewed annually.

Notes Supporting the Consolidated Balance Sheet

Note 32 Financial Instruments continued:

Credit Risk: Investments

The Council manages credit risk by ensuring that investments are only placed with organisations of high credit quality as set out in the treasury management strategy. These include the UK government, other local authorities, 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.

A limit of £25m of the total portfolio is placed on the amount of money that can be invested with a single counterparty (other than the UK government) and for unsecured investments in banks, building societies and companies. The Council also sets limits on investments in certain sectors. No more than £25m in total can be invested for a period longer than one year.

The table below summarises the credit risk exposures of the Council's investment portfolio by credit rating:

31 March 2024			31 March 2025		
Long Term	Short Term	Credit Rating	Long Term	Short Term	
£'000	£'000		£'000	£'000	
-	56,140	AAA	-	80,088	
-		A+	5,000	5,000	
-	56,140	Total	5,000	85,088	

Cash balances held in Money Market Funds (AAA and A+) and Call Accounts (A+) as illustrated in the above table increased during the financial year by 43% to finance the Council's daily cashflow requirement including the repayment of unused Government grants, maturing debt and the capital programme. Cash held in such instruments is easily accessible and is available upon demand if required. Credit ratings for Money Market Funds and Call Accounts have been obtained from the main credit rating agencies and the lowest rating has been assigned per instrument.

The Council loaned a further £10m to two other Council at £5m each following credit and reputational checks. Once of these is due within one year and included in the table above, the other due after one year and shown within long term investments. £10m was chosen as this is the minimum investment required by the Markets in Financial Instruments Directive (MIFID) to maintain professional status and receive enhanced treasury advice.

The Council holds £80.1m of liquid financial assets that can be withdrawn or sold at short notice if required to meet cash outflows on financial liabilities.

Notes Supporting the Consolidated Balance Sheet

Note 32 Financial Instruments continued:

Credit Risk: Trade and Lease Receivables

Customers for goods and services are assessed on their financial position, experience and other factors, and are further considered with parameters set by the Council. Trade debtors are general debtors to the Council, and do not include Government departments, other local authorities or housing rents. The Council does not generally allow credit for its trade debtors. Debt not assessed individually have been assessed on a collective basis based on unique method for each service area. Debtors are written off (i.e. derecognised) when there is no reasonable expectation of recovery. During the reporting period the Council held no collateral as security.

Notes Supporting the Consolidated Balance Sheet

Note 32 Financial Instruments continued:

Liquidity Risk

The Council has ready access to borrowing at favourable rates from the PWLB and other local authorities, 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 that no more than 30% of the Council's borrowing matures in any one financial year.

Liquidity Risk Disclosure 2024/25 (Undiscounted)	<1 Year £000s	1-2 Years £000s	2-5 years £000s	5-10 Years £000s	10-20 Years £000s	20- 40 Years £000s	> 40 years £000s	Total £000s
Borrowing	60,148	51,551	176,810	294,824	294,337	293,292	115,000	1,285,961
Trade Payables	92,439	-	-	-	-	-	-	92,439
Lease payables	3,900	3,143	9,172	994	-	-	-	17,209
Finance Leases	6,409	3,893	7,107	11,032	7,432	9,979	-	45,852
Total Financial Liabilities	162,896	58,587	193,089	306,850	301,769	303,271	115,000	1,441,462
Liquid Financial Assets	79,559	-	-	-	-	-	-	79,559
Net Liquidity Risk	83,337	58,587	193,089	306,850	301,769	303,271	115,000	1,361,903

Liquidity Risk Disclosure 2023/24 (Undiscounted)	<1 Year £000s	1-2 Years £000s	2-5 years £000s	5-10 Years £000s	10-20 Years £000s	20- 40 Years £000s	> 40 years £000s	Total £000s
Borrowing	62,117	44,998	157,054	258,410	309,408	288,241	130,000	1,250,227
Trade Payables	70,468	-	-	-	-	-	-	70,468
Lease payables	4,446	6,943	9,386	1,331	-	-	-	22,106
Finance Leases	227	447	578	239	-	-	-	1,641
Total Financial Liabilities	137,308	52,388	167,118	259,980	309,408	288,241	130,000	1,344,441
Liquid Financial Assets	53,765	-	-	-	-	-	-	53,765
Net Liquidity Risk	83,543	52,388	167,118	259,980	309,408	288,241	130,000	1,290,676

Notes Supporting the Consolidated Balance Sheet

Note 32 Financial Instruments continued:

Refinancing and Maturity Risk

The Authority maintains a significant debt portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the Authority relates to managing the exposure to replacing financial instruments as they mature. The risk relates to the maturing of long- term financial liabilities.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters. This includes:

- Monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- Monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Authority's day to day cash flow needs

Notes Supporting the Consolidated Balance Sheet

Note 32 Financial Instruments continued:

The maturity analysis of debt held by the Council at 31 March is as follows:

31 March 2024			31 March 2025			
Principal £'000	Interest £'000	Portion %		Principal £'000	Interest £'000	Portion %
Short Term						
62,117	37,040	4.97%	1 Year	69,909	39,017	5.44%
Long Term						
44,998	35,430	3.60%	1-2 Years	55,203	37,473	4.29%
157,054	98,090	12.56%	2-5 years	193,121	102,093	15.02%
258,410	134,220	20.67%	5-10 Years	290,156	134,583	22.56%
268,623	94,260	21.49%	10-15 Years	240,525	88,951	18.70%
40,785	73,060	3.26%	15-20 Years	34,137	71,970	2.65%
62,853	65,330	5.03%	20-25 Years	67,138	62,646	5.22%
102,091	46,450	8.17%	25-30 Years	87,695	41,846	6.82%
39,508	28,300	3.16%	30-35 Years	44,288	26,192	3.44%
83,789	18,030	6.70%	35-40 Years	88,789	15,591	6.90%
25,000	8,350	2.00%	40-45 Years	90,000	7,702	7.00%
105,000	2,050	8.40%	45+ Years	25,000	574	1.94%
1,250,227	640,610	100%		1,285,961	628,637	100%
Short Term						
-	7,987		Accrued Interest	-	8,084	
1,250,227	648,597		Total	1,285,961	636,721	

Notes Supporting the Consolidated Balance Sheet

Note 32 Financial Instruments continued:

The total interest commitment on all outstanding borrowing (as shown in the table above) if all borrowing is held to maturity is £640.6m.

During 2024/25 the Council serviced its debts in a timely manner and there was no breach of any loan covenants or default on loan repayments. The Council repaid back £64.2m of loan capital and raised new loans of £100m (£90m long-term PWLB loans; £10m short term local authority loans). The table below summarises debt and other long-term liabilities outstanding at 31 March 2025:

31 March 2024		31 March 2025
£'000	Loans and other long-term liabilities outstanding (nominal value)	£'000
1,129,653	Public Works Loans Board	1,168,661
58,132	Market Debt	57,152
325	Other Loans	-
1,188,110	Long Term Borrowing	1,225,813
62,117	Temporary Borrowing	10,000
-	Other Loans Less than 1 year	50,148
7,987	Accrued Interest	8,084
1,258,214	Long & Short-Term Borrowing	1,294,045
23,747	Deferred Liabilities – PFI and finance leases	63,061
1,281,961	Total	1,357,106

Market Risk

Price Risk: Price risk is the risk that the Council will suffer loss as a result of adverse movements in the price of financial instruments. The Council does not hold any financial instruments that are exposed to volatile market prices. The Council does hold several money market funds where the underlying unit prices of instruments held within the fund are exposed to low volatility price movements but trade close to £1 per unit. Such price movements do not impact on the Councils cash balances. Money market funds are further discussed in the Equity Instruments section.

Foreign Exchange Risk: The Council has no financial asset or liabilities denominated in a foreign currency. It therefore has no exposure to loss arising as a result of adverse movements in exchange rates.

Interest Rate Risk: The Council is exposed to significant 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 illustration, a rise in interest rates would have the following effects:

- For borrowings at variable rates the interest expense charged to the Comprehensive Income and Expenditure Account will rise;
- For borrowings at fixed rates the fair value of the borrowings will fall (no impact on revenue balances);
- For investments at variable rates the interest income credited to the Comprehensive Income and Expenditure Account will rise;
- For investments at fixed rates the fair value of the assets will fall (no impact on revenue balances).

Notes Supporting the Consolidated Balance Sheet

Note 32 Financial Instruments continued:

Borrowings are not carried at fair value (but are carried on the Balance Sheet at amortised cost) so nominal gains and losses on fixed rate borrowings would not impact on the on the Comprehensive Income and Expenditure Statement.

The Authority has several strategies for managing interest rate risk. The treasury management strategy aims to mitigate these risks by setting an upper limit of £4.5m additional cost due to interest fluctuations. At 31 March 2025, 100% of the debt portfolio was held in fixed rate instruments, and none in variable rate instruments. During periods of falling interest rates and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget quarterly during the year. This allows any adverse changes to be accommodated. The analysis will also advise on the term and loan product to ensure interest and maturity risks are addressed.

The approved Treasury Management Strategy for 2025/26 has enabled Officers to place surplus funds with financial institutions to generate investment income. According to the investment strategy, if interest rates had been 1% higher at 31 March 2024, with all other variables held constant, the financial effect would be:

31 March 2024 £'000	Interest Rate Risk	31 March 2025 £'000
Nil	Increase in interest payable on variable rate borrowings	(336)
Nil	Increase in interest receivable on variable rate investments	733
-	Impact on Comprehensive Income and Expenditure Account	397
(149)	Increase in interest payable on HRA cash balances*	(269)
-	Increase in fair value of fixed rate investment assets	-
487	Increase in fair value of investment assets held at FVPL	187
487	Impact on Other Comprehensive Income and Expenditure*	187
109,478	Decrease in fair value of fixed rate borrowings liabilities*	78,253

*No impact on Comprehensive Income and Expenditure.

The impact of a 1% fall in interest rates would result in a similar variance, but with the movements reversed. The calculation is based on the PWLB discount rate (for new loans) used in the original fair value calculation, plus 1%. There is a nil effect on variable rate investments and borrowings as the Authority had no such variable rate instruments during the year.

Notes Supporting the Consolidated Balance Sheet

Note 32 Financial Instruments continued:

Equity Instruments

As at 31 March 2025, the Council held cash balances across six Sterling money market investment funds with a nominal balance of £72.8m. The funds have been valued at "Fair Value through Profit & Loss" (FVP&L) in accordance with the IFRS 9 (Financial Instruments) standard. The investment funds do not provide contractual cash flows to the Authority that are solely payments principal and interest on the outstanding investment balance in a manner that are consistent with basic lending arrangements. There is no possibility of default on contractual payment and consequently there is no impairment loss allowance set aside.

The investment funds are held for treasury management purposes and support the Council's daily liquidity requirements. Money market funds are a useful investment instruments that are low risk and simultaneously enhance returns. All money market funds that the Council subscribes to are AAA rated by the main credit rating agencies and domiciled in the UK or Europe. In accordance with European money markets reform both funds are categorised as Low Volatility Net Asset Valuation Funds (LVNAV). As a result of the LVNAV categorisation the fair value of the money market fund is equivalent to the carrying amount.

31 March 2024		Money Market Funds (MMFs) held at Fair Value Through Profit and Loss	31 March 2025	
Carrying Amount £'000	Fair Value £'000		Carrying Amount £'000	Fair Value £'000
-	-	Long-term	-	-
56,140	56,140	Short-term	72,765	72,765
56,140	56,140	Total	72,765	72,765
(3,304)	(3,304)	Dividends distributed by MMFs during 2024/25	(6,404)	(6,404)

The Council received monthly dividends equating to £6.4m during 2024/25 on balances held in the money market funds, which has been credited to the Comprehensive Income and Expenditure account under Financing Investment Income and Expenditure. The dividends relate to interest accrued daily on balances held in the funds that the Council subscribed to during the financial year. The increased income is due mainly to higher balances being held for the Council's working capital demands combined with higher than expected yields.

Notes Supporting the Consolidated Balance Sheet

Note 33 Short Term Debtors

31 March 2024		31 March 2025	
£'000	Short Term Debtors	£'000	
44,849	Sundry Debtors	44,981	
1,053	Central Government Debtors	10,491	
2,196	Business Rate Debtors	540	
5,837	Payments In Advance	6,011	
21,909	Tax Debtors	9,733	
8,428	Rent Debtors	2,832	
9,321	Council Tax Debtors	8,559	
11,115	Housing Benefit Overpayments	9,751	
1,670	Court Costs	1,564	
3,880	Local Government Debtors	3,389	
9,753	NHS Debtors	14,780	
8,613	Leaseholder Debtors	8,302	
89	Other Debtors	80	
128,713	Total	121,013	

The debtors below are for the entire Collection Fund:

31 March 2024		31 March 2025	
£'000	Local Taxation Debtors	£'000	
Council Tax			
13,140	Under 1 year	18,690	
26,072	Over 1 Year	29,767	
39,212	Total Council Tax	48,457	

National Non-Domestic Rates			
7,154	Under 1 year	7,592	
16,446	Over 1 Year	11,380	
23,600	Total National Non-Domestic Rates	18,972	

Notes Supporting the Consolidated Balance Sheet

Note 34 Cash and Cash Equivalents

Cash and cash equivalent assets comprise of cash in hand and demand deposits. Cash and cash equivalent liabilities represent balances which arise from time to time as a result of the Council's day to day cash management and are not arrangements for borrowing. Balances classified as 'cash equivalents' fit the definition of being short-term, highly liquid deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The cash and cash equivalent assets and liabilities held by the Council are as follows:

31 March 2024	Type	31 March 2025
£'000		£'000
20	Petty Cash	13
56,140	Money Market Funds	72,765
-	Call Accounts	7,323
(18,586)	Cash in Transit	(12,910)
3,876	Bank	1,731
12,315	School Loans	10,637
(1,144)	Trust Funds	(1,193)
(116)	Credit	(69)
52,505	Cash and Cash Equivalents	78,297

Notes Supporting the Consolidated Balance Sheet

Note 35 Short Term Payables

This refers to amounts due to be paid within one year of the balance sheet date:

31-Mar-24		31-Mar-25
£'000		£'000
(4,134)	Deposits	(4,095)
(74,915)	Sundry Creditors	(100,173)
(2,226)	Business Rate Creditors	(2,094)
(4,446)	Lease Creditors	(3,899)
(5,624)	Council Tax Creditors	(6,601)
(3,494)	Central Government Creditors	(14,912)
(6,578)	Local Government Creditors	(4,507)
(5,505)	Rent Creditors	-
(277)	Property Lease Creditors	(417)
-	- TA Lease Creditors	(5,763)
-	- Vehicles Lease Creditors	(229)
(906)	Leaseholder Creditors	-
(9,176)	Leave Creditors	(9,412)
(117,281)	Total	(152,102)

Included in the short-term creditors are revenue grant receipts in advance. The details are in the note below.

Notes Supporting the Consolidated Balance Sheet

Note 36 Revenue Grant and Contributions - Receipts in Advance (Current)

2023/24*		2024/25
£'000	Revenue Grants Receipts In Advance	£'000
(8)	Local Restrictions Open and Additional Restriction Grants	(8)
-	- S31 Business Rates Grants	-
-	- Covid-19 Additional Relief Fund	-
(654)	Recovery Premium Funding	(122)
(216)	Self-Isolation Payments Funding	(216)
(878)	Covid Grant Receipts In Advance	(346)
(7,045)	Housing Benefits Subsidies	(20,889)
(1,926)	Family Hubs and Start for Life	(1,629)
-	- Revenue Support Grant	(2,034)
(2,248)	Other non-Covid Grants (under £1m)	(3,235)
(12,097)	Total	(28,133)

Note 37 Capital Grant and Contributions - Receipts in Advance (Non-Current)

31 March 2024		31 March 2025
£'000	Capital Grants Receipts In Advance	£'000
(14,120)	Building Council Homes for Londoners Grant	(33,394)
(6,909)	S106 Capital RIA	(9,137)
(538)	One Public Estate Grant	(365)
(94)	DLUHC - Local Authority Housing Fund	-
(21,661)	Total	(42,896)

Notes Supporting the Consolidated Balance Sheet

Note 38 Provisions

Provisions are liabilities which have arisen as at the balance sheet date wherein the Council has an obligation for future transfer of economic benefit as a result of a past event. Whilst there is some uncertainty on the amount and timing of the eventual transfer of economic benefit, the obligations have been recognised as expenditure in the accounts. Provisions are classified as either short term (those expected to be settled within 12 months of the balance sheet date) or as long term (those estimated to be settled after 12 months of the balance sheet date). The following table summarises the figures.

Classification and Description	Balance 1 April 2024 £'000	Raised in year £'000	Utilised in Year £'000	Written back to revenue in year £'000	Balance 31 March 2025 £'000
Short Term					
Legal	(1,709)	(289)	1,438	50	(510)
Insurance	(1,964)	(2,022)	1,964	-	(2,022)
Redundancy	(1,763)	(491)	1,763	-	(491)
Other Minor Provisions	-				
Short Term	(5,436)	(2,802)	5,165	50	(3,023)
Long Term					
Insurance	(5,442)	(6,175)	5,442	-	(6,175)
Business Rate Valuation Appeals	(3,839)	(5,755)	6,716	-	(2,878)
Long Term	(9,281)	(11,930)	12,158	-	(9,053)
Total Provisions	(14,717)	(14,732)	17,323	50	(12,076)

The largest provisions relate to: -

- i. The combined short and long-term insurance provisions total of £9.0m represents the estimated cost of claims against the Council's internal insurance fund projected to be made for all insured events at the balance sheet date. This figure is in line with conclusions made by the insurance actuary.
- ii. The £3.8m provision for business rate valuation appeals is Enfield's share of a total provision of £12.795m set out in more detail in the Collection Fund

Notes Supporting the Consolidated Balance Sheet

Note 39 Contingent Assets and Liabilities

Provisions are liabilities which have arisen as at the balance sheet date wherein the Council has an obligation for future transfer of economic benefit as a result of a past event. Whilst there is some uncertainty on the amount and timing of the eventual transfer of economic benefit, the obligations have been recognised as expenditure in the accounts. Provisions are classified as either short term (those expected to be settled within 12 months of the balance sheet date) or as long term (those estimated to be settled after 12 months of the balance sheet date).

Note 40 Other Long-Term Liabilities

This refers to amounts due to be paid more than one year after the balance sheet date:

31 March 2024		31 March 2025
£'000		£'000
(17,660)	Amounts due to be paid under PFI Contracts	(13,310)
(1,364)	Amounts due to be paid under other Leases	(39,443)
(19,024)	Total	(52,753)

Notes Supporting the Consolidated Balance Sheet

Note 41 Operating Leases

The Council derives economic benefit from occupying premises it does not own but rents under agreements in the form of operating leases, with typical lives of between 5 to 15 years.

The future lease payments due to be paid under these leases in future years are:

31 March 2024		31 March 2025
£'000		£'000
10,779	Not later than one year	79
8,994	Later than one year and not later than five years	63
44,984	Later than five years	-
64,757	Total	142

The Council also rents out land and buildings it owns to third parties in the form of operating leases. Under its investment property portfolio, the Council has over 800 operating leases of varying lease periods. These include industrial and retail properties, green belt agricultural tenancies and other recreational and commercial buildings. The table below sets out the future income profile arising from the most significant of these leases. Projected receipts assume that rent will continue at the current levels, which does not take account of the fact there will be future rent reviews, and where rent is partially based on the performance of the lessee, it is assumed that rental income will continue at the current level.

31 March 2024		31 March 2025
£'000		£'000
8,298	Amount due not later than one year	7,568
22,178	Amount due between one and five years	23,012
84,823	Later than five years	143,565
115,299	Total	174,145

Future income arising from property let out under lease arrangements is not materially significant.

Notes Supporting the Consolidated Balance Sheet

Note 42 Leases

The Council's lease contracts comprise of operational land and Buildings, equipment and vehicles.

Reconciliation of Lease Liabilities on Transition

On April 1 2024, the Council adopted IFRS 16 Leases replacing IAS 17. Under the modified retrospective approach, lease liabilities and right-of-use assets were recognised based on the present value of remaining lease payments as at the date of transition.

Reconciliation on Transition	(£000)
Operating lease commitment at 31/03/2024	64,757
Less: Short-term leases excluded	(16,726)
Lease term reassessments (extensions or termination options)	4,992
Discounting using incremental borrowing rate	(21,572)
Lease liability recognised at 01/04/2024	31,452

Right-of-Use Assets

This note shows the assets that the Council uses under lease arrangements. These are recorded on the balance sheet as right-of-use assets and reflect the Council's right to use the assets over the lease period.

Balance at 31 March 2025	Other Land & Buildings £'000	Vehicles, Plant & Equipment £'000	Total £'000
Balance at 1 April 2024	31,452	-	31,452
Category Transfers from PPE	10,470	1,405	11,875
Adjusted Balance as at 1 April 2024	41,922	1,405	43,327
Additions	19,163	163	19,326
Revaluations	490	-	490
Depreciation	(6,611)	(231)	(6,842)
Disposals	-	-	-
Balance at 31 March 2025	54,964	1,337	56,301

Notes Supporting the Consolidated Balance Sheet

Lease Liabilities – Movements in the year

This note shows how the value of lease liabilities changed during the year. Lease liabilities represent the future payments the Council is committed to make under its lease agreements.

Movements	(£000)
Opening Balance at 1 April 2024	32,845
Additions of new leases	19,326
Remeasurements	-
Interest expense	1,687
Lease payments made	(8,006)
Terminations/Disposals	-
Closing Balance at 31 March 2025	45,852

The variance between the lease liability balance of £45.852m and the ROU asset balance of £56.301m is due to the lease amortisation and depreciation.

Maturity of Lease Liabilities

This note shows when the payments due under lease obligations in future years before adjusting for interest.

Balances as at 31 March 2025	(£000)
Less than one year	8,006
One to five years	27,270
More than five years	43,280
Total undiscounted liabilities	78,556
Less: Unearned Interest	(32,704)
Lease Liability at 31 March 2025	45,852

Notes Supporting the Consolidated Balance Sheet

Lease Expenses in CIES

In accordance with IFRS 16, the Council recognises the majority of its lease arrangements on the balance sheet however certain lease types continue to result in direct charges to the CIES including short term leases and low value leases. In addition to this, the interest expense accrued on leases is also charged to the CIES.

Comprehensive Income and Expenditure Statement	(£000)
Interest expense on Lease Liabilities	1,687
Expense relating to short-term leases	3,905
Expense relating to exempt leases of low-value assets	-
Variable lease payments not included in the measurement of lease liabilities	-
Income from subletting right-of-use assets	-
Gains or losses arising from sale and leaseback transactions	-
Cash Flow Statement	5,592

Notes Supporting the Consolidated Balance Sheet

Note 43 Private Finance Initiative (PFI) Contracts

The Council has the following obligations arising from three PFI schemes:

- Street Lighting Services
- Highlands Secondary School
- Provision of Starksfield Primary School and Refurbishment of Tottenham Primary and Lea Valley Secondary Schools

In each case, the Council specifies the minimum standards for the services and the assets to be provided by the contractor and has the right to make deductions from the fees payable should those standards not be achieved.

The assets will be transferred to the Council at the end of each contract for nil consideration and are therefore recognised on the Council's Balance Sheet; movements in their value in the year are detailed in the analysis of movement in property, plant and equipment in Note 23 Property, Plant and Equipment. The Council makes agreed fixed payments each year which may be increased by inflation or reduced if the contractor fails to meet availability or performance standards in any year. Payments remaining to be made under each PFI contract as at 31 March 2025 are shown below.

Period	Payment for Services £'000	Reimbursement of Capital Expenditure £'000	Interest £'000	Total £'000
Within one year	-	3,899	1,314	5,213
2 - 5 years	-	12,316	2,661	14,977
6 - 10 years	-	994	37	1,031
		-	-	-
Total	-	17,209	4,012	21,221

The carrying value of the scheme assets are shown in Note 23 Property, Plant and Equipment

31 March 2024 £'000	Outstanding Liability for Reimbursement of Capital Expenditure	31 March 2025 £'000
(26,339)	Balance outstanding 1 April	(22,106)
4,233	Payments during the year	4,474
-	Remeasurements	423
(22,106)	Balance outstanding 31 March	(17,209)

Notes Supporting the Consolidated Balance Sheet

Note 44 Pension Schemes Accounted for as Defined Contribution Schemes

Teachers

Teachers employed by the Council are members of the Teachers' Pension Scheme, administered by Teachers' Pensions on behalf of the Department for Education. The Scheme provides teachers with specified benefits upon their retirement, and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

In 2024/25 employer contributions of £13.1m were paid to the Teacher's Pension Scheme (£11.1m paid in 2023/24), representing 23.68% of pensionable pay. The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teacher's scheme. These costs are accounted for on a defined benefit basis.

Former NHS Employees

On 1 April 2013 public health staff and services were transferred from Primary Care Trusts (PCTs) to local authorities. To discharge their public health responsibilities, local authorities were provided with a ring-fenced public health grant. Under the new arrangements for public health, staff performing public health functions who were compulsorily transferred from the PCTs to local authorities and who had access to the NHS Pension Scheme on 31 March 2013 retained access to that Scheme on transfer at 1 April 2013. The NHS pension scheme is an unfunded, multi-employer defined benefit scheme. In 2024/25 the Council's employer contributions to the NHS Pension Scheme were £ £21,872 (£23,294 in 2023/24).

Note 45 Defined Benefit Pension Schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Council participates in two post-employment schemes:

- The Local Government Pension Scheme (LGPS) administered locally by the London Borough of Enfield. This is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.
- Arrangements for the award of discretionary post-retirement benefits upon early retirement. This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. As there are no investment assets built up to meet these liabilities, at the point of early retirement a cash transfer is made from the General Fund to the Pension Fund to cover this shortfall. This transfer is real expenditure to the General Fund and is normally financed from a revenue reserve.

Notes Supporting the Consolidated Balance Sheet

Note 44 Defined Benefit Pension Schemes continued:

The pension scheme is operated under the regulatory framework for the LGPS, and the governance of the scheme is the responsibility of the Pension, Policy and Investment Committee of the Council. Policy is determined in accordance with the Pensions Fund Regulations, and the investment managers of the fund are appointed by the committee.

The principal risks to the authority of the scheme are the longevity of assumptions, statutory changes to the scheme, structural changes to the scheme (i.e., large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and HRA the amounts required by statute.

It is important to recognise that the Pension Liability is an estimate of the future liabilities, not an exact calculation. The return on the Pension Fund, the longevity and other assumptions detailed in the sensitivity mean that the cashflows are uncertain, both in their amount and their timing.

Note 46 Pension Liability

Under IAS19, the relevant Accounting Standard for Employee Benefits, the Council recognises the cost of retirement benefits in the CIES when they are earned by employees, rather than when the benefits are eventually paid as pensions. All IAS19 entries are notional and not represented by any cash flows. However, the charge that is required to be made against council tax is based on employer pension contributions – which is a cash movement, so the real cost of post-employment/retirement benefits under IAS19 is reversed out of the General Fund via the MiRS.

Notes Supporting the Consolidated Balance Sheet

Note 46 Pension Liability continued:

31 March 2024				31 March 2025		
Scheme Assets £'000	Pensions Obligations £'000	Net Pensions Liability £'000		Scheme Assets £'000	Pensions Obligations £'000	Net Pensions Liability £'000
1,284,188	(1,360,858)	(76,670)	Opening Balance at 1 April	1,400,368	(1,446,635)	(46,267)
-	(33,988)	(33,988)	Current Service Cost	-	(33,196)	(33,196)
-	(1,287)	(1,287)	Past Service cost and gains/losses on curtailments	-	(2,092)	(2,092)
60,440	(64,009)	(3,569)	Interest Income and Expense	66,791	(68,918)	(2,127)
-	-	-	Settlements	(3,537)	4,384	847
60,440	(99,284)	(38,844)	Total post-employment benefits charged to Surplus or Deficit on Provision of Services	63,254	(99,822)	(36,568)
			Contributions			
36,767	-	36,767	• The Council	37,263	-	37,263
11,352	(11,352)	-	• Employees	11,271	(11,271)	-
48,119	(11,352)	36,767	Employers contributions payable to scheme	48,534	(11,271)	37,263
			Payments			
(44,531)	44,531	-	• Retirement Grants and Pensions	(56,489)	56,489	-
(44,531)	44,531	-	Total payments	(56,489)	56,489	-
			Remeasurements			
52,152	-	52,152	• Return on Plan Assets	(38,653)	-	(38,653)
-	32,505	32,505	• Actuarial Gains and Losses arising from changes in demographic assumptions	-	2,527	2,527
-	(477)	(477)	• Actuarial Gains and Losses from changes in Financial Assumptions	-	221,865	221,865
-	(51,700)	(51,700)	• Experience loss /(gain) on defined benefit obligation	-	16,549	16,549
			• Changes applied due to asset ceiling	(187,712)	-	(187,712)
52,152	(19,672)	32,480	Post-Employment Benefits Charged to other Comprehensive Income and Expenditure Statement	(226,365)	240,941	14,576
1,400,368	(1,446,635)	(46,267)	Closing Balance at 31 March	1,229,302	(1,260,298)	(30,996)

Notes Supporting the Consolidated Balance Sheet

Note 46 Pension Liability continued:

Composition of Scheme Assets:

31-Mar-24				31-Mar-25	
Total	Scheme Asset Type	Quoted	Unquoted	Total	
41.00%	Equity Investments	34%	10%	44%	
24.00%	Bond	10%	21%	30%	
10.00%	Other Assets	2%	6%	8%	
7.00%	Private Equity	-	6%	6%	
5.00%	Property	-	5%	5%	
-	Infrastructure	-	4%	4%	
6.00%	Cash	2%	-	2%	
1.00%	Government Debt Securities	-	-	-	
6.00%	Corporate Bonds	-	-	-	
100%	Total	52%	48%	100%	

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc.

Both the LGPS and discretionary benefits liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, with estimates based on the latest full valuation of the scheme as at 31 March 2025. The principal assumptions used by the actuary are shown in the table below:

31 March 2024	Mortality Assumptions:	31 March 2025
	Future lifetime for Males	
21.0	Member aged 65 at accounting date	20.8
22.3	Member aged 45 at accounting date	21.9
	Future lifetime for Females	
23.5	Member aged 65 at accounting date	23.3
24.9	Member aged 45 at accounting date	24.7
	Economic Assumptions:	
4.8%	Discount Rate	5.8%
2.8%	CPI Inflation	2.8%
2.8%	Rate of increase to pensions	2.8%
4.3%	Rate of general increase in salaries	4.3%

Notes Supporting the Consolidated Balance Sheet

Note 46 Pension Liability continued:

Sensitivity Analysis

Impact on the Defined Benefit Obligation	Approximate % increase to Defined Benefit Obligation %	Approximate monetary amount £'000
Discount Rate (Decrease by 0.1%)	2%	20,366
Rate of increase in salaries (increase by 0.1%)	0%	495
Rate of increase in pensions/Revaluation rate (increase by 0.1%)	2%	20,435
Longevity (increase by 1 year)	4%	50,412

The above sensitivity analysis identifies that a 0.1% increase in the Discount Rate assumption, will result in a decrease in the reported Pension liability of £20.4m. A 0.1% increase in either the salaries, pension payment or longevity assumptions will result in an increase in the reported Pension Liability as detailed in the table above.

Notes Supporting the Group Consolidation

Notes Supporting the Group Consolidation

Note 47 Group Property, Plant and Equipment

Within the consolidation of the group accounts, £48.0m, of Investment Properties are reclassified as Property, Plant & Equipment (PPE) because they are used for operational purposes within the group. So rather than an extensive table of movements (which are materially the same as the single entity's accounts), the following table should help illuminate the content of Property, Plant & Equipment (PPE)

31 March 2024		31 March 2025	
£'000		£'000	
2,370,526	Council's Property, Plant & Equipment (PPE)	2,487,622	
48,049	Reclassified from Investment Property (Housing Gateway Ltd)	50,339	
124	Housing Gateway Limited (HGL)	126	
49215	Lee Valley Heat Network (LVHN)	58,655	
2,467,914	Total	2,596,742	

Notes Supporting the Group Consolidation

Note 48 Group Investment Properties

The fair value for investment properties has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions for these asset types are such that the levels of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy, except for the Rural Estate, which was assessed at Level 3. There were no transfers between any of the three levels during 2024/25 or the preceding year.

In estimating the fair value of the Group's Investment Properties, the highest and best use of the properties is their current use. There has been no change in the valuation techniques used during the year for investment properties.

The fair value of investment properties at 31 March are analysed as follows:

31 March 2024		31 March 2025
£'000		£'000
289,842	Balance at the start of the year	382,950
6,911	Capital expenditure	5,728
(8,031)	Write out of disposals	(1,479)
60,830	Nets gains/(losses) from fair value adjustments	11,124
	Transfers:	
33,398	From Property, Plant and Equipment	(25,664)
382,950	Balance at the end of the year	372,659

31 March 2024		31 March 2025
£'000		£'000
121,789	Land	123,857
48,305	Commercial Units	49,880
30,856	Shops	31,050
112,775	Housing	120,166
69,225	Other	47,706
382,950	Total	372,659

Notes Supporting the Group Consolidation

Note 49 Group Financial Instruments

The financial liabilities of the Group are materially the same as those of the single entity, so will not be repeated here. For financial assets the position is set out below:

31 March 2024			31 March 2025	
Long-term	Short-term		Long-term	Short-term
£'000	£'000		£'000	£'000
Debtors' at Amortised Cost				
-	47,615	Trade debtors	-	61,617
1,427	-	Finance lease	1,427	-
-	55,849	Cash and Cash Equivalents	-	84,083
1,427	103,464	Total	1,427	145,700

Note 50 Group Short Term Debtors

31 March 2024			31 March 2025
£'000			£'000
Analysis of Group Short Term Debtors			
130,048	Group Debtors		129,897
(6,306)	Less Related Parties (from Subsidiaries)		(4,384)
123,742	Total		125,513

Notes Supporting the Group Consolidation

Note 51 Group Cashflow Adjustments to Net Deficit on The Provision of Services

31 March 2024 Group £'000		31 March 2025 Group £'000
32,637	Depreciation of Non-Current Assets	40,249
29,635	Impairment of Non-Current Assets	146,518
3,450	Amortisation of intangible Fixed Assets	2,162
2,077	Pension Fund adjustments	(695)
5,474	Impairment losses on loans & advances debited to the CI&E in year	(7,916)
(4,379)	Increase/decrease in impairment for provision for bad debts	4,673
-	Transfer to the Deferred capital Receipts	7,794
3,508	Contributions to Provisions	(1,459)
58,052	Carrying amount of PP&E, investment property and intangible assets sold	53,149
-	Recognition of IFRS16 leases from operating leases and PPE	(43,327)
2,747	(Increase)/Decrease in Inventories	33
(2,523)	(Increase)/Decrease in Debtors	5,717
3,979	Increase/(Decrease) in Creditors	53,262
40	Other non-cash movement	2,473
134,697	Total adjustments to net deficit on the provision of services	262,633
Council £'000		Council £'000
(23,730)	Interest Paid	(37,305)
6,294	Interest Received	12,737
(17,436)	Total adjustments to net deficit on the provision of services	(24,568)

Notes Supporting the Group Consolidation

Note 52 Group Cashflow from Investing Activities

31 March 2024 Group £'000		31 March 2025 Group £'000
(178,298)	Purchase of property, plant and equipment, investment property and intangible assets	(263,930)
(9,928)	Other payments for investing activities	(14,461)
28,467	Proceeds from sale of property plant equipment & investment property and other capital receipts	52,319
44,487	Capital Grants Received	167,012
-	Other receipts from investing activities	-
(115,272)	Total Cashflow from Investing Activities	(59,060)

Note 53 Group Cashflow from Financing Activities

31 March 2024 Group £'000		31 March 2025 Group £'000
174,099	Cash receipts of short and long term borrowing	37,703
(3,228)	Cash payments for the reduction of outstanding liabilities relating to IFRS16 leases and on balance sheet PFI contracts	33,729
(41,313)	Repayments of short and long term borrowing	(1,872)
-	Other payments for financing activities	-
129,558	Total Cashflow from Financing Activities	69,560

Notes Supporting the Group Consolidation

Note 54 Group Investing and Financing Activities

31 March 2024		31 March 2025
Group		Group
£'000		£'000
(28,467)	Proceeds from sale of property plant equipment & investment property and other capital receipts	52,319
(54,075)	Any other items for which the cash effects are investing or financing cash flows: Capital Grants & Contributions	145,775
(82,542)	Total Financing Activities	198,094

Notes Supporting the Council's Cashflow Statement

Notes Supporting the Cashflow Statement

Note 55 Cashflow Adjustments to Net Deficit on The Provision of Services

2023/24 Council £'000		2024/25 Council £'000
32,637	Depreciation of Non-Current Assets	40,014
29,635	Impairment of Non-Current Assets	151,150
3,450	Amortisation of intangible Fixed Assets	2,162
2,077	Pension Fund adjustments	(695)
5,474	Impairment losses on loans & advances debited to the CI&E in year	4,673
(4,379)	Increase/decrease in impairment for provision for bad debts	(7,916)
0	Transfer to the Deferred capital Receipts	7,794
3,508	Contributions to Provisions	(2,641)
58,052	Carrying amount of PP&E, investment property and intangible assets sold	53,147
2,747	(Increase)/Decrease in Inventories	33
(2,523)	(Increase)/Decrease in Debtors	7,700
3,979	Increase/(Decrease) in Creditors	34,821
-	Recognition of IFRS16 leases from Operating leases and PPE	(43,327)
40	Other non-cash movement	953
134,697	Total adjustments to net deficit on the provision of services	247,868

31 March 2024 Council £'000		31 March 2025 Council £'000
(28,306)	Interest Paid	(32,617)
8,297	Interest Received	12,502
(20,009)	Total adjustments to net deficit on the provision of services	(20,115)

Notes Supporting the Cashflow Statement

Note 56 Cashflow from Investing Activities

31 March 2024 Council £'000		31 March 2025 Council £'000
(178,298)	Purchase of property, plant and equipment, investment property and intangible assets	(248,661)
(9,928)	Other payments for investing activities	(14,461)
28,467	Proceeds from sale of property plant equipment & investment property and other capital receipts	54,001
44,487	Capital Grants Received	167,036
-	Other receipts from investing activities	-
(115,272)	Total Cashflow from Investing Activities	(42,085)

Note 57 Cashflow from Financing Activities

31 March 2024 Council £'000		31 March 2025 Council £'000
174,099	Cash receipts of short and long term borrowing	37,703
(3,228)	Cash payments for the reduction of outstanding liabilities relating to IFRS16 leases and on balance sheet PFI contracts	33,729
(41,313)	Repayments of short and long term borrowing	(1,872)
	Other payments for financing activities	-
129,558	Total Cashflow from Financing Activities	69,560

Notes Supporting the Cashflow Statement

Note 58 Investing and Financing Activities

The Cash Flow Statement adjusts for the following items included in the surplus/deficit on provision of services which are classified as investing and financing activities:

31 March 2024		31 March 2025
Council		Council
£'000		£'000
(28,467)	Proceeds from sale of property plant equipment & investment property and other capital receipts	(54,001)
(54,075)	Any other items for which the cash effects are investing or financing cash flows: Capital Grants & Contributions	(145,798)
(82,542)	Total Financing Activities	(199,799)

Note 59 Reconciliation of Liabilities Arising From Financing Activities

	1 April 2024	Financing	Investing	Non-Cash	31 March 2025
	£'000	£'000	£'000	Changes	£'000
				£'000	
Long-Term Borrowings	(1,188,110)	(37,703)	-	-	(1,225,813)
Short-Term Borrowings	(70,104)	1,872	(47,407)	47,407	(68,232)
Other Long-Term Liabilities	(19,024)	(33,729)	-	-	(52,753)
Total Liabilities from Financing Activities	(1,277,238)	(69,560)	(47,407)	47,407	(1,346,798)

Other Notes

Note 60 Events After the Reporting Period

The Executive Director of Resources authorised the Statement of Accounts on 30 June 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

A proposal to grant a long-term lease has been approved. This will result in the recognition of a finance lease receivable under IFRS 16 accounting. There is a proposal to grant a lease at a peppercorn rate which will also fall within scope of IFRS 16 accounting where the asset will be measured at fair value and recognised within ROU assets.

Supplementary Accounts and Notes to Accounts

Housing Revenue Account (HRA)

The Housing Revenue Account (HRA) deals with the provision, maintenance and sales of council houses and flats. The HRA Income and Expenditure Statement shows the economic cost of providing housing services in accordance with generally accepted accounting practice rather than the amount to be funded from rents and government grants.

Housing Revenue Account Income and Expenditure Statement

There is a statutory requirement to keep the HRA separate from other housing activities in accordance with Part VI and Schedule 4 of the Local Government and Housing Act 1989. Schedule 4 of the 1989 Act prescribes all the income and expenditure items that are to be included in the Housing Revenue Account. In addition, there is a requirement not to allow cross-subsidy to or from, the General Fund. The statement below reconciles the movement of the HRA balance to the (surplus)/deficit on the HRA Income and Expenditure Statement.

Housing Revenue Account continued:

31 March 2024 £'000		Notes	31 March 2025 £'000
	Income		
(60,255)	Dwelling rents (gross)		(66,980)
(3,791)	Non-dwelling rents (gross)		(3,299)
(19,633)	Charges for services and facilities		(17,485)
(1,575)	Contributions towards expenditure		(65)
(85,254)	Total Income		(87,829)
	Expenditure		
13,897	Repairs and maintenance	5	16,252
36,579	Supervision and management		37,999
2,766	Rents, rates, taxes and other charges		2,416
4,988	Depreciation		4,928
70,945	Revaluation	7	144,695
-	Impairment	7	-
334	Movement in the allowance for bad debts	3	-
			428
129,509	Total Expenditure		206,718
44,255	Net Expenditure or Income of HRA Services as included in the Whole Authority Comprehensive Income and Expenditure Statement		118,889
92	HRA services' share of Corporate & Democratic Core		100
44,347	Net Cost of HRA Services		118,989
	HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement:		
(1,820)	(Gain) or loss on sale of HRA non-current assets		(13,553)
-	Repayment of right-to-buy receipts		-
12,972	Interest payable and similar charges		14,428
(742)	Interest and Investment income		(944)
241	Income and expenditure and changes in fair value of Investment Properties	8	(155)
(8,927)	Capital grants and contributions receivable		(14,773)
-	Amounts payable into the Capital Receipts Pool		-
66	Other Operating Expenditure		-
46,137	(Surplus)/ Deficit for The Year on HRA Services		103,992

Housing Revenue Account continued:

31 March 2024		31 March 2025
£'000	Statement of Movement on the Housing Revenue Account	£'000
	Notes	
(13,634)	Balance on the HRA at the end of the previous reporting period	(22,647)
46,137	(Surplus) or deficit for the year on the HRA Income and Expenditure Statement	103,992
(54,387)	Adjustments between Accounting and Funding Basis under Statute	(96,239)
(8,250)	Net (Increase) or Decrease before transfers or from reserves	7,753
(763)	Transfers to/(from) earmarked reserves	(1,044)
(9,013)	(Increase) or decrease in-year on the HRA Balance	6,709
(22,647)	Balance on the HRA at the end of the reporting period	(15,938)
	Adjustments between Accounting and Funding Basis under Statute	
10,523	Transfer to Major Repairs Reserve	7,507
(75,933)	Offsetting transfer in from capital adjustment account	(149,623)
8,926	Difference between any other items of income and expenditure determined in accordance with the Code and determined in accordance with statutory HRA requirements	14,773
(241)	Investment property - Gain / loss on disposal & movement in fair and market value	155
1,820	MIRS-Gain on sale of HRA non-current assets	13,553
	- Use of Capital Receipts for RTB admin costs	(890)
253	HRA share of contribution to / from pension reserve	542
	- Capital expenditure funded by the HRA	18,257
	- Derecognition of other noncurrent assets - Aerials & AUC	-
	- Transfer from Capital Receipts Reserve equal to the amounts payable into the Capital Receipts Pool	-
	- Transfers to / from Deferred Capital Receipts Reserve	(512)
265	Accumulated Absences	(1)
(54,387)	Total Adjustments between Accounting and Funding Basis under Statute	(96,239)

Notes Supporting Housing Revenue Account (HRA)

HRA 1 Housing Stock

The Council was responsible for managing a Housing Revenue Account stock of 10,768 properties at 31 March 2025 compared with a total of 10,356 properties at 31 March 2024. An analysis of the types of homes is shown below. Of those 10,768 properties, 10,434 were categorised as Council Dwellings and 334 as Land & Buildings (10,356 at 31 March 2024 split as 10,054 in Council Dwellings and 302 as Land & Buildings). The Council is also a freeholder of 4,933 leased homes that were previously sold to tenants under the right-to-buy legislation.

31 March 2024		31 March 2025
Number of		Number of
Properties		Properties
3,055	Houses	3,076
104	Bungalows	110
1,503	Maisonettes	1,515
5,694	Flats	6,067
10,356	Total Housing stock	10,768

HRA 2 Stock Valuation

The open market value of the Council's dwellings was £3.2bn at 31 March 2025 (£2.9bn at 31 March 2024). The difference between this value and the existing use value of £803.4m at 31 March 2025 (£745.7m at 31 March 2024) represents the economic cost to Government of providing council housing at less than market rents. The social housing valuation is arrived at by applying an adjustment factor provided by the DLUHC to the market value of the stock.

HRA 3 Rent Arrears and Impairment of Debts

Council tenants' rent arrears as at 31 March 2025 are £1.68m compared to £0.56m at the 31 March 2024. The provision for impairment of debts was £1.15m (2023/24 £0.78m). In 2024/25 there was a increase in the Impairment of debt of £0.43m (£0.02m release in 2023/24).

Notes Supporting Housing Revenue Account (HRA)

HRA 4 Major Repairs Reserve

31 March 2024 £'000		31 March 2025 £'000
(79)	Balance at 1 April	(205)
(4,988)	Transfer in at depreciation for operational assets	(4,928)
-	Transfer	1,343
4,862	Amount applied to expenditure on council dwellings during year	6,476
(205)	Balance at 31 March	-

HRA 5 Repairs & Maintenance

The balance forms part of the Council's earmarked reserves as set out in Note 22 Transfers (To)/From Earmarked Reserves within Core Financial Statements.

31 March 2024 £'000		31 March 2025 £'000
(934)	Balance brought forward	-
15,224	Expenditure for the year	-
(14,290)	Contribution to the Repairs Fund	-
-	Balance carried forward	-

Notes Supporting Housing Revenue Account (HRA)

HRA 6 HRA Assets

Operational Assets	01-Apr-24 £'000	Opening Balance Adjustment	Adjusted Opening Balance	Acquisitions & Transfers £'000	Disposals £'000	Depreciation £'000	Net Revaluation £'000	31-Mar-24 £'000
Council Dwellings	742,560	3,178	745,738	192,974	(2,482)	(4,458)	(128,361)	803,411
Other Land and Buildings	70,342		70,342	15,994	-	(470)	6,006	91,872
Intangible Assets	-	-	-	-	-	-	-	-
Total Property, Plant & Equipment	812,902	3,178	816,080	208,968	(2,482)	(4,928)	(122,355)	895,283
Total Investment Properties - Shops	29,886	-	29,886	-	-	-	155	30,041
TOTAL	842,788	3,178	845,966	208,968	(2,482)	(4,928)	(122,200)	925,324

Capital expenditure in the year amounted to £103.7m consisting of:

31 March 2024 £'000	Expenditure on:	31 March 2025 £'000
47,932	Works to Stock – General Works	40,253
3,690	Leaseholder Buy Backs	13,759
52,151	Buying Out Commercial and Residential Interests (Regeneration Projects)	63,122
103,773	Total	117,134
	Funded by:	
(9,039)	Capital Grants and Contributions	(46,493)
(16,529)	Capital Receipts	(23,672)
-	Earmarked Reserves	(18,257)
(67,805)	Prudential Borrowing	(21,000)
(10,400)	Major Repairs Reserve	(7,712)
(103,773)	Total	(117,134)

Notes Supporting Housing Revenue Account (HRA)

HRA 7 Depreciation and Impairment

31 March 2024 £'000		31 March 2025 £'000
	Depreciation	
(4,505)	Council Dwellings	(4,458)
(475)	Other Land and Buildings	(470)
(8)	Amortisation of Intangible Assets	-
	Impairment and Downward Valuation	
(70,228)	Council Dwellings	(141,358)
(717)	Other Land and Buildings	(3,337)
-	Surplus Properties	-
(75,933)	Total Capital Charges	(149,623)

HRA 8 Investment Properties

31 March 2024 £'000		31 March 2025 £'000
(230)	Rental Income from Investment Properties	(141)
-	Direct Operating Expenses arising from Investment Property	-
(241)	Net (gain)/loss from fair value adjustments	155
(471)	Net (Gain) / Loss	14

Notes Supporting Housing Revenue Account (HRA)

HRA 9 Contribution from Pensions Reserve

The HRA income and expenditure has been charged, as have other services, with the additional pension cost as required under the relevant accounting standard (IAS19). The impact of this has then been reversed out through the Movement on the Housing Revenue Account Statement. For overall details of the pension liability across the whole Council please refer to Note 45 Pension Liability of the main statement.

Collection Fund

This account represents the transactions of the Collection Fund, a statutory fund separate from the General Fund of the Council. This fund accounts independently for the income relating to Council Tax and Business Rates on behalf of those bodies (including the Council's own General Fund) for whom the income is raised. The costs of administering collection are accounted for in the General Fund.

In 2022/23 the Council became part of an eight authority, London based pool for business rates. This continued into 2024/25. This pool is forecast to benefit Enfield, as the participating Councils retain and then share the growth across the pool authorities. The estimated forecast benefit to Enfield was £2.675m for 2024/25.

In 2024/25, Council Tax income has grown from £194.698m in 2023/24 to £224.625m in 2024/25.

Business Rate income that the Council was required to collect increased to £125.899m in 2024/25, compared to £119.541m in 2023/24. The share of retained NNDR collection due to Central Government was 33% (the same as 2023/24 with the remaining 67% split 30% to the London Borough of Enfield and 37% to the GLA).

The Collection Fund Business Rate income for 2024/25 also includes the combined prior year estimated surplus of £6.144m, our share of which was £1.843m.

Subsequently the Council's 2024/25 NNDR deficit of £0.660m was reversed via the Movement in Reserves Statement into an Unusable Reserve (Collection Fund Adjustment Account), alongside its £0.179m surplus Council Tax equivalent, giving a £0.481m deficit in total.

The provision for business rate appeals has reduced by £3.201 to £9.594m, this reflects that the 2010 valuation list appeals have now been settled, the 2017 list is now closed to any new appeals and we are two years into the 2023 appeals list. There has been a review of the council tax debt outstanding at 31 March 2025 and the provision for bad and doubtful debt has been increased by £11.892 to £36.693m. Following a similar review of business rate debt, the 2024/25 business rates bad debt provision has been increased by £3.528m to £15.739m.

Collection Fund Statement

Collection Fund		2024/25			2023/24		
Income and Expenditure Account	Note	Council Tax £000	Business Rates £000	Total £000	Council Tax £000	Business Rates £000	Total £000
Income							
Council taxpayers	1	(224,625)	-	(224,625)	(194,698)	-	(194,698)
Business ratepayers	2	-	(126,227)	(126,227)	-	(129,987)	(129,987)
Transitional Protection Payment		-	-	-	-	(12,979)	(12,979)
Business Rate Supplement	3	-	(3,074)	(3,074)	-	(3,494)	(3,494)
		(224,625)	(129,301)	(353,926)	(194,698)	(146,460)	(341,158)
Expenditure							
Council Tax Precepts and demands:							
London Borough of Enfield demand		164,118	-	164,118	146,963	-	146,963
London Borough of Enfield surplus		-	-	-	2,181	-	2,181
Greater London Authority precept		48,533	-	48,533	42,022	-	42,022
Greater London Authority surplus		-	-	-	660	-	660
Business Rates Retention:							
Central Government demand		-	42,162	42,162	-	39,896	39,896
Central Government surplus		-	2,028	2,028	-	-	-
Greater London Authority demand		-	47,273	47,273	-	44,732	44,732
Greater London Authority surplus		-	2,273	2,273	-	-	-
London Borough of Enfield demand		-	38,329	38,329	-	36,269	36,269
London Borough of Enfield Surplus		-	1,843	1,843	-	-	-
Cost of collection allowance		-	328	328	-	329	329
Transitional Protection Payment due to Central Government		-	1,194	1,194	-	-	-
GLA Business Rate Supplement							
Payment to GLA		-	3,074	3,074	-	3,494	3,494
Bad and Doubtful Debts:							
Council Tax		11,892	-	11,892	6,778	-	6,778
Business Rates		-	3,528	3,528	-	2,295	2,295
Provision for Business Rate Appeals		-	(3,201)	(3,201)	-	4,051	4,051
		224,543	138,831	363,374	198,604	131,066	329,670
Deficit / (Surplus) for the Year		(82)	9,530	9,448	3,906	(15,394)	(11,488)

Collection Fund Statement

Collection Fund Balances:

Balance brought forward at 1 April	(149)	(7,311)	(7,460)	(4,055)	8,083	4,028
(Surplus) / Deficit for year	(82)	9,530	9,448	3,906	(15,394)	(11,488)
Balance Carried Forward at 31 March	(231)	2,219	1,988	(149)	(7,311)	(7,460)

Allocated to:

London Borough of Enfield	(179)	660	481	(100)	(2,199)	(2,299)
Greater London Authority	(52)	817	765	(49)	(2,709)	(2,758)
Government	-	742	742	-	(2,403)	(2,403)
Balance Carried Forward at 31 March	(231)	2,219	1,988	(149)	(7,311)	(7,460)

Notes Supporting Collection Fund

Coll 1 Council Tax

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into 8 valuation bands estimated at 1st April 1991 values for this specific purpose. Individual charges are calculated by estimating the amount of income that the Council and its preceptors take from the Collection Fund for the forthcoming year and dividing this by the council tax base. This tax base represents 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 and estimated non-collectibles. The tax base calculation for 2024/25 is as follows:

Band	Chargeable properties adjusted for discounts	Band D equivalent adjusted for estimated non-collection
A	3,664	2,310
B	8,111	5,968
C	26,318	22,131
D	30,571	28,920
E	18,690	21,609
F	8,741	11,944
G	5,639	8,891
H	977	1,848
	102,711	103,622

This basic amount of Council Tax for a Band D property, £2,065.48. including the GLA precept is multiplied by the proportion specified for the particular band to give an individual amount due.

Analysis of Council Tax Impairment of debt

Council Tax Bad Debt Provision	31 March 2024 £000	31 March 2025 £000
Council Tax Provision for Impairment of debt brought forward	(21,592)	(26,300)
Amount written off	2,070	1,499
(Contribution to) / release from Provision for Impairment of debt	(6,778)	(11,892)
Council Tax Bad Debt Provision	(26,300)	(36,693)

The figures above show the total Council Tax impairment of debt reflecting both the GLA precept and Enfield elements of the provision. Note33 (Debtors and Payments in Advance) shows the Enfield proportion of the Impairment of debt only.

Notes Supporting Collection Fund

Coll 2 Business Rates

Business rates are organised on a national basis and re-valued periodically by the Valuation Office Agency (VOA). The latest revaluation taking effect from 1st April 2023. In 2024/25 the Government specified an amount of 49.9p for small businesses who qualify for rate relief and 54.6p for all other businesses. Local businesses pay rates calculated by multiplying their rateable value by these amounts. The Council is responsible for collecting rates due from the ratepayers in its area. In previous years the total amount due, less specific allowances, were paid into the National Pool which was then redistributed back to councils based on the Government's formula grant allocations.

For 2024/25, a 67% Business Rates retention scheme was in place. Enfield retains 30% of the total collectable rates due. The remaining 37% is distributed to the Greater London Authority. The amounts of these shares were estimated at the start of 2024/25 and paid to each body and charged to the Collection Fund. Variations between the estimated and actual income will create a surplus or deficit which is repaid or recovered from each body in the following year.

In addition, authorities must meet the cost of appeals against the rateable values set by the VOA. This provision is charged and provided for in proportion to the preceptors' shares (total £9.594² in 2024/25). The provision for appeals is in addition to the provision for bad debts set out below.

	31 March 2024	31 March 2025
Local Business Rates Bad Debt Provision	£000	£000
Provision for impairment of debt brought forward	(11,926)	(14,259)
Amount written off / (on)	1,318	1,987
Contribution to Provision for Impairment of debt	(3,561)	(2,295)
Local Business Rates Bad Debt Provision	(14,259)	(14,567)

*Enfield's share is £2.878m, which is shown under the provisions in Note 38.

Coll 3 Business Rates Supplement

Government legislation gives the Greater London Authority (GLA) the power to levy an additional 2p Business Rate Supplement on London businesses as a contribution to the cost of the Crossrail scheme. As with national business rates, the Council collects the 2p business rates and pays the income over to the GLA. The total amount due for 2024/25 after reliefs and provisions was £3.074m.

Pension Fund Accounts

London Borough of Enfield

Pension Fund Draft Statement of Accounts 2024/25

Pension Fund Accounts

31 March 2024 £000s	London Borough of Enfield Pension Fund Account	Notes	31 March 2025 £000s
	Dealings with members, employers and others directly involved in the Fund		
(57,614)	Contributions	7	(59,444)
(8,068)	Transfers in from other pension funds	8	(8,175)
(65,682)			(67,619)
54,654	Benefits payable	9	61,583
12,813	Payments to and on account of leavers	10	9,820
67,467			71,403
1,785	Net (additions)/withdrawals from dealings with members		3,784
9,383	Management expenses	11	13,255
11,168	Net (additions)/withdrawals from dealings with members		17,039
	Returns on investments		
(34,280)	Investment income	12	(33,296)
412	Taxes on income	13A	263
(98,299)	(Profit)/Loss on disposal of investments and changes in the market value of investments	14A	(11,406)
(132,167)	Net returns on investments		(44,439)
(120,999)	Net change in assets available for benefits during the year		(27,400)
(1,456,227)	Opening net assets of the scheme		(1,577,226)
(1,577,226)	Closing net assets of the scheme		(1,604,626)

Pension Fund Accounts continued:

Net Assets Statement for Year Ended 31 March 2025		Notes	31 March 2025 £000s
31 March 2024 £000s			
1,482,821	Investment assets	14	1,537,324
(19)	Investment liabilities		0
1,482,802	Total net investments		1,537,324
93,706	Cash deposits	14	65,543
2,467	Other investment balances -assets	14	617
(2,358)	Other investment balances - liabilities		0
1,576,617	Other investment balances	14	1,603,484
234	Long Term Debtor	20a	258
807	Current assets	20	1,272
(432)	Current liabilities	21	(388)
1,577,226	Net assets of the fund available to fund benefits at the end of the reporting period		1,604,626

Note: The fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed at Note 19.

Confirmation by the Section 151 Officer

I confirm that this Statement of Accounts Pension Fund Accounts gives a true and fair view of the financial position of the Pension Fund Accounts as at 31 March 2025 and its income and expenditure for the year ended 31 March 2025.

Signed

Signed



Olga Bennet
Chief Finance Officer
Section 151 Officer
28 January 2026

Councillor Ian Barnes
Chair of the Audit Committee
28 January 2026

Notes Supporting Pension Fund

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Notes Supporting Pension Fund Accounts

Note 1 Description of the Fund

The Enfield Pension Fund ('the fund') is part of the LGPS and is administered by London Borough of Enfield. The council is the reporting entity for this pension fund.

The following description of the fund is a summary only. For more detail, reference should be made to the [Pension Fund Annual Report 2024/25](#) and the underlying statutory powers underpinning the scheme

A. General

The scheme is governed by the Public Service Pensions Act 2013. The fund is administered in accordance with the following secondary legislation:

- the Local Government Pension Scheme Regulations 2013 (as amended).
- the Local Government Pension Scheme (Transitional Provisions, Savings and (Amendment) Regulations 2014 (as amended).
- the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

It is a contributory defined benefit pension scheme administered by London Borough of Enfield to provide pensions and other benefits for pensionable employees of London Borough of Enfield and a range of other scheduled and admitted bodies within the borough. Teachers, police officers and firefighters are not included as they come within other national pension schemes.

The fund is overseen by the Enfield Pension Policy & Investment Committee, which is a committee of London Borough of Enfield.

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 fund include the following:

- Scheduled bodies, which are local authorities and similar 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.

Notes Supporting Pension Fund Accounts

Note 1 Description of the Fund continued:

There are 41 employer organisations with active membership in the fund (including the Council itself), and 26,147 individual members, as detailed below. A full analysis is included below:

Enfield Pension Fund	31 March 2024	31 March 2025
Number of active members	7,343	7,447
Number of pensioners	6,813	7,195
Deferred pensioners	8,230	8,529
Frozen/undecided	3,530	2,976
Total number of members in pension scheme	25,916	26,147

A. Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the fund in accordance with the Local Government Pension Scheme Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2025. Employee contributions are matched by employers' contributions which are set based on triennial actuarial funding valuations. The results of the recent formal valuation as at 31 March 2022 has employer contribution rates ranging from 8.5% to 21.7% of pensionable pay.

Notes Supporting Pension Fund Accounts

B. Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service, summarised below.

	Service pre 1 April 2008	Service post 31 March 2008
Annual Pension	Each year worked is worth 1/80 x final pensionable pay Automatic lump sum of 3 x annual pension.	Each year worked is worth 1/60 x final pensionable pay No automatic lump sum.
Lump Sum	In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of annual pension given up.	In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of annual pension given up.

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

There are a range of other benefits provided under the scheme including early retirement, disability pensions and death benefits, as explained on the LGPS website – see www.lgpsmember.org

Note 2 Basis of Preparation

The statement of accounts summarises the fund's transactions for the 2024/25 financial year and its position at year-end as at 31 March 2025. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts report on the net assets available to pay pension benefits. They do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year, nor do they take into account the actuarial present value of promised retirement benefits. The Code gives administering authorities the option to disclose this information in the net assets statement, in the notes to the accounts or by appending an actuarial report prepared for this purpose. The pension fund has opted to disclose this information in Note 19.

The accounts have been prepared on a going concern basis.

Notes Supporting Pension Fund Accounts

Note 3 Summary of Significant Accounting Policies

Fund Account – Revenue Recognition

A. Contribution income

Normal contributions are accounted for on an accruals basis as follows:

- Employee contribution rates are set in accordance with LGPS regulations, using common percentage rates for all schemes that rise according to pensionable pay.
- Employer contributions are set at the percentage rate recommended by the fund actuary for the period to which they relate.

Employer deficit funding contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the scheme actuary or on receipt if earlier than the due date.

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 2013 (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 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

- 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 (where material) or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.
- 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.
- 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.
- Movement in the value of investments** Changes in the net market value of investments (including investment properties) are recognised as income and comprise all realised and unrealised profits/losses during the year.

Notes Supporting Pension Fund Accounts

Note 3 Summary of Significant Accounting Policies continued:

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, providing that payment has been approved.

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. Management expenses

The Code does not require any breakdown of pension fund administrative expenses; however, it requires the disclosure of investment management transaction costs. For greater transparency, the fund discloses its pension fund management expenses in accordance with the CIPFA's Accounting for Local Government Pension Scheme Management Expenses (2016), which shows the breakdown of administrative expenses, including transaction costs.

- a) **Administrative expenses** All administrative expenses are accounted for on an accruals basis. All staff costs of the pension's administration team are charged direct to the fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the fund.
- b) **Oversight and governance costs.** All oversight and governance expenses are accounted for on an accruals basis. All staff costs associated with governance and oversight are charged direct to the fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the fund.
- c) **Investment management expenses** All investment management expenses are accounted for on an accruals basis.

Fees of the external investment managers and custodian 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.

In addition, the fund has negotiated with some fund managers that an element of their fee be performance related. Where an investment manager's fee note has not been received by the year-end date, an estimate based upon the market value of their mandate as at the end of the year is used for inclusion in the fund account.

Notes Supporting Pension Fund Accounts

Note 3 Summary of Significant Accounting Policies continued:

Net assets statement

G. 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 in the fund account.

The values of investments as shown in the net assets statement have been determined at fair value in accordance with the requirements of the Code and IFRS13 (see Note 15). For the purposes of disclosing levels of fair value hierarchy, the fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

H. Foreign currency transactions

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.

I. Cash and cash equivalents

Cash comprises cash in hand and demand deposits and includes amounts held by the fund's external managers.

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.

J. 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.

K. 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 the Code, 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).

Notes Supporting Pension Fund Accounts

Note 3 Summary of Significant Accounting Policies continued:

L. Additional voluntary contributions

The Enfield Pension Fund provides an additional voluntary contribution (AVC) scheme for its employers and are specifically for providing additional benefits for individual contributors. 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 Regulation 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 but are disclosed as a note only (Note 22).

Note 4 Critical judgements in applying Accounting Policies

In applying the accounting policies set out in Note 3 above, the Fund may have to make certain critical judgements about complex transactions or those involving uncertainty about future events.

There were no such critical judgements made during 2024/25

Notes Supporting Pension Fund Accounts

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

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the year-end and the amounts reported for income and expenditure during the year. Estimates and assumptions are made taking into account historical experience, current trends and other relevant factors. However, the nature of estimation means that the actual results could differ from the assumptions and estimates.

The items in the Pension Fund's account at 31 March 2025 (for which there is a significant risk of material adjustment in the forthcoming financial year are set out in the table below:

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.	<p>The effects on the net pension liability of changes in individual assumptions can be measured. For instance:</p> <ul style="list-style-type: none"> a. 0.1% decrease in the discount rate assumption would result in an increase in the pension liability of approximately £23m. b. 0.1% increase in assumed earnings inflation would increase the value of liabilities by approximately £1m. c. 0.1% increase in the assumed Rate of CPI Inflation would increase the value of liabilities by approximately £23m. d. if life expectancy increases by 1 years, it would increase the liability by approximately £59m. <p>It should be noted that any changes in the above would not have an effect on either the Fund Account or the Net Asset Statement.</p>
Inflation Opportunities Fund (Note 15)	In November 2023 the Government released consultation on legislative reform of the residential leasehold sector, this included additional proposals to cap ground rents. The inflation opportunities fund has an allocation to ground rent debt, meaning the consultation, has impeded the ability to provide certainty for the valuation of these holdings.	The financial statements reflect a total value of £61.0 million. Due to uncertainties associated with the valuation of ground rent debt, it is possible that the underlying estimates, and consequently, their reported values may change in the next reporting period. A change of 10% to the valuations would result in a change in asset value of +/- £6.1 million.
Private equity – venture capital investments (Note 15)	The figure for “Investments at fair value” is based on the latest information received from asset managers prior to the Fund's accounting records closing for the quarter. The valuation methodologies are considered to be consistent with the International Private Equity and Venture Capital Valuation Guidelines.	The total value of relevant investments in the financial statements is £176.7m. If the underlying valuation assumptions were to change there, it is possible the stated value could change over the coming 12 months. A 10% change in the value of these investments would equate to a change in asset value of +/-£17.6m.
Pooled property investments (Note 15)	Valuation techniques are used to determine the carrying amount of pooled property funds and directly held freehold and leasehold property. Where possible these valuation techniques are based on observable data but where this is not possible management uses the best available data.	Changes in the valuation assumptions used, together with significant changes in rental growth, vacancy levels or the discount rate could affect the fair value of property-based investments. A change of 10% would result in an increase or decrease of £4.8m, on carrying values of £48.2m.

Notes Supporting Pension Fund Accounts

Note 6 Events After the Reporting Date

Management have reviewed and can confirm that there are no significant events occurring after the reporting period.

Notes Supporting Pension Fund Accounts

Note 7 Contributions

By Category:

31 March 2024		31 March 2025
£000s		£000s
(14,728)	Employees' contributions	(14,971)
	Employers' contributions:	
(41,062)	Normal	(42,305)
(159)	Deficit recovery contributions	(168)
(1,665)	Augmentation contributions	(2,000)
(42,886)	Total employers' contributions	(44,473)
(57,614)		(59,444)

By Authority:

31 March 2024		31 March 2025
£000s		£000s
(44,769)	Administering authority	(45,157)
(12,483)	Scheduled bodies	(13,922)
(362)	Admitted bodies	(365)
(57,614)		(59,444)

Note 8 Transfers in from other Pension Funds

31 March 2024		31 March 2025
£000s		£000s
(8,068)	Individual transfers	(8,175)
(8,068)		(8,175)

Notes Supporting Pension Fund Accounts

Note 9 Benefits Paid/Payable

By category

31 March 2024		31 March 2025
£000s		£000s
45,776	Pensions	50,139
7,990	Commutation and lump sum retirement benefits	10,413
888	Lump sum death benefits	1,031
54,654		61,583

By authority

31 March 2024		31 March 2025
£000s		£000s
51,403	Administration authority	56,707
2,722	Scheduled bodies	4,109
529	Admitted bodies	767
54,654		61,583

Note 10 Payments to and on Account of Leavers

31 March 2024		31 March 2025
£000s		£000s
176	Refunds to members leaving service	470
12,637	Individual transfers	9,350
12,813		9,820

Notes Supporting Pension Fund Accounts

Note 11 Management Expenses

31 March 2024 £000s		31 March 2025 £000s
1,307	Administrative costs	1,560
685	Oversight and governance costs	697
7,391	Investment management expenses	10,998
9,383		13,255

Note 11a Investment Management Expenses

	Total £000s	Custody fees	Management fees £000s	Transaction fees £000s	Performance related fees £000s
2024/25					
Bonds	195	-	148	47	-
Pooled Investments	3,502	-	2,882	620	-
Pooled property Investments	1,025	-	1,371	(101)	(245)
Private equity/Infrastructure	6,222	-	4,589	691	942
Custody fees	54	54	-	-	-
	10,998	54	8,990	1,257	697

	Total £000s		Management fees £000s	Transaction fees £000s	Performance related fees £000s
2023/24					
Bonds	227	-	171	56	-
Pooled Investments	3,498	-	2,838	660	-
Pooled property Investments	1,980	-	2,082	143	(245)
Private equity/Infrastructure	1,618	-	1,321	2	295
Custody fees	68	68	-	-	-
	7,391	68	6,412	861	50

Notes Supporting Pension Fund Accounts

Note 12 Investment Income

31 March 2024		31 March 2025
£000s		£000s
(4,281)	Income from bonds	(3,704)
(2,287)	Income from equities	(2,384)
(18,711)	Pooled investment funds	(20,339)
(2,466)	Pooled property investments	(3,156)
(6,535)	Interest on cash deposits	(3,713)
(34,280)	Total income before taxes	(33,296)

Note 13 Other Account Fund Disclosures

Note 13a External Audit Fees

31 March 2024		31 March 2025
£000s		£000s
78	Paid in respect of external audit (excluding VAT)	97
78		97

Notes Supporting Pension Fund Accounts

Note 14 Investments

31 March 2024 £000		31 March 2025 £000
	Investment assets	
99,926	Bonds	-
35,827	Equities*	32,244
	Pooled Investments	
361,671	Fixed income funds	448,932
676,950	Equity funds	679,463
64,341	Inflation opportunity fund	61,021
-	Private debt funds	19,332
114,216	Pooled property investments	119,600
104,889	Private equity funds	101,443
24,743	Infrastructure funds	75,289
1,482,563		1,537,324
	Other Investments	
	Derivative contracts:	
251	Futures	-
7	Forward currency contracts	-
258		-
93,706	Cash deposits	65,543
2,467	Investment Income due	617
96,173		66,160
1,578,994	Total Investment assets	1,603,484
	Investment liabilities	
	Derivative contracts:	
(8)	Futures	-
(11)	Forward currency contracts	-
(2,358)	Amounts payable for purchases	-
(2,377)	Total Investment liabilities	-
1,576,617	Net Investment assets	1,603,484

*Equities consist of one holding in International Public Partnerships Limited for the purposes of the Funds strategic asset allocation this would be categorised as an Infrastructure investment.

Notes Supporting Pension Fund Accounts

Note 14a: Reconciliation of Movements in Investments and Derivatives

Period 2024/25	Market Value as at 1 April 2024 £000s	Purchases during the year and derivative payments £000s	Sales during the year and derivative receipts £000s	Change in Market Value during the year £000s	Market Value as at 31 March 2025 £000s
Bonds	99,926	18,840	(116,744)	(2,022)	-
Equities	35,827	-	-	(3,583)	32,244
Pooled Investments	1,102,962	370,787	(266,948)	1,947	1,208,748
Pooled property Investments	114,216	1,559	-	3,825	119,600
Private equity/Infrastructure	129,632	56,616	(15,770)	6,254	176,732
Management fees taken off value	-	-	(5,263)	5,263	-
	1,482,563	447,802	(404,725)	11,684	1,537,324
Derivative contracts:					
Futures	243	805	(581)	(467)	-
Forward currency contracts	(4)	232	(225)	(3)	-
	1,482,802	448,839	(405,531)	11,214	1,537,324
Other Investment balances:					
Cash deposits	93,706			211	65,543
Investment income due	2,467			-	617
Spot FX contracts	-			(19)	-
Amounts payable for purchases of Investments	(2,358)			-	-
	1,576,617			11,406	1,603,484

Notes Supporting Pension Fund Accounts

Note 14a Reconciliation of Movements in Investments and Derivatives continued:

Period 2023/24	Market Value as at 1 April 2023 £000s	Purchases during the year and derivative payments £000s	Sales during the year and derivative receipts £000s	Change in Market Value during the year £000s	Market Value as at 31 March 2024 £000s
Bonds	74,997	34,746	(12,010)	2,193	99,926
Equities	41,779	-	(2)	(5,950)	35,827
Pooled Investments	963,137	70,969	(35,690)	104,546	1,102,962
Pooled property Investments	115,975	4,444	(1,481)	(4,722)	114,216
Private equity/Infrastructure	129,649	11,076	(9,194)	(1,899)	129,632
Management fees taken off value	-	-	(6,088)	6,088	-
	1,325,537	121,235	(64,465)	100,256	1,482,563
Derivative contracts:					
Futures	166	812	(491)	(244)	243
Forward currency contracts	95	153	(380)	128	(4)
	1,325,798	122,200	(65,336)	100,140	1,482,802
Other Investment balances:					
Cash deposits	128,959			(1,840)	93,706
Investment income due	1,992			-	2,467
Spot FX contracts	-			(1)	-
Amounts payable for purchases of Investments	(872)			-	(2,358)
	1,455,877			98,299	1,576,617

Purchases and sales of derivatives are recognised in Note 14a above as follows:

- Futures – on close out or expiry of the futures contract the variation margin balances held in respect of unrealised gains or losses are recognised as cash receipts or payments, depending on whether there is a gain or loss.
- Forward currency contracts – forward foreign exchange contracts settled during the period are reported on a gross basis as gross receipts and payments.

Notes Supporting Pension Fund Accounts

Note 14b Analysis of Investments by Manager

The Fund employs external investment managers to manage all of its investments apart from an amount of cash, which is managed internally in line with the Fund's treasury management strategy. This structure ensures that the total Fund performance is not overly influenced by the performance of any one manager. The Market value of investments in the hands of each manager is shown in the table below:

31-Mar-24 £000s	%		31-Mar-25 £000s	%
Investments managed by London CIV regional pool:				
-	-	LCIV Alternative Credit Fund - CQS	185,422	11.6
130,761	8.3	LCIV Global Equity Focus Fund - Longview Partners	128,846	8.0
119,300	7.6	LCIV Global Alpha Growth Paris Aligned Fund - Baillie Gifford & Co	118,079	7.4
82,306	5.2	LCIV Global Bond Fund - PIMCO	89,104	5.6
31,431	2.0	LCIV Emerging Market Equity Fund - J.P. Morgan Asset Management	31,932	2.0
-	-	LCIV Private Debt fund II - London CIV	19,332	1.1
4,078	0.2	LCIV Renewable Infrastructure Fund - London CIV	16,609	1.0
59,727	3.8	LCIV MAC Fund - London CIV	-	-
Investments under pool management:				
305,466	19.4	ACS World Low Carbon Equity Tracker Fund - Blackrock	400,566	25.0
46,218	2.9	Aquila Life All Stock UK Index-Linked Gilt Index Fund - BlackRock	104,391	6.5
70,958	4.5	Aquila Life Up To 5 Years UK Gilt Index Fund - BlackRock	-	-
850,245	53.9		1,094,281	68.2
Investments managed outside London CIV pool:				
104,889	6.7	Adams Street Partners L.P.	101,443	6.3
69,495	4.4	Aon Investments Limited	70,021	4.4
89,901	5.7	Cash and other investment balances (internally managed)	66,057	4.1
64,341	4.0	M&G Investments	61,021	3.8
30,065	2.0	BlackRock Inc	58,668	3.7
36,646	2.3	Legal & General Investment Management Limited	39,342	2.5
36,245	2.3	CBRE Investment Management	36,094	2.2
35,827	2.3	International Public Partnerships Limited – Amber Infrastructure	32,244	2.0
20,665	1.3	Antin Infrastructure Partners	21,867	1.4
11,406	0.7	Brockton Everlast Inc.	12,173	0.8
-	-	Copenhagen Infrastructure Partners	10,195	0.6
1,987	0.1	York Capital Management	78	0.0
103,889	6.6	Western Asset Management Company Ltd	-	-
88,043	5.6	MFS International (UK) Limited	-	-
32,973	2.1	Insight Investment	-	-
726,372	46.1		509,203	31.8
1,576,617	100.0		1,603,484	100.0

Notes Supporting Pension Fund Accounts

Note 14b Analysis of Investments continued:

The following investments represent more than 5% of the net assets of the scheme.

Security	Market value	% of total	Market value	% of total
	31-Mar-2024	Fund	31-Mar-2025	Fund
	£000s		£000s	
ACS World Low Carbon Equity Tracker Fund - Blackrock	305,429	19.4	400,566	25
LCIV Alternative Credit Fund - CQS	-	-	185,422	11.6
LCIV Global Equity Focus Fund - Longview Partners	130,761	8.3	128,846	8
LCIV Global Alpha Growth Paris Aligned Fund - Baillie Gifford & Co	119,300	7.6	118,079	7.4
Aquila Life All Stock UK Index-Linked Gilt Index Fund - BlackRock	46,218	2.9	104,391	6.5
LCIV Global Bond Fund - PIMCO	82,306	5.2	89,104	5.6
Global Equity Fund - MFS	88,043	5.6	-	-
Total Value of Investments	772,057		1,026,408	

Notes Supporting Pension Fund Accounts

Note 15 Fair Value – Basis of Valuation

The basis of the valuation of each 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.

Assets and liabilities have been classified into three levels, according to the quality and reliability of information used to determine fair values. Asset and liability valuations have 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. Criteria utilised in the instrument classifications are detailed below:

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, exchange traded 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 investment 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 (private equity), which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The valuation basis for each category of investment asset is set out below:

Notes Supporting Pension Fund Accounts

Note 15 Fair Value – Basis of Valuation continued:

Description of asset	Valuation hierarchy	Basis of valuation	Observable & 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
Futures and options in UK bonds	Level 1	Published exchange prices at the year-end	Not required	Not required
Forward foreign exchange derivatives	Level 2	Market forward exchange rates at the year-end	Exchange rate risk	Not required
Overseas bond options	Level 2	Option pricing model	Annualised volatility of counterparty credit risk	Not required
Pooled investment funds	Level 2	Published bid market price at the end of accounting period (where published). Closing Single price where single price published	NAV per share	Not required
Pooled investments – hedge funds	Level 2	Most recent valuation	NAV published, Cashflow transactions, i.e., distributions or capital calls	Not Required
Inflation opportunity fund	Level 3	Indicative NAV	NAV based pricing set on a forward pricing basis with unobservable inputs feeding into calculations	Valuations could be affected by changes to the values of the underlying assets or the outcome of ongoing Government consultation on ground rent debt.
Property held in a limited partnership	Level 3	Most recent published NAV updated for cashflow transactions to the end of the accounting period.	NAV published, Cashflow transactions, i.e., distributions or capital calls	Valuations could be affected by material events between the date of the pool fund financial statements and the funds own reporting date, audited accounts received and the pension funds' year end.
Private equity/Infrastructure	Level 3	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation guidelines 2018 and IPEV's Board Special Valuation Guidance (March 2020)	- EBITDA multiple - Revenue multiple - Control Premium	Valuations could be affected by changes to expected cashflows or by differences between audited and unaudited accounts

Notes Supporting Pension Fund Accounts

Note 15 Fair Value – Basis of Valuation continued:

Sensitivity of assets valued at level 3

Having analysed historical data and current market trends, 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 2025.

Description of asset	Assessed valuation range (+/-) %	Value at 31 March 2025 £000s	Value on increase £000s	Value on decrease £000s
Private debt funds	10.5%	19,332	21,362	17,302
Inflation opportunity fund	11.0%	61,021	67,733	54,309
Pooled property investments	12.5%	48,266	54,299	42,233
Private equity funds	20.0%	101,443	121,732	81,154
Infrastructure funds	20.0%	75,289	90,347	60,231
Total		305,351	355,473	255,229

Notes Supporting Pension Fund Accounts

Note 15a Fair Value Hierarchy

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.

31 March 2025	Quoted market price Level 1 £000	Using observable inputs Level 2 £000	With significant observable inputs Level 3 £000	Total £000
Financial assets at fair value through profit and loss				
Bonds	-	-	-	-
Equities	32,244	-	-	32,244
Pooled investments	677,731	450,664	80,353	1,208,748
Pooled Property Investments	-	71,334	48,266	119,600
Private Equity/Infrastructure	-	-	176,732	176,732
Derivative Assets	-	-	-	-
Cash deposits	65,543	-	-	65,543
Investment income due	617	-	-	617
Financial liabilities at fair value through profit and loss				
Payable for investment purchases	-	-	-	-
Derivative liabilities	-	-	-	-
Net financial assets	776,135	521,998	305,351	1,603,484

Notes Supporting Pension Fund Accounts

Note 15a Fair Value Hierarchy continued:

31 March 2024	Quoted market price Level 1 £000	Using observable inputs Level 2 £000	With significant observable inputs Level 3 £000	Total £000
Financial assets at fair value through profit and loss				
Bonds	-	99,926	-	99,926
Equities	35,827	-	-	35,827
Pooled investments	697,545	341,076	64,341	1,102,962
Pooled Property Investments	-	66,565	47,651	114,216
Private Equity	-	-	129,632	129,632
Derivative Assets	251	7	-	258
Cash deposits	93,671	35	-	93,706
Investment income due	469	1,998	-	2,467
Financial liabilities at fair value through profit and loss				
Payable for investment purchases	-	(2,358)	-	(2,358)
Derivative liabilities	(8)	(11)	-	(19)
Net financial assets	827,755	507,238	241,624	1,576,617

Notes Supporting Pension Fund Accounts

Note 15b: Transfers Between Levels 1 and 2

There has been no movement during 2024/25.

Note 15c Reconciliation of Fair Value Measurements Within Level 3

	Market Value as at 1 April 2024 £000	Transfers in/out of level 3 £000	Purchases £000	Sales £000	Unrealised gains/ (losses) £000	Realised gains/ (losses) £000	Market Value as at 31 March 2025 £000
Private debt funds	-	-	19,332	-	-	-	19,332
Inflation opportunity fund	64,341	-	9,487	(9,487)	(2,809)	(511)	61,021
Pooled property investments	47,651	-	1,558	-	(943)	-	48,266
Private equity funds	104,889	-	8,691	(13,245)	(6,329)	7,437	101,443
Infrastructure funds	24,743	-	47,925	(2,524)	5,142	3	75,289
	241,624	-	86,993	(25,256)	(4,939)	6,929	305,351

Note 16 Financial Instruments

Notes Supporting Pension Fund Accounts

Note 16a Classification of Financial Instruments

The following table analyses the carrying amounts of financial instruments by category and net assets statement heading. No financial instruments were reclassified during the accounting period.

Fair value through profit and loss £000	31 March 2024			Fair value through profit and loss £000	31 March 2025	
	Assets at amortised cost £000	Liabilities at amortised cost £000			Assets at amortised cost £000	Liabilities at amortised cost £000
Financial assets						
99,926	-	-	Bonds	-	-	-
35,827	-	-	Equities	32,244	-	-
1,102,962	-	-	Pooled investments	1,208,748	-	-
114,216	-	-	Pooled property Investments	119,600	-	-
129,632	-	-	Private Equity	176,732	-	-
258	-	-	Derivative Assets	-	-	-
84,043	9,663	-	Cash deposits	65,306	239	-
-	2,467	-	Other investment balances	-	617	-
-	-	-	Sundry Debtors	-	88	-
1,566,864	12,130	-		1,602,630	944	-
Financial liabilities						
(19)	-	-	Other Investment balances	-	-	-
-	-	(2,358)	Amount Payable for Purchases	-	-	-
-	-	-	Sundry Creditors	-	-	(321)
(19)	-	(2,358)		-	-	(321)
1,566,845	12,130	(2,358)	Total	1,602,630	944	(321)
		1,576,617	Grand Total			1,603,253

Note 16b Net Gains and Losses on Financial Instruments

Notes Supporting Pension Fund Accounts

31 March 2024 £000		31 March 2025 £000
	Financial assets	
100,254	Fair value through profit and loss	11,585
-	Assets at amortised cost	311
	Financial liabilities	
(116)	Fair value through profit and loss	(471)
(1,839)	Loans and receivables	(19)
98,299		11,406

The authority has not entered into any financial guarantees that are required to be accounted for as financial instruments.

Note 17 Nature and Extent of Risks Arising from Financial Instruments

Notes Supporting Pension Fund Accounts

The Pension Fund's investment objective is to achieve a return on Fund assets, which is sufficient, over the long term, to fully meet the cost of benefits and to ensure stability of employer's contribution rates. Achieving the investment objectives requires a high allocation to growth assets in order to improve the funding level, although this leads to a potential higher volatility of future funding levels and therefore contribution rates.

Management of risk

The Pension Fund is invested in a range of different types of assets – equities, bonds, property, private equity and cash. This is done in line with the Local Government Pension Scheme Management and Investment of Funds Regulations 2016, which require pension funds to invest any monies not immediately required to pay benefits. These regulations require the formulation of an Investment Strategy Statement which sets out the Fund's approach to investment including the management of risk.

Responsibility for the fund's risk management strategy rests with the pension fund committee. Risk management policies are established to identify and analyse the risks faced by the council's pensions 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, while 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 Fund and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis.

The fund manages these risks in two ways:

- I. the exposure of the fund to market risk is monitored through a factor risk analysis, to ensure that risk remains within tolerable levels
- II. specific risk exposure is limited by applying risk-weighted maximum exposures to individual investments.

Equity futures contracts and exchange traded option contracts on individual securities may also be used to manage market risk on equity investments by individual fund managers. It is possible for over-the-counter equity derivative contracts to be used in exceptional circumstances to manage specific aspects of market risk.

Note 17 Nature and Extent of Risks Arising from Financial Instruments continued:

Other price risk

Notes Supporting Pension Fund Accounts

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 council 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 Fund has determined that the following movements in market price risk are reasonably possible for the 2024/25 reporting period (based on assumption made in March 2025 on data provided by the Fund's investment consultant). The sensitivities are consistent with the assumptions contained in the investment advisor's most recent review. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same. To demonstrate the impact of this volatility, the table below shows the impact of potential price changes based on the observed historical volatility of asset class returns.

Had the market price of the fund investments increased/decreased in line with the above, the change in the net assets available to pay benefits in the market price would have been as follows (the prior year comparator is shown below).

Note 17 Nature and Extent of Risks Arising from Financial Instruments continued:

Asset type	Market Value as at 31 March 2025 £000	Percentage change %	Value on increase £000	Value on decrease £000
Cash and cash equivalents	65,543	0.0	65,543	65,543

Notes Supporting Pension Fund Accounts

Investment portfolio assets:				
Bonds	-	9.5	-	-
Equities	32,244	15.5	37,242	27,246
Fixed Income funds	448,932	11.0	498,315	399,549
Equity funds	679,463	18.5	805,162	553,762
Inflation opportunity fund	61,021	11.0	67,733	54,309
Private Debt	19,332	10.5	21,363	17,303
Pooled property Investments	119,600	12.5	134,550	104,650
Private equity funds	101,443	20.0	121,732	81,154
Infrastructure funds	75,289	20.0	90,347	60,231
Net derivatives	-	0.0	-	-
Investment income due	617	0.0	617	617
Amounts payable for purchases	-	0.0	-	-
Total assets available to pay benefits	1,603,484		1,842,604	1,364,364

Asset type	Market Value as at 31 March 2024 £000	Percentage change %	Value on increase £000	Value on decrease £000
Cash and cash equivalents	93,706	-	93,706	93,706
Investment portfolio assets:				
Bonds	99,926	9.0	108,919	90,933
Equities	35,827	16.0	41,559	30,095
Fixed Income funds	361,671	9.0	394,221	329,121
Equity unit trusts	676,950	18.0	798,801	555,099
Inflation opportunity fund	64,341	9.0	70,132	58,550
Private Debt	-	-	-	-
Pooled property Investments	114,216	12.5	128,493	99,939
Private equity/Infrastructure funds	104,889	20.0	125,867	83,911
Infrastructure funds	24,743	15.0	28,454	21,032
Net derivatives	239	0.0	239	239
Investment income due	2,467	0.0	2,467	2,467
Amounts payable for purchases	(2,358)	0.0	(2,358)	(2,358)
Total assets available to pay benefits	1,576,617		1,790,500	1,362,734

Note 17 Nature and Extent of Risks Arising from Financial Instruments continued:

Interest rate risk

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

Notes Supporting Pension Fund Accounts

rate risk is routinely monitored by the council and its investment advisors 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 2025 and 31 March 2024 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value.

Interest rate risk sensitivity analysis

The council recognises that interest rates can vary and can affect both income to the fund and the carrying value of fund assets, both of which affect the value of the net assets available to pay benefits. A 100 basis point (BPS) movement in interest rates is consistent with the level of sensitivity applied as part of the fund's risk management strategy. The fund's investment advisor has advised that long-term average rates are expected to move less than 100 basis points from one year to the next and experience suggests that such movements are likely.

The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/- 100 BPS change in interest rates.

Asset type	Average Duration Years	Market Value as at 31 March 2025 £000	Change in year in the net assets available to pay benefits £000	
Cash and cash equivalents				
Cash	-	65,543	-	-
Bonds				
UK public sector quoted	-	-	-	-
UK quoted	-	-	-	-
Overseas public sector quoted	-	-	-	-
Overseas quoted	-	-	-	-
Total change in assets available	-	-	-	-

Note 17 Nature and Extent of Risks Arising from Financial Instruments continued:

Asset type	Average Duration Years	Market Value as at 31 March 2024 £000	Change in year in the net assets available to pay benefits £000	
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Notes Supporting Pension Fund Accounts

Cash and cash equivalents					
Cash	-		93,706	-	-
Bonds					
UK public sector quoted	14.2		8,148	(1,155)	1,155
UK quoted	10.8		51,478	(5,547)	5,547
Overseas public sector quoted	17.4		659	(114)	114
Overseas quoted	9.4		39,641	(3,739)	3,739
Total change in assets available				(10,555)	10,555

Income exposed to interest rate risks	Amount receivable as at 31 March 2025 £000	Potential movement on 1% change in interest rates £000	Value on increase £000	Value on decrease £000
Interest on cash deposits	3,713	655	4,368	3,058
Bonds	3,704	0	3,704	3,704
Total	7,417	655	8,072	6,762

Income exposed to interest rate risks	Amount receivable as at 31 March 2024 £000	Potential movement on 1% change in interest rates £000	Value on increase £000	Value on decrease £000
Interest on cash deposits	6,535	937	7,472	5,598
Bonds	4,281	0	4,281	4,281
Total	10,816	937	11,753	9,879

Note 17 Nature and Extent of Risks Arising from Financial Instruments continued:

Currency risk

Notes Supporting Pension Fund Accounts

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 sterling). The fund holds both monetary and non-monetary assets denominated in currencies other than UK sterling.

The fund's currency rate risk is routinely monitored by the council and its investment advisors in accordance with the fund's risk management strategy, including monitoring the range of exposure to currency fluctuations.

Currency risk – sensitivity analysis

There is a risk that due to exchange rate movements the sterling equivalent value of the investments falls. The Fund acknowledges that adverse foreign currency movements relative to Sterling can reduce the value of the fund's investment portfolio. The table below demonstrates the potential value of the fund's investments based on positive or adverse currency movements by 10%.

Currency exposure - asset type	Market Value as at 31 March 2025 £000	Change in year in the net assets available to pay benefits	
		+10% £000	-10% £000
Bonds	-	-	-
Pooled Investments	78	86	70
Private equity/Infrastructure	160,124	176,136	144,112
Derivatives	-	-	-
Cash Balances	12,716	13,989	11,444
Investment income due	-	-	-
Total change in assets available	172,918	190,210	155,626

Note 17 Nature and Extent of Risks Arising from Financial Instruments continued:

Notes Supporting Pension Fund Accounts

Currency exposure - asset type	Market Value as at 31 March 2024 £000	Change in year in the net assets available to pay benefits	
		+10% £000	-10% £000
Bonds	3,304	3,634	2,974
Pooled Investments	1,987	2,186	1,788
Private equity/Infrastructure	125,554	138,109	112,999
Derivatives	(4,161)	(4,577)	(3,745)
Cash Balances	85,655	94,221	77,090
Investment income due	247	272	222
Total change in assets available	212,586	233,845	191,328

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, with the exception of the derivatives' positions, where the risk equates to the net market value of a positive derivative position. 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.

Contractual credit risk is represented by the net payment or receipt that remains outstanding, and the cost of replacing the derivative position in the event of a counterparty default. The residual risk is minimal due to the various insurance policies held by the exchanges to cover defaulting counterparties.

Credit risk on over-the-counter derivative contracts is minimised as counterparties are recognised financial intermediaries with acceptable credit ratings determined by a recognised rating agency.

Deposits are not made with banks and financial institutions unless they are rated independently and meet the council's credit criteria. The council has also set limits as to the maximum percentage of the deposits placed with any one class of financial institution. In addition, the council invests an agreed percentage of its funds in the money markets to provide diversification. Money market funds chosen all have AAA rating from a leading ratings agency.

Note 17 Nature and Extent of Risks Arising from Financial Instruments continued:

Notes Supporting Pension Fund Accounts

The Council 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. Detailed below are the specifics of the Fund's cash, held under internal treasury management arrangements, and the respective institutions where these holdings are kept:

	Rating	Balances as at 31 March 2024 £000	Balances as at 31 March 2025 £000
Money market funds			
Goldman Sachs money market fund	AAAm	22,747	16,737
Northern Trust market fund	AAAm	61,261	48,535
Bank current accounts			
HSBC	AA-	1	2
Northern Trust Custodian	AA-	5,488	226
		89,497	65,500

c) Liquidity risk

This represents the risk that the fund will not be able to meet its financial obligations as they fall due. The council therefore takes steps to ensure that the pension fund has adequate cash resources to meet its commitments. This will particularly be the case for cash from the cash flow matching mandates from the main investment strategy to meet the pensioner payroll costs; and cash to meet investment commitments. The Fund has immediate access to its pension fund cash holdings.

Management prepares periodic cash flow forecasts 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 2025 are due within one year.

a) Refinancing risk

The key risk is that the council will be bound to replenish a significant proportion of its pension fund financial instruments at a time of unfavourable interest rates. The council does not have any financial instruments that have a refinancing risk as part of its investment strategy.

Note 18 Funding Arrangements

Notes Supporting Pension Fund Accounts

Description of Funding Policy

In line with the Local Government Pension Scheme Regulations, the Fund's actuary undertakes a funding valuation every three years for the purpose of ensuring the Enfield Pension Fund can meet its liabilities to past and present contributors, and to review employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2022 and was carried out by the Fund's actuary at the time - Aon.

The funding policy is set out in the Funding Strategy Statement (FSS), dated September 2022. In summary 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 reasonably stable where appropriate;
- to minimise the long-term cash contributions which employers need to pay to the Fund, by recognising the link between assets and liabilities and adopting an investment strategy which balances risk and return (this will also minimise the costs to be borne by Council Tax payers);
- to reflect the different characteristics of different employers in determining contribution rates. This involves the Fund having a clear and transparent funding strategy to demonstrate how each employer can best meet its own liabilities over future years; and
- 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 FSS sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable. Employer contributions have been set to have a sufficiently high likelihood of achieving the funding target over 25 years. Asset-liability modelling has been carried out which demonstrate that if these contribution rates are paid and future contribution changes are constrained as set out in the FSS, there is at least an 80% likelihood that the Fund will achieve the funding target over 25 years.

Funding Position at last formal valuation

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as at 31 March 2022. This valuation revealed that the Fund's assets, which at 31 March 2022 were valued at £1,523 million, were sufficient to meet 104% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting surplus at the 2022 valuation was £53 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving their funding target within a time horizon and likelihood measure, as per the FSS. Individual employers' contributions for the period 1 April 2023 to 31 March 2026 were set in accordance with the Fund's funding policy as set out in its FSS.

Principal Actuarial Assumptions and Method used to value the liabilities

Full details of the methods and assumptions used are described in the 2022 valuation report and FSS.

Note 18 Funding Arrangements continued:

Notes Supporting Pension Fund Accounts

Method

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date; and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

Financial assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.

The key financial assumptions adopted for the 2022 valuation were as follows:

Financial assumptions	31 March 2022
Discount rate	4.4% p.a.
Salary increase assumption	3.8% p.a.
Benefit increase assumption (CPI)	2.3% p.a.

Demographic assumptions

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on S3PA (heavy) tables with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.5% and a long term rate of 1.50% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

Life expectancy from age 65 as valuation date	Males	Females
Current pensioners aged 65 at the valuation date	21.7	24.1
Future pensioners aged 45 at the valuation date	23.0	25.5

Full details of the methods and assumptions used are described in the 2022 valuation report and FSS. Copies of the 2022 valuation report and FSS are available on the Fund's website. The next actuarial valuation will be carried out as at 31 March 2025, The FSS will also be reviewed at that time.

Experience over the period since 31 March 2022

Markets were disrupted by the ongoing war in Ukraine and inflationary pressures in 2022 and 2023, impacting on investment returns achieved by the Fund's assets. Asset performance improved in 2024 and early 2025; however the recent increase in US tariffs on imports has caused significant market volatility. The peak of this market volatility was experienced immediately after 31 March 2025, however, generally lower than expected asset returns were experienced in the month immediately prior to this.

Note 18 Funding Arrangements continued:

Notes Supporting Pension Fund Accounts

High levels of inflation in the UK (compared to recent experience) have resulted in higher than expected LGPS benefit increases of 10.1% in April 2023 and 6.7% in April 2024. However, inflation has reduced towards historical levels and the Bank of England's target (2% pa), with LGPS benefits increasing by 1.7% in April 2025.

There has been a significant shift in the wider economic environment since 2022, resulting in generally higher expected future investment returns and a reduction in the value placed on the Fund's liabilities. Overall, the funding position is likely to be stronger than at the previous formal valuation at 31 March 2022.

The next actuarial valuation will be carried out as at 31 March 2025, and will be finalised by 31 March 2026. The FSS will also be reviewed at that time, and a revised version will come into effect from 1 April 2026

Note 19 Actuarial Present Value of Promised Retirement Benefits

CIPFA's Code of Practice on Local Authority Accounting 2024/25 requires Administering Authorities of LGPS funds that prepare pension fund accounts to disclose what IAS26 refers to as the actuarial present value of promised retirement benefits.

The table below shows the present value of promised retirement benefits as at 31 March 2025. The figures have been prepared by Hymans Robertson, the Fund's actuary, only for the purposes of providing the information required by IAS26. In particular, they are not relevant for calculations undertaken for funding purposes or for other statutory purposes under UK pension's legislation. In calculating the required numbers, the actuary adopted methods and assumptions that are consistent with IAS19.

	31 March 2024 (£m)	31 March 2025 (£m)
Active Members	603	547
Deferred members	292	242
Pensioners	769	679
Total	1,664	1,468

Note 19 Actuarial Present Value of Promised Retirement Benefits continued:

Notes Supporting Pension Fund Accounts

The promised retirement benefits at 31 March 2025 have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2022. The approximation involved in the roll forward model means that the split of benefits between the three classes of member may not be reliable. However, Hymans Robertson are satisfied that the total figure is a reasonable estimate of the actuarial present value of benefit promises.

Assumptions

Financial assumptions	31 March 2024	31 March 2025
Discount rate	4.8% p.a.	5.8% p.a.
Salary increase assumption	4.3% p.a.	4.3% p.a.
Benefit increase assumption (CPI)	2.8% p.a.	2.8% p.a.

Demographic assumptions

The longevity assumptions have changed since the previous IAS26 disclosure for the Fund.

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2023 model, with a 15% weighting of 2023 (and 2022) data, 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

Life expectancy	Males	Females
Current pensioners	20.8	23.3
Future pensioners aged 45 at the valuation date	21.9	24.7

All other demographic assumptions are unchanged from last year and are as per the latest funding valuation of the Fund.

Note 20 Current Assets

Notes Supporting Pension Fund Accounts

31 March 2024 £000s		31 March 2025 £000s
	Debtors	
162	Contributions due - employees	286
492	Contributions due - employers	896
152	London Borough of Enfield	88
806		1,270
	Cash balances	
1	Current account	2
807		1,272

Note 20a Long Term Debtors

31 March 2024 £000s		31 March 2025 £000s
	Debtors	
234	Pensioner Tax liability	258
234		258

Note 21 Current Liabilities

31 March 2024 £000s		31 March 2025 £000s
(349)	Sundry creditors	(321)
(83)	Benefits payable	(67)
(432)		(388)

Note 22 Additional Voluntary Contributions

Notes Supporting Pension Fund Accounts

Members of the Fund are able to make AVCs in addition to their normal contributions. The related assets are invested separately from the main Fund and in accordance with the Local Government Pension Scheme (Management and Investment of Funds) regulations 2016, are not accounted for within the financial statements. If on retirement members opt to enhance their Scheme benefits using their AVC funds, the amounts returned to the Fund by the AVC provider are disclosed within transfers-in.

The current provider is Prudential. Funds held are summarised below. Funds held are summarised in the table below (at the time of publishing Prudential have not finalised their 2024/25 accounts so the data below is based on draft accounts):

	Opening Balance at 1 April 2024 £000s	Contributions & Transfers £000s	Sums Paid Out £000s	Investment Return £000s	Closing Balance at 31 March 2025 £000s
Plan Value	5,673	1,441	(1,358)	291	6,047
	5,673	1,441	(1,358)	291	6,047

Note 23 Agency Services

The Enfield Pension Fund does not use any agency services to administer the pension service.

Note 24 Related Party Transactions

London Borough of Enfield

The Enfield Pension Fund is administered by the London Borough of Enfield. Consequently, there is a strong relationship between the Council and the Pension fund.

During the reporting period, the Council incurred costs of £1.674m (2023/24: £1.621m) 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, the total contribution paid by the Council are disclosed in note 7 above. At year end the Council owed the Pension Fund £88k (in 2023/24 the Council owed the Pension Fund £152k).

Note 24 Related Party Transactions continued:

Governance

Notes Supporting Pension Fund Accounts

The Enfield Council has decided that Councillors should not be allowed to join the LGPS scheme and receive pension benefits from the Fund.

No allowances are paid to Members directly in respect of the Pension Policy & Investment Committee. The Chair of the Pension Policy & Investment Committee, however, is paid a special responsibility allowance.

During the year, no member or Council Officer with direct responsibility for pension fund issues had undertaken any declarable material transactions with the Pension Fund. Each member of the Pension Committee is required to declare their interests at meetings.

Note 24a Key Management Personnel

The fund has identified the Director of Capital and Commercial, the Head of Pension Investments, and the Head of Exchequer Services as key management personnel with the authority and responsibility to control or exercise significant influence over the financial and reporting decisions of the fund. The combined compensation for these officers attributable to Enfield Pension Fund is shown below:

31 March 2024		31 March 2025
£000s		£000s
123	Short-term benefits	119
24	Post-employment benefits	23
147		142

Note 25 Contingent Liabilities And Contractual Commitments

The total outstanding capital commitments (investments) at 31 March 2025 are £194.2m (31 March 2024 were £198.7m).

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.

Glossary of Terms

Accruals	Amounts charged to the accounts for goods and services received during the year for which payments or transfers of economic benefit are expected to be made in the next or a subsequent reporting period. Amounts credited to the accounts for goods and services provided during the year for which payments or transfers of economic benefit are expected to be received in the next or subsequent reporting period.
Actuary	A specialised Professional who calculates projections for pensions and insurance purposes.
Amortise	To liquidate (a debt, such as a mortgage) by instalment payments, or payment into a sinking fund; or to write off an intangible asset by pro-rating the cost or income over the life of the related asset.
Appropriation	The assignment of revenue to a specific purpose.
Balance Sheet	A formal statement of the assets, liabilities and reserves of the Council.
Capital Expenditure	Payments for the acquisition, replacement or enhancement of assets that are considered to be of benefit to the Council over a period of more than one year, e.g. buildings and land, vehicles and equipment. Payments of grants and financial assistance to third parties towards the cost of capital expenditure. Expenditure that is classified as capital following a ministerial direction, e.g. capitalised redundancy costs.
Capital Financing Requirement (CFR)	The measure of the Council's underlying need to borrow in order to fund capital expenditure.
Capital Adjustment Account	This reserve includes amounts set aside from revenue, capital receipts and capital grants to fund capital expenditure and makes contributions in the Movement in Reserves Statement to offset net depreciation charges included in the Comprehensive Income and Expenditure Statement.
Capital Grants	Grant received from Government departments, other statutory bodies and external parties to finance capital expenditure.
Capital Receipts	Income received from the sale of land, buildings and other capital assets.
Collection Fund	A separate account that discloses the income and expenditure relating to Council Tax and National Non Domestic Rates.
Comprehensive Income and Expenditure Statement	A statement showing the net cost for the year of all the services for which the Council is responsible and how that cost has been financed from general government grants and income from local taxpayers.
Contingent Liability	A possible liability at the Balance Sheet Date to transfer future economic benefit to a Third Party, where the existence of the liability is subject to one or more future uncertain events that are outside the control of the Council.
Council Tax	A local tax on domestic property values.
Creditors	Amounts owed by the Council for goods received or services provided but not yet paid for as at the Balance Sheet date.

Glossary of Terms

Debtors	Amounts owed to the Council but not received at the Balance Sheet date.
Depreciation	The consumption of an asset's economic value due to normal wear and tear and deterioration in the day to day provision of services.
Earmarked Reserves	Reserves set aside from revenue funding to meet future expenditure for specific purposes.
Expenditure	Activity which has been charged to the Accounts. This includes payments physically made, creditors and capital charges such as depreciation and impairment.
Funded Scheme	A pension scheme that is supported by a fund of money, which is maintained at a level sufficient to meet all future liabilities under the scheme.
General Fund	A statutory account that summarises the cost of providing Council services. It excludes the provision of council housing.
Gross Expenditure	The total cost of providing a service or activity before taking into account income, e.g. from government grants or fees and charges.
Housing Revenue Account (HRA)	A statutory account maintained separately from the General Fund for the recording of income and expenditure relating to the provision of council housing.
Impairment	Additional charges above normal depreciation representing the reduction in asset values arising from a fall in market values or deterioration/obsolescence.
Interest	The amount received or paid for the use of a sum of money when it is invested or borrowed.
Income	The Inflow of resources to the Council which has been recognised and recorded in the accounts. This includes actual receipts, plus debtors.
Materiality	<p>Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements (International Accounting Standards Board Framework).</p> <p>Materiality therefore relates to the significance of transactions, balances and errors contained in the financial statements. Materiality defines the threshold or cut off point after which financial information becomes relevant to the users. Information contained in the financial statements must therefore be complete in all material respects (both qualitative and quantities) in order for them to present a true and fair view of the affairs of the entity.</p>
Minimum Revenue Provision	The statutory minimum amount that the Council must charge to revenue to provide for the reduction in the Capital Financing Requirement.
Non-Domestic Rates (NDR)	Also known as Business Rates, this is a flat rate in the pound set by Central Government and levied on businesses in the borough. The money is essentially collected by Enfield and then shared between Enfield, the Greater London Authority and Central Government. These arrangements were introduced under the Localism Act in April 2013, so that the Council gets to retain a proportion of Business Rate Income growth locally without sharing.
Net Expenditure	Expenditure less income

Glossary of Terms

Non-Current Assets	Tangible and intangible assets that yield benefits to the Council and the services it provides for a period of more than one year.
Precept	A charge on the Collection Fund by the Greater London Authority.
Prior Year Adjustment	An adjustment applicable to prior years arising from changes in accounting policies or from the correction of material errors.
Provision	An amount set aside for liabilities and losses, which are likely to be incurred, but where the exact amount and the date on which they will arise is uncertain.
Public Works Loans Board	Central Government agency, which is used to fund local government borrowing.
Revenue Expenditure	Spending on day-to-day items including salaries and wages, premises costs, and supplies and services.
Revenue Expenditure Funded from Capital Under Statute	Expenditure of a capital nature not in connection with a Council-owned asset e.g. private sector renewal grants, Disabled Facilities Grants and funding for Voluntary Aided Schools.
Revenue Support Grant	A general grant paid by Central Government to the Council towards the cost of all its services.
Reserves	The difference between cumulative income and cumulative expenditure. Reserves are resources available to the Council.
Support Services	These are services provided centrally in support of the corporate management of the Council and the delivery of front-line services. They include financial, legal, HR, IT, property and general administrative support services.
Unfunded Scheme	A superannuation scheme that is not supported by a fund of money.