

London Borough of Enfield

Statement of Accounts 2025/26



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Statement of Accounts

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Chief Finance Officer's Report and Written Statements

Chief Finance Officer's Report

Introduction

The Narrative Report provides information about Enfield, its main objectives and strategies and how the Council has used its resources in 2025-26 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.

Chief Finance Officer'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 20% of all English districts, according to the Indices of Deprivation 2025 and is the 7th most deprived of the 33 London boroughs. Enfield is the 42nd most deprived district in England overall (out of 296).

Population

Enfield is the 10th largest London Borough by population, with the population estimated to be 327,434 as at mid-2024. This is an estimated increase of around 1,100 (or 0.3%) between 2014 and 2024, while the population in London and England increased by 6.5% and 6.7% respectively. With 40.52 people per square hectare, Enfield has lower population density than the average for London (57.82 p/ha).

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 39 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).

Overseas born residents make up 40% of the borough's population, according to 2021 Census.

In the year ending March 2025, 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 74.5%. The employment rate in Enfield was in decline from 2016 to 2023, before recovering during 2024.

The median gross income of Enfield households is the 10th lowest of the 33 London boroughs in 2025, according to estimates from CACI Ltd.

The average house price in Enfield was £474,000 in July 2025, marking an increase of 22% since the previous July. The median house in Enfield now costs around 13 times the average annual earnings, leading to issues of limited housing choices and overcrowding.

Chief Finance Officer's Report continued:

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 2026 there were 7,135 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 2025/26](#)

Workforce

As of end of March 2026, Enfield directly employ 3,286 people on a range of employment contracts including full-time, part-time, job share, term-time and fixed term. We also have 580 (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
- 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.

Chief Finance Officer's Report continued:

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.

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



Chief Finance Officer's Report continued:

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

- a. 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.
- b. Plan ahead carefully, making decisions based on evidence of what works, to deliver on the priorities set out in the plan.
- c. 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.
- d. 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.
- 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](#)

Chief Finance Officer's Report continued:

Delivering our Council Plan during 2025/26

To track our progress and performance in delivering the Council Plan's five priorities, the council has corporate performance scorecards. These are reported quarterly to Directorate Management Teams, Executive Management Teams and Cabinet quarterly. This performance management framework enables senior leadership and Cabinet to monitor progress being made towards delivering the Plan; consider the current and future strategic risks associated with the information provided and use this to inform decision-making; and challenge progress with responsible officers, as necessary.

The Corporate Scorecard is reviewed annually with departments and EMT to identify the key performance indicators (KPIs) that should feature in the scorecard for the coming year. Targets are set based on the previous 3 years' performance, direction of travel, local demand, performance at a regional and national level, and by considering available resources to deliver services.

The Q3 report for 2025/26 was presented to Cabinet in April 2026 – [Quater 3 2025/26 Performance Report](#) (the Q4 report will be presented to Cabinet in September 2026).

Current Environment

The financial position for the Local Government sector is increasingly challenging. According to the Local Government Association's (LGA) modelling 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 2025/26 budget was set on a solid foundation and in addition the Council identified £5.1m of in year savings to replace the need to draw upon reserves to balance the budget.

The Council reported throughout the year that it was experiencing significant demand pressures, likely to lead to an overspend compared to budget. The Council took proactive action to mitigate pressures and, as a result, despite pressures in key areas continuing, it has been able to bring the final outturn position down to £6.4m overspend prior to the application of Exceptional Financial Support.

MHCLG agreed in principle for Enfield to use capital receipts generated during 2025/26 to fund financial pressures up to £10m rather than using reserves (this is known as 'Exceptional Financial Support') to mitigate the 2025/26 position. This has been applied to Adult Social Care pressures.

Looking Forward

The Government's Fair Funding Review has provided a greater level of certainty in funding for the next three years and is set out in the Council's 2026/27 budget and Medium-Term Financial Plan for 2026/27 to 2030/31 that was agreed by Council in February 2026. The report sets out how the budget has been

Chief Finance Officer's Report continued:

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:

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

There are budget gaps forecast for the years 2029/30 to 2030/31 totalling circa £35m and therefore, the budget position remains under continuous review and the Medium-Term Financial Plan will be updated to reflect the impact of the 2025/26 outturn. This will include the updated position for inflation, cost and demography pressures and the impact of the current economy on service costs and needs.

Financial Resilience, through increasing reserves levels and reducing debt, is a significant priority for the Council. During 2025/26, the Council reached two symbolic milestones – reaching Minimum Threshold Risk reserves and completing the first stage of the Debt Strategy. Despite the increase in government funding over the next three years, given the scale and complexity of the challenge particularly in social care and homelessness, balancing the budget over the coming MTFP period will remain challenging.

Governance and Decision Making

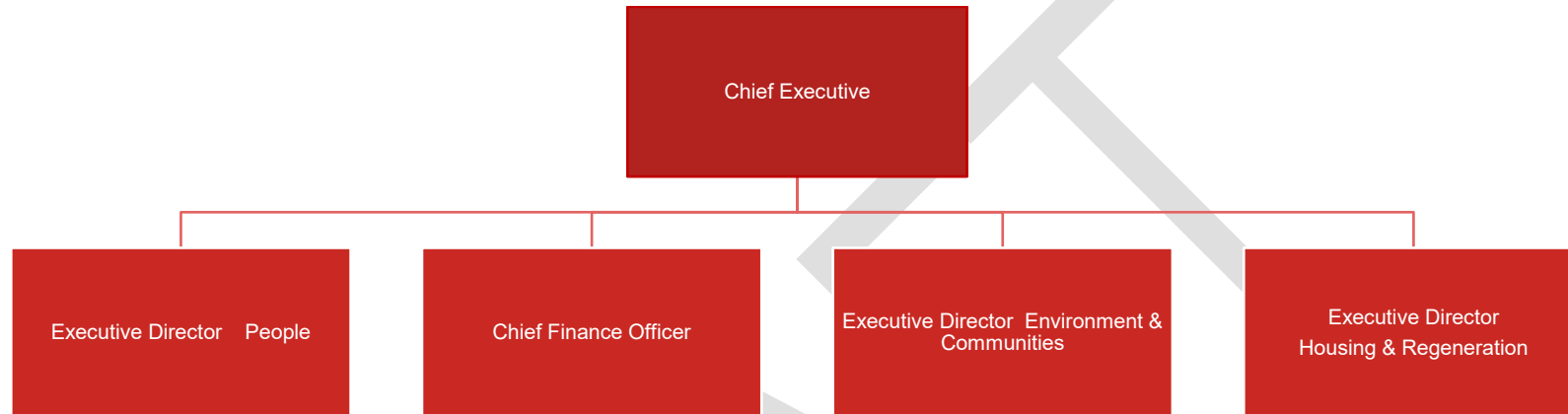
The Council operates under a leader and Cabinet model for decision making. This means that Council elects the Leader, and the Leader appoints the other members of the cabinet. Each cabinet member holds a separate portfolio, such as housing, finance, or adult social care. Decisions may be delegated to 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.

Chief Finance Officer's Report continued:

The Council's Senior Leadership Team structure in 2025/26 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 Chief Finance Officer.

Our Annual Governance Statement (AGS) summarises the outcome of our review of the effectiveness of our system of internal control. The 2025/26 statement will set out the robust systems and effective governance arrangements in place and identify governance issues and planned actions.

Chief Finance Officer's Report continued:

Financial Performance

General Fund

The financial position for the Local Government sector is increasingly challenging; however the government has fundamentally changed the way funding is allocated to councils through the Fair Funding 2.0 review. The outcome of the Fair Funding Review has been very positive for Enfield, where the government estimated that the borough has had the second highest increase in core spending power in the country and the highest in London. This fundamental shift in resources recognises the needs of the borough and provides a certainty in the level of funding over the next three years, though it is still expected that the government will confirm the allocations for 2027/28 and 2028/29 on an annual basis.

The 2025/26 net revenue budget of £348.7m 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 2025/26, 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 implementing the 4.99% increase in Council Tax. These actions positively contributed to balancing the budget but relied upon drawing down on reserves worth £5m to achieve a balanced position, whilst still recognising that it was dependent on delivering £17.2m of savings and significant level of risks particularly in the areas mentioned above.

Exceptional Financial Support (EFS)

Given the forecast overspend being reported during 2024/25 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 2025/26 will enable the Council to maintain earmarked reserves balances. The Council will therefore utilise £10.0m for 2025/26 to mitigate the reported overspend and replace the use of earmarked reserves.

Chief Finance Officer's Report continued:

General Fund Outturn 2025/26

The action taken during 2025/26 to contain budget pressures included concerted management actions and Member decisions around each of the main overspend areas led by the relevant Directors. For example, identifying £5.1m of in year savings to replace the planned drawdown from reserves, sustained local strategies focussed on prevention and family reunification have achieved a reduction in the number of children in care and the ending of hotel use for temporary accommodation.

The General Fund Outturn position for 2025/26 was an overspend of £6.4m 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 - £15.1m overspend primarily due to sustained demand pressures and rising unit costs.
- Children & families - £0.7m overspend despite the number of children in care remaining stable following 10% decreases in 2024/25 the complexity of children's needs has resulted in higher costs for care and additional support.
- Homelessness - £4.6m overspend predominantly due to the cost of property and the Housing Benefit subsidy loss regime which limits the amount of rental income that can be retained.
- Special Education Needs Home to School Transport - £0.9m overspend due to increased number of routes to transport additional passenger numbers.

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 2026.

Applying £10m for EFS to Adult Social Care means that £3.6m of corporate budget underspend has been transferred to risk reserves. The pre and post-EFS outturn is reflected in the table below.

However, the underlying financial position remains challenging. In 2025/26, the Council spent £25m above the base budget before reserve drawdowns and emerging pressures have emerged in the final quarter of the year that have not been allowed for in the 2026/27 budget. This indicates that there may be underlying pressures which may affect 2026/27 and future years.

Chief Finance Officer's Report continued:

Department	Net Budget	Total Gross Outturn	Flexible use of Capital Receipts	Reserves	Final Net Outturn	Total Variance	EFS	Transfer to Risk Reserves	Outturn Variance post EFS and reserve movements
	£m	£m	£m	£m	£m	£m	£m	£m	£m
People	177.7	195.3	(0.5)	(2.0)	192.8	15.1	(10.0)		5.1
Environment & Communities	50.6	53.7	(0.9)	(0.9)	51.9	1.3			1.3
Housing & Regeneration	14.9	22.7	(0.2)	(3.3)	19.2	4.3			4.3
Resources	15.0	14.5	(0.4)		14.1	(0.9)			(0.9)
Chief Executive	26.4	29.3	(4.5)		24.8	(1.6)			(1.6)
Service Net Costs	284.6	315.5	(6.5)	(6.2)	302.8	18.2	(10.0)		8.2
Housing Benefit Subsidy Loss	2.8	1.3			1.3	(1.5)			(1.5)
Corporate Expenses	61.3	48.2	(0.2)	(0.3)	47.7	(13.6)		3.6	(10.0)
Net Expenditure	348.7	365.0	(6.7)	(6.5)	351.8	3.1	(10.0)	3.6	(3.3)
Taxation & Non-specific grants	(348.7)	(350.5)		5.1	(345.4)	3.3			3.3
Final Outturn Position	0.0	14.5	(6.7)	(1.4)	6.4	6.4	(10.0)	3.6	0

Chief Finance Officer'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 10,775 Council Homes which generated income of £77.9m in rent in 2025/26. 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 £2.4m, which was primarily due to £2.1m cost associated with decanting Shropshire/Cheshire houses to complete the essential safety maintenance work and an increase to the Insurance provision, this was partly offset by additional rental income.

The HRA general balance has reduced during 2025/26 to £11.8m, from £15.9m in 2024/25.

The total other HRA Earmarked reserves stand at circa £6.41m, and a further £39.5m 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 £273.431m in 2025/26, of which £198.677m was directly passported to schools and the remainder is utilised for education costs. The Dedicated Schools Grant net position in 2025/26 was a deficit of £3.381m. This was made up of £1.254m underspend for Early Years and £0.329m underspend for Central School Service Block (CSSB) which were offset by an overspend of £4.964m arising from High Needs cost pressures. The cumulative DSG deficit, which as per statutory requirements is accounted for as a negative unusable reserve on the balance sheet, as at 31 March 2026 is £20.799m compared to £17.418m at 31 March 2025.

Chief Finance Officer's Report continued:

The Government has announced the approach to support Councils with DSG deficits. As part of the first phase of support, Councils will be eligible for a High Needs Stability Grant covering 90% of the high needs related DSG deficit accrued up to the end of 2025/26. Funding will be subject to meeting specific conditions, DfE approval of a local SEND reform plan and based on the DSG deficit value determined by Government to be eligible for the grant. Further support for deficits that arise in 2026/27 and 2027/28 has not been confirmed.

The Statutory Override will remain in place until the end of 2027/28. While it remains in place, all DSG deficits will remain in the unusable reserve.

Reserves

Enfield's risk reserves are low and had been substantially eroded by overspends linked to demand pressures such as temporary accommodation. 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 was set at £43.3m. The actual risk reserves at the end of 2025/26 would have been £36.2m before the application of EFS. With EFS being applied risk reserves increase to £46.2m.

The Council has also increased the General Fund Balance to £17.7m so that the balance remains at 5% of the 2025/26 Net Revenue Budget.

Chief Finance Officer's Report continued:

Summary of Usable Reserves

Usable Reserves	31 March 2025	Transfer Between	Top Up	Drawdown	EFS	31 March 2026
	£m	£m	£m	£m	£m	£m
Risk Reserve	13.4	15.4	4.3	(6.4)	10.0	36.6
Collection Fund Pooling Reserve	7.5		3.7	(1.6)		9.6
NLWA Reserve	10.0	(10.0)				0
Temporary Accommodation Reserve	1.6	(1.6)				0
Subtotal – GF Risk reserves	32.5	3.8	8.0	(8.0)	10.0	46.2
Collection Fund Smoothing Reserve	0		1.5			1.5
Meridian Water	0.6			(0.5)		0.1
Companies Reserve	1.9		0.3	(0.3)		1.9
Service Specific	7.7	(0.9)	3.3	(6.1)		4.1
Property	0.4			(0.1)		0.3
Sub-total GF usable reserves	43.1	2.9	13.1	(15.0)	10.0	54.0
Grants & Other Contributions	9.2		8.0	(8.1)		9.1
Insurance	7.5	(4.5)	3.7	(0.1)		6.5
Sub-total GF reserves including ringfenced	59.7	(1.6)	24.8	(23.2)	10.0	69.6
General Fund Balance	16.1	1.6				17.7
Total GF Earmarked Reserves & Balances (excl. HRA & Schools)	75.8	0	24.8	(23.2)	10.0	87.3
HRA Earmarked Reserves	16.9		5.4	(4.1)		18.2
Schools Balances	1.4		0.2	(0.3)		1.3
Total Reserves	94.1	0	30.4	(27.6)	10.0	106.8

Chief Finance Officer's Report continued:

Capital Expenditure and Financing 2025/26

The table below summarises the capital expenditure incurred, and funding applied in 2025/26 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 £m	Outturn £m
Bereavement Services	0.1	-
Community Safety	0.2	0.2
Corporate Buildings and Improvements	17.1	9.9
Council Dwellings	125.7	87.9
Housing Grants	3.8	5.2
Energetik & Housing Gateway Ltd	12.1	7.8
IT Infrastructure and Programmes	2.9	2.0
Temporary Accommodation – long leases	189.8	62.8
Parks and Open Spaces	4.2	6.9
Regeneration Projects – Meridian Water	106.9	66.2
Schools and Educational Establishments	13.5	9.5
Transport and Environmental Schemes	17.5	14.4
Total capital expenditure in 2025/26	493.8	272.8
Sources of Finance:		
Government Capital Grants	164.0	141.0
Section 106 & CIL	2.4	3.1
Capital Receipts	15.3	6.6
Right to Buy receipts	5.5	1.0
Earmarked Reserves	16.2	13.8
Major Repairs Allowance	5.0	6.4
Other credit arrangements	189.8	62.8
Borrowing	95.5	38.2
Total capital funding 2025/26	493.8	272.8

Chief Finance Officer's Report continued:

Key areas of capital programme spend in 2025/26 include Meridian Water infrastructure works, improvement of council housing stock through the Housing Revenue Account (HRA), further investment in schools, highways, parks and open spaces and the acquisition of long-leased housing to alleviate temporary accommodation pressures. 86% of capital spend was funded from non-borrowing sources, including grants and capital receipts. 14% of capital spend was funded from borrowing

Treasury and Capital Financing Requirement

The proportion of net revenue budget allocated to total capital financing costs was 7.5% for 2025/26, which is below the affordability range of 10-12% established in the Capital Strategy.

The Capital Financing Requirement (CFR) increased from £1,488m to £1,519m, due to an increase in the Housing Revenue Account CFR. 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 £1,519m which is split into General Fund £991m and HRA £451m with the remaining £77m relating to Finance leases and PFI agreements. As at 31 March 2026 the Council's debt was £1,290m, exclusive of interest, an increase of £4m from the previous year. Treasury cash balances remained unchanged at £90m. Net debt increased by £4m during 2025/26. 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 3.18%.

Holding cash balances of £90m is the result of a strategy of interest rate management where the Council undertook its borrowing when rates were lowest before the Middle East conflict. These balances will gradually run down through spending on the capital programme whilst allowing the Council to plan for borrowing again at the lowest cost.

As part of the Debt Strategy the Council continues to review its capital expenditure and has succeeded in reducing the General Fund Loans CFR below target £997m one year ahead of the plan.

During 2025/26 £50m was borrowed from the Public Works Loan Board on a long-term basis (partly to refinance loan repayments), the Council did not have any short-term borrowing. 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 2025/26, the Council had £55.9m in the General Fund Capital Grants and receipts unapplied Account, £57.7m in the HRA Capital Receipts and Reserves Unapplied Account, including £0.3m in the HRA Major Repairs Reserve to finance future capital spend. Much of the capital resources unapplied have strict conditions attached, meaning they can only be used for certain projects. In addition, the Council also had £26.6m HRA capital grants which have been received in advance which cannot be used until 2026/27 or later.

Chief Finance Officer'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 £31.0m as at 31 March 2025 to £29.2m as at 31 March 2026. The scheme assets are £1,264.0m for the Fund as at 31 March 2026 which has increased from £1,229.3m at 31 March 2025. In accordance with proper accounting practice the numbers referenced here for 2025/26 are after an asset ceiling of £216.7m 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) for the Montagu Industrial Estate. The Council records 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 2026 was £141.1m and the underlying book value of the fixed assets totalled £161.3m at the end of 2025/26.

The Energetik Heat Network company has successfully attracted grants and low-cost loans to support infrastructure into the borough. During 2025/26 Energetik continued with its planned infrastructure works, including the construction of the Meridian Water energy centre. Energetik is funded by approved loans passported through the Council of up to £77m. As at 31 March 2026 loans of £56.2m were outstanding and £18.4m equity funding (passing on of grants) had been invested by the Council. It is supported by tangible fixed assets of £66.5m. A strategic review of Energetik is underway.

Chief Finance Officer'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. The project plan is reviewed weekly to track progress against milestones and ensure the necessary professional input is in place. Ongoing liaison with the GLA and statutory consultees continues to ensure alignment with strategic planning policy and supporting evidence.</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 positive multi-year Local Government Finance Settlement has meant that the budget was balanced for 2026/27 to 2028/29, with a £35m budget gap in the final two years of the MTFP</p> <p>The 2026/27 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 and is monitored monthly.</p>

Chief Finance Officer's Report continued:

<p>Temporary Accommodation</p> <p>Continued reduced availability of private rented housing has resulted in significant cost increases to the Council</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. A review of the Placement Policy has been completed, and the service has exited from the use of hotel accommodation and B+B use for families over 6 weeks. The Council is driving prevention and improved case management to optimize efficiency. Wider initiatives to support residents to access the housing market like the First Time Buyers Commission is aimed at helping to maximise access to rented accommodation for those that need it most.</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>The Council has reduced staffing costs and the associated borrowing requirement along with a more general reduction in borrowing and work to identify further sources of investment into the project to reduce the Councils long term investment requirement. Cabinet has agreed a disposal strategy which is progressing at pace. Project Finances are covered in detail at the monthly Meridian Water Board meetings including keeping under review the economic environment for development.</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 2026.</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 Government announced the approach to support local authorities (LA's) with DSG deficits in the response to the Final Local Government Finance Settlement in February 2026.</p>	<p>Risk related to the DSG position forms part of the calculation of Target Risk Reserves.</p> <p>The Statutory Override will end on 31 March 2028. The Government has confirmed that local authorities will need to plan to be able to meet the costs of the residual</p>

Chief Finance Officer's Report continued:

<p>The Statutory Override will remain in place until the end of 2027/28, with phased support during the transition to the reformed SEND system.</p> <p>The first phase will address historic deficits accrued up to the end of 2025/26, with a High Needs Stability Grant covering 90% of eligible High Needs related deficits. The level of support for 2026/27 and 2027/28 deficits has not yet been confirmed.</p> <p>The Council will need to plan to meet the costs of the residual deficit from the general fund in 2028/29, including setting aside appropriate reserves in preceding years.</p> <p>There is a risk to the level of general fund reserves of meeting the residual deficit at the end of 2027/28 and that the deficit position for 2026/27 and 2027/28 could significantly increase.</p>	<p>deficit from their own resources in 2028/29, including setting aside appropriate reserves in preceding years.</p> <p>In view of the financial impact and risks:</p> <ul style="list-style-type: none"> • Additional Finance posts put in place to increase and improve monitoring and the challenge of financial decisions which impact the use of DSG funding • A new DSG Board was put in place in 2025/26 to provide additional scrutiny and challenge on the use of DSG funding • Council is part of the Delivering Better Value Programme and the Change Programme which are central government funded projects with specific monitored outcomes • Further mitigations and the governance arrangements will be reviewed during 2026/27 in view of the financial impact and risks to the Councils General Fund
<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 and 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>Risk that NLWA construction of the new facilities created as part of the North London Heat and Power Project places a significant future financial burden on the Council, for example due to increased costs.</p>	<p>Senior leadership from the Council meet regularly with the NLWA to review progress of the project.</p>
<p>Government new legislation for the Employment Right Act</p> <p>If Government action to improve pay and conditions for social care is not properly funded, then there is a risk that the associated increased costs of Fair Pay Agreements on the costs of services will be borne by the Local Authority.</p>	<p>Full analysis of government proposals and current market conditions and pay in the Enfield ASC provider market, as well as regular member briefings on scenario planning in order to support robust lobbying of central government on funding of these changes.</p>

Chief Finance Officer's Report continued:

<p>School Budgets</p> <p>Due to falling school rolls there are currently 12 schools with deficit budgets. The total value of the schools' licenced deficits is currently £7m (March 2026). This presents a potential financial risk to the Council if the schools' deficit recovery plans and repayments are not achieved.</p>	<p>Each school has either prepared a deficit reduction plan or is the process of preparing a deficit reduction plan, alongside receiving regular support and challenge meetings involving Finance and Education staff.</p>
<p>Fuel Costs</p> <p>Impact: unable to deliver services as limitations to fuel supply, increased service costs due to price increases</p>	<p>Close monitoring of fuel supply and contact with suppliers to ensure deliveries are sustained. Maintain full fuel stocks where possible, ensure that daily checks are made on supply and escalation if supplies become an issue</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. • Meet statutory obligations. 	<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> <p>Preventative action is being taken through programmes in early years and Team Around the School approaches.</p>

Chief Finance Officer's Report continued:

	<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>There are several panels in children's, adult social care services and education to ensure rigorous and consistent decision-making.</p> <p>DfE confirmation to support the development of a new SEND school in the borough and additional funding to create more SEND places in existing schools.</p> <p>5 year transformation plans have been produced for children's services, adult social care and SEND to help mitigate the impact of demand.</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>Housing Delivery Test Action Plan to be published and a new role has been established to facilitate the delivery of actions in the plan. .</p> <p>A Development and Regeneration Strategy to support the next SAHP bid has been agreed by Cabinet in February 2026 the results of which will be known later in the year.</p> <p>Monitoring of the economic context for development will continue and transactions will ensure risks are covered.</p>
<p>Governance</p>	
<p>Statement of Accounts</p> <p>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,</p>	<p>All accounts up to 2024/25 have received audit opinions and the 2024/25 audited accounts were published before the backstop date, 27 February 2026</p>

Chief Finance Officer's Report continued:

<p>these could be compounded for each subsequent year resulting in additional financial pressures for the Council.</p>	<p>The Council is in discussions with the External Auditors, Grant Thornton regarding the building back assurance arrangements to allow the Council to have fully audited accounts in future financial years.</p> <p>Work to start building back assurance is anticipated to start during 2026/27. The 2025/26 Statement of Accounts have been published on time. Grant Thornton are the Council's external auditors since 2024/25.</p>
<p>Property</p>	
<p>Council Housing Stock</p> <p>The nature and age of Council housing properties places rising financial pressure on the Council.</p>	<p>The Asset Management Strategy was agreed 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.</p>
<p>People</p>	
<p>Recruitment and Retention</p> <p>The Council is unable to attract and retain the best talent due to factors such as industry skill shortages, such as Building Control</p>	<p>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 applicable.</p> <p>Where appropriate, using the apprentice levy for recognised programmes to address recruitment and retention challenges.</p> <p>The council will participate in national recruitment campaigns led by the LGA and the London Councils.</p> <p>The council introduced and launched value-based recruitment in September 2025, this is combined with competency-based questions to encourage the right appointments.</p>
<p>Technology</p>	
<p>Digital Infrastructure</p> <p>Lack of investment in robust and resilient systems and infrastructure adds further cost and affect the Council's ability to deliver its objectives.</p>	<p>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. The Digital Services 26/27 Portfolio was approved by Cabinet in March 2026 and sets</p>

Chief Finance Officer's Report continued:

	out the £6.7m investment allocated to projects including those related to improvements in the Digital Infrastructure.
<p>Digital Projects</p> <p>Non-delivery of digital projects (including ERP (refreshing the new finance and HR system) prevents innovation and more efficient and cost-effective operational delivery.</p>	There is an approved and funded portfolio of projects for 2026/27, with progress on projects reported to Senior Leadership on a regular basis.
<p>AI Technology</p> <p>The rapid development of artificial intelligence may overtake our governance mechanisms resulting in undocumented use and inadequate assurance that the use is appropriate.</p>	<p>The council will implement robust data governance frameworks and produce and/or strengthen protocols for departments to disseminate to staff.</p> <p>All new use of software requires a Data Protection Impact Assessment to address risks and implement mitigating actions.</p>
<p>Finance and HR enterprise system</p> <p>The existing Enterprise Resource Planning (ERP) system is very old and developed on out-dated technology, presenting a risk to the organisational HR and finance capability for failing delivery. This could result in the inability to manage the Council's workforce, payments and general financial controls for a considerable time if the existing system were to stop functioning.</p>	The project to implement a new cloud-based ERP solution is underway and updated Business Continuity Planning is in place to ensure immediate service delivery can continue.
Security	
<p>Cyber Security</p> <p>Lack of preparedness for a major cyber security attack leads to severe disruptions and financial and reputational loss.</p>	The Council has an established and actively managed cyber remediation and incident response framework designed to reduce the likelihood and impact of cyber incidents. This is supported by defined business continuity and disaster recovery arrangements, which are regularly reviewed and exercised to ensure organisational readiness.
Project/Programme	
<p>Construction Costs</p> <p>Further increases in construction costs result in overspend and project delays.</p>	As part of strong governance processes all development projects including, Meridian Water report all programme risks on a regular basis including to the GPC and Scrutiny Committees.

Chief Finance Officer's Report continued:

	Although there is cautious optimism about the possibility of an improving market, market economic uncertainty has increased across all sectors due to the uncertainty around the middle eastern war.
Reputational	
Inspections	
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.	Programme Boards and sub-groups of the Boards are in place to oversee inspection preparation activity. Risks are overseen by the Council's Assurance Board and mitigating action taken as required.
Safeguarding Failure	
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.	There are procedures and policies in place to support the work of frontline practitioners. Strong Quality Assurance (QA) processes are in place through internal and external reviews. Robust governance oversight arrangements, QA processes, including external assurance reviews are in place. High risk services are subject to regulatory inspections.
Partnerships	
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.	Strong/regular engagement at senior leadership level Robust governance partnership arrangements. Stable leadership teams. Functioning borough partnership of the Local Joint Commissioning Board and Borough Partnerships. Partnership protocols for joint commissioning arrangements.
Wellbeing	
Extreme Weather	
Inadequate planning and preparations for rising instances of extreme weather affects Council infrastructure and service delivery.	

Chief Finance Officer's Report continued:

	<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>Impact on the health and wellbeing of Enfield's residents and staff capacity to run essential services</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> <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, 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 have 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>

Chief Finance Officer's Report continued:

	<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>The introduction of the Procurement Assurance Process and strengthened contract management support have reduced procurement risks by improving compliance and commercial awareness across the Council. This has been achieved through clearer assurance gateways, regular training, improved guidance, and the rollout of the Atamis system to monitor performance and-support value for money. Ongoing contract audits, automated follow-ups, and continued procurement guidance further strengthen governance.</p> <p>Support for SMEs has been strengthened through the delivery of a local business engagement event, encouraging departments to source locally where appropriate, and the development of a local business directory to improve visibility of local suppliers and opportunities.</p>
<p>Health & Safety</p>	
<p>Risk of rising antisemitism</p> <p>Rising risk of antisemitism in neighbouring borough may shift into our borough impacting on the health and safety of staff, councillors and residents.</p>	<p>Through the Community Safety Partnership, enhanced intelligence sharing and community engagement will be maintained to monitor tensions, respond rapidly to antisemitic incidents and reassure affected communities. A cross-sector Community Resilience Network is in place to coordinate swift, multi-faith and partnership responses to antisemitic incidents. Internal communication pathways will be maintained so that staff and councillors receive appropriate information and guidance.</p>

Chief Finance Officer'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 2026/27 Budget and updated Medium Term Financial Plan (MTFP) was agreed in February 2026 and set out the wider context for financial planning in 2026/27 and over the medium term. The Council's net budget for 2026/27 is £439.0m and the first multi-year Settlement in a decade gives local authorities like Enfield the certainty to plan for investment in longer term early intervention measures that tackle the causes of deprivation. The Medium-Term Financial Plan reflects that the Council will have a balanced budget for the next three years but a gap £34.5m remaining in years four and five. The settlement, however, does not immediately undo years of underfunding, the council must keep financial discipline to protect front line investment. The Council is now in a far stronger position to manage future pressures but recognises that the next three years must be utilised to transform and prepare for future challenges. As set out in the Council's Financial Resilience Framework, attaining "resilient" status is within reach but only if the Council continues with its current financial discipline. The Council's current financial resilience remains classed as "vulnerable", with the aim of moving to "stable" during 2026/27.

Therefore 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. Prevention, intervention and transformation and the continued focus on reducing expenditure and mitigating cost pressures are key actions to preserve the Council's level of reserves and ensure the long-term financial resilience of the Council.

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;
- 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.

Chief Finance Officer's Report continued:

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 2026/27 budget additional income of £2.2m 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 2026/27 to 2035/36 and the Ten-Year Treasury Management Strategy 2026/27 to 2035/36

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

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Chief Finance Officer's Report continued:

Basis of preparation and presentation

The Statement of Accounts summarises the financial performance for the financial year 2025/26 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 2025/26 has been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, 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

Chief Finance Officer'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.

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Independent Auditor's Report

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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 2026 and of its income and expenditure for the year then ended 31 March 2026.

Signed



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

22 June 2026

Signed



**Councillor Dino Lemonides
Chair of the Audit Committee**

22 June 2026

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Core Financial Statements

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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 2025								31 March 2026		
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			
14,101	(3,634)	10,467	Chief Executive		29,444	(3,203)	26,241			
30,485	(2,845)	27,640	Corporate		20,433	(2,427)	18,006			
631,430	(442,807)	188,623	People		681,538	(470,309)	211,229			
205,089	(168,170)	36,919	Resources		133,053	(117,714)	15,339			
125,468	(55,775)	69,693	Environment and Communities		140,519	(63,312)	77,207			
76,677	(41,606)	35,071	Housing & Regeneration		90,280	(65,492)	24,788			
206,818	(87,829)	118,989	Housing Revenue Account		122,903	(98,414)	24,489			
1,290,068	(802,666)	487,402	Total Cost of Services		1,218,170	(820,871)	397,299			
		18,545	Other Operating Expenditure	7			55,483			
		942	Financing & Investment Income & Expenditure	8			57,793			
		(457,137)	Taxation & Non-Specific Grant Income	9			(506,786)			
		49,752	Deficit on the Provision of Services				3,789			
Items that will not be reclassified to the (Surplus) or Deficit on the Provision of Services										
		(103,352)	(Surplus) / Deficit on revaluation of non-current assets				(5,994)			
		(14,576)	Remeasurement of the net defined pension liability	46			19,210			
		(117,928)	Other Comprehensive Income and Expenditure				13,216			
		(68,176)	Total Comprehensive Income and Expenditure				17,005			

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 2025	(77,153)	(16,660)	-	(28,022)	(56,192)	(178,027)	(1,449,868)	(1,627,895)
Total Comprehensive Income and Expenditure	32,760	(28,971)	-	-	-	3,789	13,216	17,005
Adjustments Between Accounting Basis and Funding Basis Under Regulations (Note 20)	(43,329)	28,391	(315)	(24,066)	(5,191)	(44,510)	44,510	-
(Increase)/Decrease In 2025/26	(10,569)	(580)	(315)	(24,066)	(5,191)	(40,721)	57,726	17,005
Balance at 31 March 2026	(87,722)	(17,240)	(315)	(52,088)	(61,383)	(218,748)	(1,392,142)	(1,610,890)

General Fund and HRA Balance analysed over:

Earmarked Reserves*	(70,039)	(5,418)
Balances not earmarked	(17,683)	(11,822)
Balance at 31 March 2026	(87,722)	(17,240)

* 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 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 (Note 22)	(61,077)	(722)						
Balances not earmarked	(16,076)	(15,938)						
Balance at 31 March 2025	(77,153)	(16,660)						

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 2025			31 March 2026			
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
14,101	(3,634)	10,467	Chief Executive	29,444	(3,203)	26,241
30,485	(2,845)	27,640	Corporate	20,433	(2,427)	18,006
631,430	(442,807)	188,623	People	681,538	(470,309)	211,229
205,089	(168,170)	36,919	Resources	133,053	(117,714)	15,339
132,961	(67,219)	65,742	Environment and Communities	148,574	(74,676)	73,898
76,677	(41,606)	35,071	Housing & Regeneration	90,280	(65,492)	24,788
237,174	(123,381)	113,793	Housing Revenue Account	143,475	(126,677)	16,798
1,327,917	(849,662)	478,255	Total Cost of Services	1,246,797	(860,498)	386,299
		18,545	Other Operating Expenditure			55,076
		1,551	Financing and Investment Income and Expenditure			69,195
		(457,137)	Taxation and non-specific grant income			(506,786)
		41,214	Deficit on the Provision of Services			3,784
		2,812	Group Tax			-
		1,519	Share of (surplus)/Deficit on Joint Venture			19
		45,545	Deficit on the Provision of Services after Tax			3,803
			Items that will not be reclassified to the (Surplus) or Deficit on the Provision of Services			
		(103,352)	(Surplus) / Deficit on revaluation of non-current assets			(6,898)
		(14,576)	Remeasurement of the net defined pension liability			19,210
		(117,928)	Other Comprehensive Income and Expenditure			12,312
		(72,383)	Total Comprehensive Income and Expenditure			16,115

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 2024	(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)
Late audit adjustment Energetik	-	-	-	-	-
Adjusted Opening Balance	(172,975)	(1,419,538)	(1,592,513)	(66,871)	(1,659,384)
Movement in Reserves during 2025/26:					
Total comprehensive income and expenditure	3,789	12,312	16,101	14	16,115
Adjustments between group accounts and authority's accounts	1,178	-	1,178	(1,178)	-
Net (increase)/decrease before transfers	4,967	12,312	17,279	(1,164)	16,115
Adjustments between accounting basis and funding basis under regulations	(44,520)	44,520	-	-	-
Reversal of Loan Impairment	(4,329)	4,329	-	-	-
(Increase)/decrease in year	(43,882)	61,161	17,279	(1,164)	16,115
Balance at 31 March 2026	(216,857)	(1,358,377)	(1,575,234)	(68,035)	(1,643,269)

Core Financial Statements

Consolidated Balance Sheet

Group 31 March 2025 £'000	Single Entity 31 March 2025 £'000		Note	Single Entity 31 March 2026 £'000	Group 31 March 2026 £'000
Assets:					
2,596,742	2,487,622	Property, Plant & Equipment	23	2,353,303	2,469,943
5,105	5,105	Heritage Assets	25	5,105	5,105
372,659	252,493	Investment Properties	28	204,750	316,845
13,485	4,175	Intangible Assets	25	2,226	11,854
56,301	56,301	Right of Use Assets	42	73,472	73,472
22,844	77,734	Long-Term Investments	19	71,765	22,853
7,142	114,352	Long-Term Receivables	32	116,833	8,892
3,074,278	2,997,782	Long Term Assets		2,827,454	2,908,964
-	-	Assets Held for Sale	25	7,729	7,729
10,671	10,671	Inventories		137,999	137,997
5,000	5,000	Short-Term Investments	32	20,000	15,000
125,513	121,013	Short-Term Receivables	33	123,044	126,106
85,345	79,559	Cash & Cash Equivalents	34	65,127	75,484
226,529	216,243	Current Assets		353,899	362,316
Liabilities:					
(1,262)	(1,262)	Cash & Cash Equivalents Overdrawn	34	(1,236)	(1,236)
(66,847)	(68,232)	Short-Term Borrowing	32	(65,168)	(63,572)
(177,906)	(152,102)	Short-Term Payables	35	(132,433)	(161,392)
(3,023)	(3,023)	Short-Term Provisions	38	(3,136)	(3,136)
(249,038)	(224,619)	Current Liabilities		(201,973)	(229,336)
(81,536)	(52,753)	Other Long-Term Liabilities	40	(67,654)	(93,857)
(11,144)	(9,053)	Long-Term Provisions	38	(2,520)	(6,502)
(1,225,813)	(1,225,813)	Long-Term Borrowing	32	(1,234,011)	(1,234,011)
(30,996)	(30,996)	Pensions Liability	46	(29,260)	(29,260)
(42,896)	(42,896)	LT Capital Grants RIA	37	(35,045)	(35,045)
(1,392,385)	(1,361,511)	Long Term Liabilities		(1,368,490)	(1,398,675)
1,659,384	1,627,895	Net Assets		1,610,890	1,643,269

Core Financial Statements

Consolidated Balance Sheet (continued):

Group 31 March 2025 £'000	Single Entity 31 March 2025 £'000	Note	Single Entity 31 March 2026 £'000	Group 31 March 2026 £'000
Reserves:				
9,412	9,412		8,570	8,570
(309,682)	(340,012)		(330,746)	(296,077)
480	480		(2,449)	(2,449)
30,996	30,996	46	29,260	29,260
(1,167,544)	(1,167,544)		(1,115,458)	(1,116,362)
(618)	(618)		(2,118)	(2,118)
17,418	17,418		20,799	20,799
(1,419,538)	(1,449,868)	Unusable Reserves	(1,392,142)	(1,358,377)
(56,192)				
(28,022)	(56,192)		(61,383)	(60,517)
(62,338)	(28,022)		(52,088)	(52,088)
(62,258)	(16,076)		(17,683)	(71,347)
(30,314)	(61,077)	22	(70,039)	(70,912)
(722)	(15,938)		(11,822)	(24,295)
-	(722)	22	(5,418)	(5,418)
	-	HRA4	(315)	(315)
(239,846)	(178,027)	Usable Reserves	(218,748)	(284,892)
(1,659,384)	(1,627,895)	Reserves / Net Worth	(1,610,890)	(1,643,269)

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 2025 £'000	Single Entity 31 March 2025 £'000		Single Entity 31 March 2026 £'000	Group 31 March 2026 £'000
(45,545)	(49,752)	Net Deficit on the provision of services	(3,789)	(3,803)
262,633	247,868	Adjust to deficit on the provision of services for non-cash movements	185,215	189,392
(198,094)	(199,799)	Adjustments for items included in net deficit in the provision of services that are investing & financing activities.	(198,367)	(196,681)
18,994	(1,683)	Net cash outflow/(inflow) from operating activities	(16,941)	(11,092)
(59,060)	(42,085)	Investing activities	(17,500)	(28,135)
69,560	69,560	Financing activities	20,035	29,392
29,494	25,792	Net increase/(decrease) in cash and cash equivalents	(14,406)	(9,835)
54,589	52,505	Cash and cash equivalents at the beginning of the reporting period	78,297	84,083
84,083	78,297	Cash and cash equivalents at the end of the reporting period:	63,891	74,248

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

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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 2025/26, these proper accounting practices principally comprise:

- the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code)
- the Service Reporting Code of Practice 2025/26 (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 2026 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 2025/26	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 2025/26 or were received in 2025/26 without conditions	No credit	Capital Grants Unapplied Reserve (amounts unapplied at 31 March 2026) 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 2025/26	Pensions Reserve
Council Tax	Accrued income from 2025/26 bills	Demand on the Collection Fund for 2025/26 plus share of estimated surplus for 2024/25	Collection Fund Adjustment Account
Business Rates	Accrued income from 2025/26 bills	Budgeted income receivable from the Collection Fund for 2025/26 plus share of estimated surplus for 2024/25	Collection Fund Adjustment Account
Dedicated Schools Grant	Expenditure incurred in 2025/26 to be met from Dedicated Schools Grant	Expenditure incurred up to the amount of the Grant receivable for 2025/26.	Dedicated Schools Grant Adjustment Account
Holiday Pay	Projected cost of untaken leave entitlements at 31 March 2026	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 2025, 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 2025, in accordance with the 2025/26 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.

Note 1 Accounting Policies continued:

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.

1.23 IFRS16 Leases

The Authority adopted IFRS 16 Leases with effect from 1 April 2025, in accordance with the 2025/26 Code of Practice on Local Authority Accounting in the United Kingdom.

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 2025.

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 2025 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 measured at the present value of the lease payments that are not paid at commencement, discounting using the Authority's incremental borrowing rate.

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

Note 1 Accounting Policies continued:

- 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 2025 was 5.36%.

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.

Note 1a Change in Accounting Policies

1.24 Indexation

In accordance with the 2025/26 Code of Practice on Local Authority Accounting in the United Kingdom, Property, Plant and Equipment assets carried at current value are subject to periodic revaluation to ensure that their carrying amount does not differ materially from their current value at the reporting date.

From 1 April 2025, the Code requires that such assets are formally revalued at least once every five years, with interim years adjusted through the application of appropriate indices. Prior to this change, assets were required to be revalued sufficiently regularly, with a minimum frequency of every five years, to ensure that carrying values remained materially accurate.

This change in accounting policy has been applied prospectively. Accordingly, carrying amounts at 31 March 2025 have not been restated, and indexation has been applied for the first time in 2025/26 to determine carrying values as at 31 March 2026. In practice, assets measured at current value are revalued on a rolling five-year basis and are adjusted in intervening years using appropriate indices to reflect movements in value.

Increases arising from revaluations or indexation adjustments are credited to the Revaluation Reserve to recognise unrealised gains. Where gains reverse a previous revaluation loss recognised in the Comprehensive Income and Expenditure Statement, they are credited to the Surplus or Deficit on the Provision of Services to the extent of that previously recognised loss

Note 2 Accounting Standards Issued but Not Yet Adopted

There are no new accounting standards affecting 2026/27 that are expected to have a material impact on the Council's financial position.

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 2026, Enfield had 21 voluntary aided Schools (17 Primary; 4 Secondary), 1 Secondary Foundation School and 1 Special 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 2026, the Council had an outstanding balance of short-term debtors totalling £123.0m. Within this debtors' balance, there is an impairment allowance of £74.9m, meaning the gross short-term debtors are £197.9m. 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 2025/26, 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.

The Council's share of bad debt provisions for doubtful debts has been calculated at 31 March 2026 as £35.404m for council tax and £3.879m 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 2025/26 with a small residual number outstanding with the Valuation Office Agency. The check, challenge, appeal process remains highly uncertain. The Collection Fund currently holds £8.4m 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 2026 present a significant risk of material adjustment in the upcoming financial year:

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 2025 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 £47.1M. 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	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.	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 £0.5m for every year that useful lives had to be reduced and by £0.m for every year Dwellings useful lives were reduced.
Fair Value measurement of Investment Property	The Council's external valuers use valuation techniques to determine the fair value of investment property. The 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	The total value of investment properties at 31st March 2026 is £204.8M. Of this £169.3M (83%) is a Level 2 valuation and £35.5M (17%) 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. 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 £6.9M reduction in the Investment Asset portfolio. This would have a negative impact on the Council's CIES Surplus/Deficit and unusable reserves.
Valuation of HRA Dwellings	The HRA residential portfolio is a 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 rate 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	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. 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 £159.2M and resulting gain in the CIES.
Pension Fund Liability	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.	The effects on the net pension liability of changes in individual assumptions can be measured. E.g. a. 0.1% decrease in the discount rate assumption would result in an increase in the pension liability of approximately £19m. b. 0.1% increase in assumed earnings inflation would increase the value of liabilities by approximately £0.6m. c. One-year increase in assumed life expectancy would increase the liability by approximately £52m. d. 0.1% increase in Pension Increase/Revaluation Rate would increase the liability by £18m

Notes Supporting the Comprehensive Income and Expenditure Statement

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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 2025				31 March 2026		
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
10,627	160	10,467	Chief Executive	26,811	570	26,241
147,929	120,289	27,640	Corporate	61,174	43,168	18,006
147,486	(41,137)	188,623	People	192,354	(18,875)	211,229
34,822	(2,097)	36,919	Resources	11,742	(3,597)	15,339
60,069	(9,624)	69,693	Environment & Communities	50,306	(26,901)	77,207
25,257	(9,814)	35,071	Housing & Regeneration	9,007	(15,781)	24,788
6,741	(112,248)	118,989	Housing Revenue Account	5,477	(19,012)	24,489
432,931	(54,471)	487,402	Net Cost of Service	356,871	(40,428)	397,299
(422,782)	14,868	(437,650)	Other Operating Income and Expenditure	(368,020)	25,490	(393,510)
10,149	(39,603)	49,752	Deficit/(Surplus)	(11,149)	(14,938)	3,789
		(103,962)	Opening General Fund & HRA Balance	(93,813)		
		10,149	In year surplus / (deficit)	(11,149)		
		(93,813)	Closing General Fund & HRA Balance	(104,962)		

**The adjustments of £14.938m 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.

2024/25				Segment	2025/26						
Adjustments for Capital Purposes £'000	Adjustments for Pension Benefits £'000	Other Adjustments £'000	Total Adjustments £'000		Adjustments for Capital Purposes £'000	Adjustments for Pension and other MIRS £'000	Other MIRS £'000	Total Statutory Adjustments £'000	Other Non-statutory adjustments £'000	Total Adjustments £'000	
(85)	222	23	160	Chief Executive	(4,499)	1,089	(109)	(3,519)	4,089	570	
124,314	(1,245)	(2,780)	120,289	Corporate	33,475	(802)	2,929	35,602	7,566	43,168	
(39,438)	1,201	(2,900)	(41,137)	People	(50,864)	3,194	(2,510)	(50,180)	31,305	(18,875)	
(2,643)	488	58	(2,097)	Resources	(5,454)	1,089	65	(4,300)	703	(3,597)	
(10,969)	1,418	(73)	(9,624)	Environment and Communities	(93,063)	4,319	71	(88,673)	61,772	(26,901)	
(10,001)	196	(9)	(9,814)	Housing & Regeneration	(12,041)	700	(25)	(11,366)	(4,415)	(15,781)	
(114,132)	542	1,342	(112,248)	Housing Revenue Account	(31,253)	1,937	(31)	(29,347)	10,335	(19,012)	
(52,954)	2,822	(4,339)	(54,471)	Net Cost of Service	(163,699)	11,526	390	(151,783)	111,355	(40,428)	
16,995	(2,127)	-	14,868	Other Operating Income and Expenditure	127,425	9,420	-	136,845	(111,355)	25,490	
(35,959)	695	(4,339)	(39,603)	Deficit/(Surplus)	(36,274)	20,946	390	(14,938)	-	(14,938)	

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.

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

Notes Supporting the Comprehensive Income and Expenditure Statement

Note 6 Expenditure and Funding Analysis

31 March 2025 £'000	Nature of Expenses	31 March 2026 £'000
386,392	Employee Related Expenses	391,680
692,066	Other Service Expenses	698,458
42,176	Depreciation & Amortisation	46,892
155,823	Impairment & Revaluation	128,617
34,744	Interest Payable & Similar Charges	28,444
13,238	Precepts & Levies	14,021
5,307	(Gain)/ Loss on disposal of non-current assets	41,462
1,329,746	Expenditure Total	1,349,574
(246,862)	Fees, Charges & Other Service Income	(285,598)
(20,194)	Interest & Investment Income	(18,127)
(241,783)	Income from Council Tax & Non-Domestic Income	(259,357)
(771,155)	Government Grants & Contributions	(782,703)
(1,279,994)	Income Total	(1,345,785)
49,752	Deficit on Provision of Services	3,789

Notes Supporting the Comprehensive Income and Expenditure Statement

Note 7 Other Operating Income and Expenditure

31 March 2025 £'000	Other Operating Income and Expenditure	31 March 2026 £'000
-	Payments to Housing Capital Receipts Pool	-
13,238	Precepts and Levies	14,021
5,307	(Gain)/ Loss on disposal of non-current assets	41,462
18,545	Total	55,483

Note 8 Financing and Investment Income and Expenditure

31 March 2025 £'000	Financing and Investment Income and Expenditure	31 March 2026 £'000
32,617	Interest payable and similar charges	37,864
2,127	Net interest on the net defined pension liability	(9,420)
(12,502)	Interest Receivable and Similar Income	(10,773)
(7,692)	Income and Expenditure in relation to investment properties	(7,354)
(18,828)	Changes in fair value of investment properties	43,108
5,220	Other Investment Income and Expenditure	4,368
942	Total	57,793

Notes Supporting the Comprehensive Income and Expenditure Statement

Note 9 Taxation and Non-Specific Grant Income

31 March 2025	Taxation & Non-Specific Grant Income	31 March 2026
£000		£000
(165,210)	Income from Council Tax	(174,868)
(76,573)	Locally Retained Business Rates	(84,489)
(75,156)	General Government Grants and Contributions	(98,181)
(140,198)	Capital Grants and Contributions	(149,248)
(457,137)	Total	(506,786)

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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:

2024/25	Capital Grants and Contributions Government Grants	2025/26	2024/25	Non-Specific Revenue Grant Income Credited to Taxation and Non-Specific Grant Income	2025/26
£'000		£'000	£'000		£'000
(55,561)	Housing Infrastructure Fund	(83,156)	(27,758)	Social Care Grant	(32,616)
(37,647)	Building Council Homes for Londoners	(25,284)	(22,133)	Revenue Support Grant	(22,600)
(4,022)	School Condition Allocations	(10,289)	(21,961)	S31 Business Rates Grants	(20,592)
-	School Basic Needs Grant	(6,915)	(518)	DLUHC Services Grant	(5,682)
(4,636)	Disabled Facilities Grant	(4,962)	0	Extended Producer Responsibilities	(4,608)
(4,279)	Transport for London Grant	(4,685)	-	Recovery Grant	(4,293)
(1,230)	DLUHC - Levelling Up Fund	(3,530)	-	Children's Social Care Prevention Grant	(2,760)
(5,061)	Local Authority Housing Fund	(3,431)	-	Employers National Insurance Grant	(2,604)
(1,405)	CIL Income	(872)	(1,501)	Housing Benefit Administration Grant	(1,359)
(1,098)	UK Shared Prosperity Fund	(781)	(1,285)	Other Grants & Contributions (under £1m each)	(1,067)
(9,700)	GLA Grant - Meridian Water 2	-			
(3,172)	Highways England Designated Funds	-			
(3,035)	SHDF Grant wave 2.2	-			
(2,789)	S106 Income	(1,384)			
(2,466)	Special Provision Capital Fund	-			
(4,097)	Other Capital Grants and Contributions (under £1m each)	(3,959)			
(140,198)	Total Capital Grants and Contributions	(149,248)	(75,156)	Total Non-Specific Revenue Grant Income	(98,181)

Notes Supporting the Comprehensive Income and Expenditure Statement

Note 11 Grant Income Credited to Services

2024/25 £'000		2025/26 £'000
(252,427)	Dedicated Schools Grant	(269,809)
(142,855)	Housing Benefit Subsidy	(104,744)
(19,385)	Public Health Grant	(20,613)
(18,233)	NCL CCG Section 75 Schemes	(18,543)
(11,308)	Flexible Homelessness Grant	(16,659)
(11,726)	Adult Social Care Grant	(14,466)
(14,352)	Education Funding Agency- Learning & Skills Grant	(13,951)
(9,772)	Pupil Premium Grant	(9,763)
(7,427)	Universal Infant Free School Meals Grant	(7,467)
(3,871)	Core Schools Budget Grant	(6,171)
(5,696)	Household Support Fund	(5,020)
(6,800)	PFI Grants	(4,320)
(1,599)	Hospital Discharge Fund	(3,071)
(2,516)	Individual placement scheme	(3,000)
(3,387)	Asylum Grant	(2,781)
(1,686)	Family Hubs and Start for Life (revenue element)	(2,426)
-	NICs Grants	(2,331)
(1,671)	Discretionary Housing Payment	(1,671)
(1,616)	Holiday Activities and Food (HAF)	(1,626)
(2,740)	Adult Social Care Hospital Discharge Fund	(1,599)
-	Drug and Alcohol Treatment Recovery Grant	(1,131)
(1,351)	Rough Sleeper Initiative	(1,087)
(730)	Rough Sleeper Accommodation Programme	(739)
(3,774)	Teachers' Pension Grant (new 19/20)	(520)
(530)	Transport for London	(413)
(352)	Homes for Ukraine Grant	(332)
(5,682)	Market Sustainability and Fair Cost of Care Fund	0
(2,112)	Supporting Families Grant (formerly Troubled Families Grant)	0
(2,990)	Teachers' Pay Additional Grant	0
(987)	Recovery Premium Funding	0
(18,226)	Other Grants and Contributions (under £1m each)	(21,021)
(555,801)	General Government Grants	(535,274)

2024/25 £'000	Covid grants included in this note are as follow:	2025/26 £'000
(987)	Recovery Premium Funding	-
(987)	Total Service-Specific Covid Grant Income	(987)

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 2025/26 are as follows:

	Central expenditure £'000	Individual schools' budget £'000	Total 31 March 2026 £'000	Total 31 March 2025 £'000
Final DSG for 2025/26 before academy and high needs recoupment			466,978	430,776
Academy and high needs figure recouped			193,546	175,817
Total DSG after academy and high needs recoupment			273,431	254,959
Plus: Brought forward from Previous Year			-	484
Less: Carry-forward to next Financial Year agreed in advance			-	-
Agreed initial budgeted distribution	71,187	202,244	273,431	255,443
In year adjustments		(1,014)	(1,014)	(218)
Final budget distribution	71,187	201,229	272,417	255,225
Less: Actual central expenditure	75,465		75,465	69,828
Less: Actual ISB deployed to schools		200,333	200,333	187,579
Plus: Local authority contribution current year			-	-
In Year Carry-forward	(4,277)	897	(3,381)	(2,182)
Plus/Minus: Carry-forward to next Financial Year agreed in advance			-	-
Carry-forward to next Financial Year			-	-
DSG unusable reserve at the end of previous year			(17,418)	(15,236)
Addition to DSG unusable reserve at the end of current year			(3,381)	(2,182)
Total of DSG unusable reserve at the end of current year			(20,799)	(17,418)
Net DSG position at the end			(20,799)	(17,418)

Notes Supporting the Comprehensive Income and Expenditure Statement

Note 13 Material Items of Income and Expenditure

The Council incurred expenditure of £5.020m in 2025/26 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 2025		31 March 2026
£'000		£'000
715	Basic allowances	721
344	Special responsibility allowances	348
1,059	Total	1,069

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	2025/26	214,697	41,007	255,704
Executive Director - Environment & Comms (Brett Leahy)	2	2025/26	109,556	20,925	130,482
Executive Director - People (Tony Theodoulou)		2025/26	184,575	-	184,575
Executive Director - Housing & Regeneration (Joanne Drew)		2025/26	174,900	33,406	208,305
Chief Finance Officer (Olga Bennet)	3	2025/26	166,679	31,836	198,515
Director - HR & Organisational Development (Tinu Olowe)		2025/26	141,329	26,987	168,316
Director - Law & Governance (Terry Osborne)		2025/26	141,294	26,987	168,281
Director Health & Adult Social Care (Douglas Wilson)		2025/26	136,748	26,119	162,867
Director - Public Health		2025/26	115,853	22,128	137,981
Head of Electoral Services		2025/26	80,202	15,319	95,521
Head of Communications		2025/26	88,014	16,811	104,825
Head of Policy, Projects & Improvement	4	2025/26	44,007	8,405	52,412

Senior Employee Designation	Note	Year	Salary and Other Allowances £	Pension Contribution £	Total £
Chief Executive (Perry Scott)		2024/25	16,159	3,086	19,246
Chief Executive (Ian Davis)		2024/25	223,838	42,753	266,591
Executive Director - Environment & Communities (Perry Scott)		2024/25	165,000	31,515	196,515
Executive Director - People (Tony Theodoulou)		2024/25	178,851	-	178,851
Executive Director - Resources (Olga Bennet)		2024/25	26,825	5,124	31,948
Executive Director - Resources (Jo Moore)		2024/25	69,553	13,285	82,838
Executive Director - Resources (Fay Hammond)		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

1) The officer was 'Interim Chief Executive' during the financial year from 24 March 2025 and became permanent from 25 June 2025.

2) The officer commenced in this post from 11 August 2025.

3) The officer job title was changed from 'Executive Director of Resources' to 'Chief Finance Officer' from 10 October 2025

4) The officer commenced in this post from 11 August 2025.

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.

2024/25				2025/26		
Non Schools	Schools	Total	Taxable Remuneration Band	Non Schools	Schools	Total
147	150	297	£50,000 - £54,999	282	102	384
160	112	272	£55,000 - £59,999	173	135	308
57	65	122	£60,000 - £64,999	69	90	159
140	50	190	£65,000 - £69,999	48	56	104
27	34	61	£70,000 - £74,999	132	27	159
43	14	57	£75,000 - £79,999	19	25	44
13	14	27	£80,000 - £84,999	34	17	51
48	13	61	£85,000 - £89,999	49	14	63
8	11	19	£90,000 - £94,999	14	7	21
4	2	6	£95,000 - £99,999	5	13	18
7	6	13	£100,000 - £104,999	7	2	9
2	1	3	£105,000 - £109,999	3	7	10
-	1	1	£110,000 - £114,999	4	1	5
3	1	4	£115,000 - £119,999	6	-	6
-	1	1	£120,000 - £124,999	3	-	3
3	1	4	£125,000 - £129,999	1	2	3
3	-	3	£130,000 - £134,999	-	-	-
5	-	5	£135,000 - £139,999	1	1	2
1	1	2	£140,000 - £144,999	5	-	5
1	-	1	£145,000 - £149,999	-	-	-
-	-	-	£150,000 - £154,999	-	-	-
-	-	-	£155,000 - £159,999	-	1	1
2	-	2	£160,000 - £164,999	-	-	-
-	-	-	£165,000 - £169,999	3	-	3
-	1	1	£170,000 - £174,999	1	-	1
1	-	1	£175,000 - £179,999	-	-	-
1	-	1	£180,000 - £184,999	1	1	2
-	-	-	£210,000 - £214,999	1	-	1
1	-	1	£220,000 - £224,999	-	-	-
678	478	1156	Totals	861	501	1362

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.

2024/25					2025/26				
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	
24	23	47	479	£0 - £20,000	24	21	45	306	
19	5	24	568	£20,000 - £40,000	10	-	10	366	
11	2	13	738	£40,000 - £60,000	7	-	7	342	
3	-	3	354	£60,000 - £80,000	2	2	4	265	
2	-	2	171	£80,000 - £100,000	2	-	2	166	
6	-	6	736	£100,000 - £150,000	3	-	3	367	
2	-	2	679	Over £150,000	1	-	1	267	
67	30	97	3,725	Total	49	23	72	2079	

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:

2024/25 £'000		2025/26 £'000
	Main Audit:	
504	Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year, Grant Thornton UK LLP	518
	Additional fees payable to external auditors with regard to external audit services, Grant Thornton UK LLP	69
69	Additional fees payable to external auditors with regard to external audit services, BDO LLP	
84	Prior Years' Objections, BDO LLP	
	Housing Benefit:	
	Current Year	65
112	Prior Years	
	Teachers' Pension:	
	Current Year	13
13	Prior Years	
	Housing Pooling Receipts:	
	Current Year	10
30	Prior Years	
	Other Grants:	
10	Over accrued audit fees in prior years	(20)
822	Full Year Audit Cost Total	655

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 2025/26 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

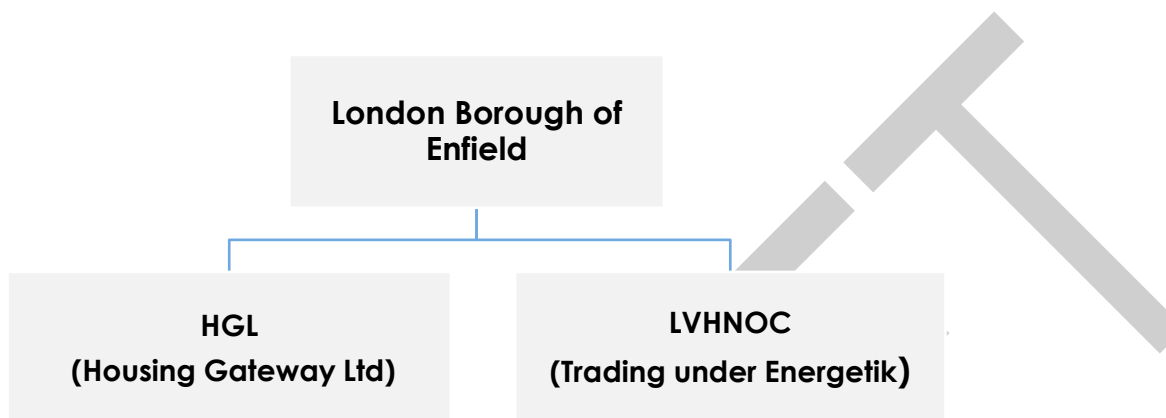
For a variety of legal, regulatory and service delivery reasons, local authorities may conduct their activities through other legal entities that fall under their ultimate control. For this reason, the financial statements of the local authority alone do not in themselves, present a full picture of its 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 (2025/26: 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

2025/26 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 2025 £'000	Subsidiary	Accounting Valuation Basis	Fair Value Level	31 March 2026 £'000
50,004	HGL (Loans)	Amortised Cost	2	43,017
4,839	HGL (Equity)	Fair Value through Profit & Loss (FVPL)	3	4,839
6,066	Energetik (Loans)	Fair Value through Profit & Loss (FVPL)	3	6,491
16,825	Energetik (Equity)	Fair Value through Profit & Loss (FVPL)	3	17,418
77,734	Total			71,765

Notes Supporting the Comprehensive Income and Expenditure Statement

Note 19 Related Parties and Group Structure continued:

As at 31 March 2026 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 £141.1m were outstanding at 31 March 2026. Proper accounting practice requires that £43.0m 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 2025/26. 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 £56.1m were advanced as at 31 March 2026, of which £6.5m 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.

The Council acquired additional equity of £566k during the year supported entirely by external grant initially advanced as an interest free loan then converted to equity. The value of gross equity purchased in 2020/21 and 2021/22 together with that acquired in 2025/26 is £18.3m and the fair value £17.4m.

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 2025/26 the Board of Directors included non-executive directors Peter Nwosu (resigned 31 Jan 2026), Joanna Embling, Councillor Joshua Abey, John Gillen (appointed 1 Sep 2025)

Officers on the Board of Directors were Kayt Wilson (Director of HGL) and Joanne Drew (Director of Housing & Regeneration, resigned 23 Apr 2025), Neil Wightman (Service Director, Council Housing, appointed 23 Apr 2025),

As at 31 March 2026, HGL had an outstanding loan balance of £141.1m (2024/25: £141.9m) with no new loans were advanced during the year.

The HGL Loan is split between long-term debtor loans of £98.1m and long-term investment of £43.0m. 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 purchased in 2020/21. 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 2025/26, the Management Board included Mr S Pollock, Mr I Guest, Mr M King, Cllr Doug Taylor and Dr T Groth. As at 31 March 2026 Energetik had outstanding loans with the Council of £56.1m (2024/25: £51.7m), a growth of £4.4m (2024/25: £8.4m) over the previous year.

Additional equity of £566k was acquired by the Council, supported entirely by external grant, which was initially advanced as an interest free loan then converted to ordinary shares at the end of the financial year. The gross value of equity increased from £17.8m to £18.3m during the year. The original shares were acquired in 2020/21 (£5.0m) then 2021/22 (£12.8m). In accordance with Fair Value accounting this equity share is valued at £17.4m 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 £56.1m loans outstanding with Energetik, £45.3m are classified as long term loans with the remainder deemed an "investment in subsidiary" as a result of soft loan accounting. £30.4m of these long term loans are impaired, split £1.1m to Revenue and £29.3m to Capital.

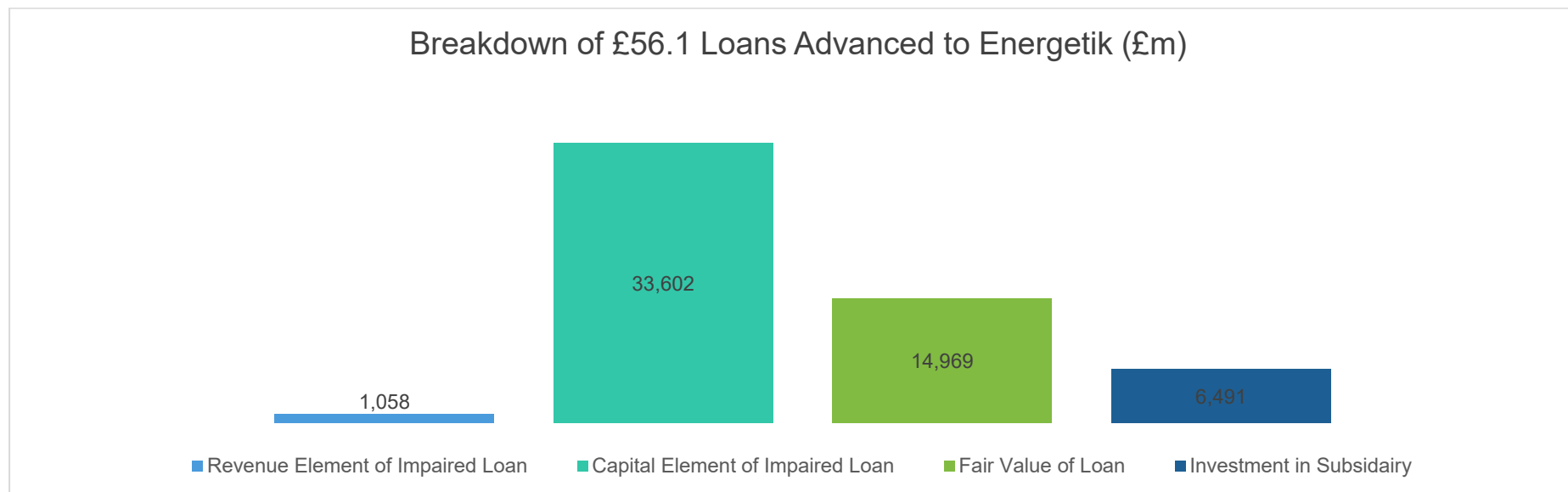
Although all loans are considered fully recoverable the Council is mandated to recognise £15.6m of the £29.3m capital impairment as at risk of potential loss. This is to ensure compliance with international accounting standards although the position will be reviewed annually with the impact reversible as loans are repaid and the credit standing of the entity reviewed.

The balance of £15.0m 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 2025/26 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.

Notes Supporting the Comprehensive Income and Expenditure Statement

Breakdown of Loan to LVHN/Energetik



Note 19 Related Parties and Group Structure continued:

Joint Venture

Montagu 406 Regeneration LLP -

The Council entered into a 50:50 joint venture arrangement with Henry Boot Developments Limited to facilitate the redevelopment of the Montagu Industrial Estate. Montagu 406 Regeneration LLP was incorporated on 1 February 2018, and the Joint LLP Members Agreement, which governs the arrangement between the parties, was executed on 22 February 2018.

Following the grant of a lease in the 2020/21 financial year, the LLP completed Phase 1 of the development. This phase was subsequently disposed of during the 2024/25 financial year.

Further phases of the development are not expected to proceed. The Council and Henry Boot Developments Limited are currently engaged in discussions regarding the potential dissolution of the joint venture.

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

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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 2025/26	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 2025/26 or were received in 2025/26 without conditions	No credit	Capital Grants Unapplied Reserve (amounts unapplied at 31 March 2026) 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 2025/26	Pensions Reserve
Council Tax	Accrued income from 2025/26 bills	Demand on the Collection Fund for 2025/26 plus share of estimated surplus for 2024/25	Collection Fund Adjustment Account
Business Rates	Accrued income from 2025/26 bills	Budgeted income receivable from the Collection Fund for 2025/26 plus share of estimated surplus for 2024/25	Collection Fund Adjustment Account
Dedicated Schools Grant	Expenditure incurred in 2025/26 to be met from Dedicated Schools Grant	Expenditure incurred up to the amount of the Grant receivable for 2025/26.	Dedicated Schools Grant Adjustment Account
Holiday Pay	Projected cost of untaken leave entitlements at 31 March 2026	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 2026	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	19,009	1,937	-	-	-	(20,946)	Pensions Reserve
· Council tax & business rates	2,929	-	-	-	-	(2,929)	Collection Fund Adjustment Account
· Schools deficit	(3,381)	-	-	-	-	3,381	Dedicated Schools Grant Reserve
· Holiday pay	873	(31)	-	-	-	(842)	Accumulated Absences Account
· Capital expenditure	(148,228)	(43,022)	(49,118)	(6,720)	(24,687)	271,775	Capital Adjustment Account
Capital and Revenue Financing							
Resources set aside for capital financing	101,472	69,507	7,549	6,405	19,496	(204,429)	Capital Adjustment Account
Use of capital receipts for revenue purposes	(17,503)	-	17,503	-	-	-	
Transfer to and from deferred capital receipts	1,500	-	-	-	-	(1,500)	Deferred capital Receipts reserve
Total adjustments	(43,329)	28,391	(24,066)	(315)	(5,191)	44,510	
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	

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 2025/26						
Unusable Reserves	Opening Balance 1 April 2025 £'000	Other Comprehensive Income and Expenditure £'000	Adjustments to Revenue Resources £'000	Capital and Revenue Financing £'000	Other Movements £'000	Closing Balance 31 March 2026 £'000
Revaluation Reserve	(1,167,544)	(5,994)	7,014	-	51,066	(1,115,458)
Capital Adjustment Account	(340,012)	-	264,761	(204,429)	(51,066)	(330,746)
Collection Fund Adjustment Account	480	-	(2,929)	-	-	(2,449)
Dedicated Schools Grant Reserve	17,418	-	3,381	-	-	20,799
Accumulated Absences Account	9,412	-	(842)	-	-	8,570
Pensions Reserve	30,996	19,210	(20,946)	-	-	29,260
Deferred Capital Receipts Reserve	(618)	-	(1,500)	-	-	(2,118)
Total	(1,449,868)	13,216	248,939	(204,429)	-	(1,392,142)

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)

Notes Supporting the Movement in Reserves Statement

Movement in the Unusable Reserves during the year:

2024/25 £'000	Revaluation Reserve	2025/26 £'000
(1,093,859)	Balance at 1 April	(1,167,544)
(103,352)	Surplus on revaluation of non-current assets not posted to the surplus/deficit on the provision of services	(5,994)
	Total Amount written off to the Capital Adjustment Account	
6,425	Difference between current value depreciation and historical cost depreciation	7,014
23,242	Accumulated gains on assets disposed of in the year	51,066
-	Other Adjusting Amounts Written Off to the Capital Adjustment Account	-
(1,167,544)	Balance at 31 March	(1,115,458)

2024/25 £'000	Capital Adjustment Account	2025/26 £'000
(336,150)	Balance at 1 April	(340,012)
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	
40,014	Depreciation of Property, Plant and Equipment, and Heritage Assets	39,877
2,162	Amortisation and Impairment Losses of Intangible Assets	-
169,979	Revaluation and Impairment Losses on Property, Plant and Equipment	80,718
4,673	Fair Value Adjustment of Loans	4,790
5,082	Revenue Expenditure Funded from Capital Under Statute	5,686
53,147	Carrying amounts of Non-Current Assets written off on disposal as part of the Gain/Loss on Disposal in the Comprehensive Income and Expenditure Statements	90,580
-	Roundings	2
275,057	Sub Total	221,653
	Adjusting Amounts written out of the Revaluation Reserve	
(23,242)	Valuation of assets disposed of in the Comprehensive Income and Expenditure Statement	(51,066)
(6,425)	Difference in Current Cost and Fair Value depreciation	-
(29,667)	Net Written Out Amount of the Cost of Non-Current Assets Consumed in the Year	(51,066)

Notes Supporting the Movement in Reserves Statement

Capital financing applied in the year:		
(29,394)	Capital receipts applied	(7,549)
(18,321)	Revenue contributions to fund capital expenditure	(13,803)
(7,712)	Major Repairs Reserve applied	(6,405)
(145,764)	Capital grants and contributions applied	(144,058)
(29,233)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(32,612)
-	Roundings	(2)
(230,424)		(204,429)
(18,828)	Movement in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	43,108
-	Other Roundings	-
(340,012)	Balance at 31 March	(330,746)

2024/25	Collection Fund Adjustment Account	2025/26
£'000		£'000
(2,300)	Balance at 1st April	480
	Amount by which Council Tax and Business Rates Income credited to the CIES is different from Income calculated for the year in accordance with Statutory Requirements:	
(79)	Council Tax	(326)
2,859	Business Rates	(2,603)
480	Balance at 31 March	(2,449)

2024/25	Accumulated Absences Account	2025/26
£'000		£'000
9,176	Balance at 1 April	9,412
(9,176)	Settlement or cancellation of accrual made at the end of the preceding year	(9,412)
9,412	Amounts accrued at the end of the current year	8,570
-	Amount by which Employee Remuneration charged to the CIES differs from Remuneration Chargeable in the year according to Statutory Regulation	-
9,412	Balance at 31 March	8,570

Notes Supporting the Movement in Reserves Statement

2024/25 £'000	Pension Fund Reserve	2025/26 £'000
46,267	Deficit Balance at 1 April	30,996
(14,576)	Re-measurement of the Net Defined Pension Liability	19,210
36,568	Reversal of charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the code	16,535
(37,263)	Employer's pension contributions payable in the year	(37,481)
30,996	Deficit Balance at 31 March	29,260

2024/25 £'000	Deferred Capital Receipts Reserve	2025/26 £'000
(8,411)	Balance at 1 April	(618)
7,793	Recognition of deferred capital receipt	(1,500)
-	Realisation of deferred capital receipt transferred to CRR	
(618)	Balance at 31 March	(2,118)

2024/25 £'000	Dedicated Schools Grant Reserve	2025/26 £'000
14,752	Balance at 1 April	17,418
2,666	Transfer of schools deficit to DSG Account	3,381
-	Carry-forward to next Financial Year	-
17,418	Balance at 31 March	20,799

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	Opening Balance 31 March 2025	Opening Balance Adjustment	31 March 2025 £'000	Net Transfers 2025/26 £'000	31 March 2026 £'000
General Fund – Earmarked Reserves					
01 – Risk + MTFP Smoothing Reserves	(25,525)	(147)	(25,672)	(12,414)	(38,086)
02 - Capital Financing			(1,997)	1	(1,996)
03 - Service Specific			(3,865)	684	(3,181)
04 - Insurance			(7,440)	916	(6,524)
05 - Property			(353)	59	(294)
06 - Grants & Other Contributions			(20,450)	1,770	(18,680)
07 - Schools			(1,447)	169	(1,278)
Sub Total	(25,525)	(147)	(61,224)	(8,815)	(70,039)
08 – General Fund Balance	(16,074)	147	(15,927)	(1,756)	(17,683)
Total General Fund Reserves	(41,599)	-	(77,151)	(10,571)	(87,722)
Housing Revenue Account - Earmarked Reserves					
09 - Grants & Other Contributions			-	-	-
10 - Insurance			(720)	(3,259)	(3,979)
11 - Property			(1)	1	-
12 - HRA Capital			-	(1,439)	(1,439)
Sub Total			(721)	(4,697)	(5,418)
12 – HRA Balance			(15,938)	4,116	(11,822)
Total HRA Reserves			(16,659)	(581)	(17,240)
Total Revenue Reserves			(93,663)	(11,299)	(104,962)

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 2025/26).

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

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Notes Supporting the Consolidated Balance Sheet

Note 23 Property, Plant and Equipment

Balances as at 31 March 2026	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	795,856	945,984	43,995	40,752	18,757	360,475	90,509	2,296,328
Accumulated Depreciation	(7)	(5,225)	(30,149)	-	-	-	(17,037)	(52,418)
Carrying Amount	795,849	940,759	13,846	40,752	18,757	360,475	73,472	2,243,910
Owned	795,849	924,662	13,846	40,752	18,757	360,475	-	2,154,341
PFI	-	16,097	-	-	-	-	-	16,097
Leased	-	-	-	-	-	-	73,472	73,472
Carrying Amount	795,849	940,759	13,846	40,752	18,757	360,475	73,472	2,243,910
Movement in Carrying Amount	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 April 2025	803,411	968,918	9,147	39,459	93,949	390,119	56,301	2,361,304
Opening Balance Adjustment	-	(2,012)	-	1,197	(347)	-	-	(1,162)
Revised Opening Balance	803,411	966,906	9,147	40,656	93,602	390,119	56,301	2,360,142
Additions and Enhancements	45,917	49,976	6,857	99	586	77,836	26,771	208,042
Revaluation increases / (decreases) recognised in Revaluation Reserve	(1,092)	13,658	-	-	(6,729)	-	-	5,837
Revaluation increases / (decreases) recognised in the CIES	(57,344)	(1,913)	-	-	33	-	498	(58,726)
Depreciation	(4,774)	(15,610)	(2,158)	-	-	-	(10,098)	(32,640)
Impairments recognised in the CIES	-	(1,116)	-	-	-	(5,476)	-	(6,592)
Disposals and Derecognitions	(12,039)	(64,823)	-	(3)	(340)	-	-	(77,205)
Transfer to Inventory*	3,370	-	-	-	-	(150,410)	-	(147,040)
Reclassifications	18,400	1,414	-	-	(68,395)	48,581	-	-
Reclassifications (to) / from Investment Property	-	-	-	-	-	(175)	-	(175)
Reclassifications (to) / from Assets Held for Sale	-	(7,729)	-	-	-	-	-	(7,729)
Other Movements	-	(3)	-	-	-	-	-	(3)
As at 31 March 2026	795,849	940,759	13,846	40,752	18,757	360,475	73,472	2,243,910

*Inventory transfers shown separately as Inventory on the Balance Sheet

Notes Supporting the Consolidated Balance Sheet

Note 23 Property, Plant and Equipment continued:

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 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 2026, 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 2025		31 March 2026
£'000		£'000
180,011	Net book value as at 1 April	182,619
15,960	Additions and Enhancements	12,943
(12,848)	Depreciation	(12,303)
(504)	Impairments recognised in the CIES	(393)
-	- Disposals and Derecognitions	-
-	- Other Movements	(1)
182,619	Net Book Value as at 31 March	182,865
182,619	Infrastructure assets	182,865
2,361,304	Other Property, Plant & Equipment (PPE) assets	2,243,910
2,543,923	Total Property Plant and Equipment	2,426,775

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 2026	Investment Property £'000	Heritage Assets £'000	Assets Held for Sale £'000	Intangible Assets £'000
Cost or Valuation	204,750	5,105	7,729	52,272
Accumulated Depreciation	-	-	-	(50,046)
Carrying Amount	204,750	5,105	7,729	2,226
Movements in Carrying Amount	Investment Property £'000	Heritage Assets £'000	Assets Held for Sale £'000	Intangible Assets £'000
As at 1 April 2025	252,493	5,105	-	4,175
Opening Balance Adjustment	(16,429)	-	-	-
Revised Balance as at 1 April 2025	236,064	5,105	-	4,175
Additions	2,290	-	-	-
Revaluation increases / (decreases) recognised in Revaluation Reserve	158	-	-	-
Revaluation increases / (decreases) recognised in the CIES	(26,679)	-	-	-
Depreciation	-	-	-	(1,949)
Disposals and Decommissioning	(7,258)	-	-	-
Reclassifications (to) / from Assets Held for Sale	-	-	7,729	-
Reclassifications (to) / from Property, Plant & Equipment	175	-	-	-
As at 31 March 2026	204,750	5,105	7,729	2,226

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 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 2024/25	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	(35,709)	-	-	-
As at 31 March 2025	252,493	5,105	-	4,175

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 Weatherhall
- 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 Assets £'000	Assets Held for Sale £'000	Intangible Assets £'000	Right of Use Assets £'000	Total £'000
Carried at Historical / Depreciated Historical Cost	1	14,105	13,846	185,587	2,110	382	374,014	204,750	1,100	-	2,227	73,472	871,594
Valued at current value as at:													
31 March 2026	792,670	168,619	-	-	-	18,375	-	-	-	7,729	-	-	987,393
31 March 2025	-	125,242	-	-	-	-	-	-	-	-	-	-	125,242
31 March 2023	-	586,868	-	-	80	-	-	-	940	-	-	-	587,888
31 March 2022	-	11,856	-	-	39,037	-	-	-	3,065	-	-	-	53,958
31 March 2021	-	12,894	-	-	-	-	-	-	-	-	-	-	12,894
Total Cost or Valuation	792,671	919,584	13,846	185,587	41,227	18,757	374,014	204,750	5,105	7,729	2,227	73,472	2,638,969

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 2026, the level of observable inputs was all deemed to be Level 2. This includes the value of the Meridian Water assets.

Level 2

2025/26	1 April 2025 £'000	Transfers In £'000	Transfers Out £'000	Additions £'000	Disposals £'000	Fair Value Movements £'000	31 March 2026 £'000
Land	68,332	-	(68,332)	-	-	-	-
Buildings	-	-	-	-	-	-	-
	68,332	-	(68,332)	-	-	-	-

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

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 2025/26 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 2025* £'000		31 March 2026 £'000
123,016	Land*	96,179
49,024	Commercial Units	44,736
31,050	Shops	32,454
32,975	Other	31,381
236,065	Total	204,750

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

31 March 2025* £'000		31 March 2026 £'000
(9,827)	Rental and Service Charge Income from Investment Property	(9,869)
2,135	Related Operating Expenses	2,515
(2,399)	Changes in Fair Value ((Increase)/Decrease *	26,679
(10,091)	Net (gain)/loss	19,325

*Revised

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 2025/26 or the preceding year.

The breakdown of the Level 3 Properties for 2024/25 and 2025/26 is as follows:

31 March 2026	Land £'000	Commercial Units £'000	Total £'000
Opening Balances 1 April 2025	29,509	5,764	35,273
Opening Balance adjustment	-	(60)	(60)
Adjusted Opening Balance	29,509	5,704	35,213
Additions	-	-	-
Disposals	-	-	-
Unrealised Gains/Losses	587	(379)	208
Closing Balances	30,096	5,325	35,421

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

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.

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Notes Supporting the Consolidated Balance Sheet

Note 30 Capital Expenditure and Capital Financing

31 March 2025				31 March 2026		
General Fund £'000	Housing Revenue Account £'000	Total £'000		General Fund £'000	Housing Revenue Account £'000	Total £'000
1,030,382	380,057	1,410,439	Opening Capital Financing Requirement	1,059,895	427,969	1,487,864
(43)	43	-	Correction between HRA and GF, in-line with Balance Sheet	-	-	-
31,452		31,452	Opening Balance adjustment for IFRS16 Leases	-	-	-
1,061,791	380,100	1,441,891	Revised Opening Capital Financing Requirement	1,059,895	427,969	1,487,864
			Capital Investment:			
102,052	117,134	219,186	Property, Plant and Equipment (PPE)	91,329	89,942	181,271
15,960	-	15,960	Infrastructure Assets	12,943	-	12,943
678	-	678	Investment Properties	2,290	-	2,290
-	-	-	Intangible Assets	-	-	-
19,326		19,326	Right of Use Assets	26,771	-	26,771
4,988	94	5,082	Revenue Expenditure Funded from Capital Under Statute	5,686	-	5,686
-	-	-	Heritage Assets	-	-	-
17,682	-	17,682	Companies Investment	7,826	-	7,826
(26,775)	26,775	-	Housing Stock transfer between GF and HRA	(12,802)	12,802	-
133,911	144,003	277,914	Total Capital Investment	146,845	102,744	236,787
			Sources of Finance			
(5,722)	(23,672)	(29,394)	Capital Receipts	(3,516)	(4,033)	(7,549)
(99,271)	(46,493)	(145,764)	Government Grants and Contributions	(87,683)	(56,375)	(144,058)
-	(7,712)	(7,712)	HRA Major Repairs Reserve	-	(6,405)	(6,405)
(64)	(18,257)	(18,321)	Direct Revenue Contributions	(674)	(13,129)	(13,803)
(17,847)	-	(17,847)	Minimum Revenue Provision	(19,414)	-	(19,414)
(6,489)	-	(6,489)	IFRS16 Leases Repayment (Minimum Revenue Provision)	(8,878)	-	(8,878)
(1,400)	-	(1,400)	Repayment of Loans	(494)	-	(494)
(4,897)	-	(4,897)	Decrease in PFI Contract Liabilities	(3,826)	-	(3,826)
(117)	-	(117)	IFRS16 Leases- Reassessment of Vehicles	-	-	-
(135,807)	(96,134)	(231,941)	Total Sources of Finance	(124,485)	(79,942)	(204,427)
1,059,895	427,969	1,487,864	Closing Capital Financing Requirement	1,082,255	450,771	1,520,224
(1,896)	47,869	45,973	Increase in underlying need to borrow	22,360	22,802	32,360
(1,896)	47,869	45,973	Increase in Capital Financing Requirement	22,360	22,802	32,360

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 2026 total £131.5m (£178.1m as at 31 March 2025). Details are below:

31 March 2025	Schemes	31 March 2026
£'000		£'000
341	Children & Family Services	439
36	Digital Data & Technology	38
2,141	Education	5,479
3,134	Environment & Operations	6,948
53,911	HRA	36,986
71,182	Meridian Water	12,071
760	Property & Economy	669
131,505	Total	62,630

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 2025			31 March 2026	
Long-term	Short-term		Long-term	Short-term
£'000	£'000		£'000	£'000
		Fair Value through Profit or Loss		
		Debtor		
15,312	-	Loan to LVHN	14,969	-
		Amortised Cost		
		Debtor		
-	-	Loans to LVHN	-	-
91,898	-	Loans to HGL	97,972	-
-	-	Accrued Interest on above loans	-	-
96	-	School Loans	51	-
-	30,926	Trade Debtors	-	48,649
1,427	-	Finance Lease	1,409	-
5,619	5,000	Other Debtors	2,432	20,000
-	79,559	Cash and Cash Equivalents	-	65,127
114,352	115,485	Total	116,833	183,251

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. Following the grant of a lease in the 2020/21 financial year, the LLP completed Phase 1 of the development. This phase was subsequently disposed of during the 2024/25 financial year.

Cash and cash equivalents increased by £14.4m. 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.

31 March 2025		31 March 2026	Change
£'000	Cash and Cash Equivalents movement	£'000	£'000
13	Petty Cash	3	(10)
72,765	Money Market Funds	65,595	(7,170)
7,323	Call Accounts	4,354	(2,969)
(12,910)	Cash In Transit	(16,452)	(3,542)
1,731	Bank	255	(1,476)
10,637	School Loans	11,372	735
79,559	Cash and Cash Equivalents	65,127	(14,432)

As at 31 March 2026 Loans advanced to Housing Gateway Limited (HGL) were valued on a cash basis at £141.1m 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, £43.4m 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 £0.8m in the nominal loan balance for HGL made up of repayments which reduced the nominal balance by this amount from £98.5m to £97.7m. The impact of soft loan accounting reduced this element by £7m from £50m to £43m. A high level reconciliation is shown below.

Notes Supporting the Consolidated Balance Sheet

Note 32 Financial Instruments continued:

31 March 2025			31 March 2026		
HGL	LVHN		HGL	LVHN	
£'000	£'000	Company Loan Accounting	£'000	£'000	
132,952	43,285	Opening loan balance (cash basis)	141,902	51,715	
10,000	8,809	New loans advanced in year	-	8,726	
(1,050)	(386)	Loans repaid in year	(816)	(3,754)	
-	-	Loans converted to equity	-	(566)	
141,902	51,708	Closing nominal loan balance (cash basis)	141,086	56,120	
(50,004)	(6,066)	Value of long-term investment (Equity) that has risen upon soft loan accounting	(43,017)	(6,491)	
-	(30,329)	Loan Impairment	(98)	(34,660)	
91,898	15,313	Value of long-term debtors' loans	97,971	14,969	

Loans advanced to Lee Valley Heat Network Limited (LVHN) were valued on a cash basis at £56.2m as at 31st March 2026 and were also categorised (in part) as soft loans. New loans of £8.7m were advanced by the Council to LVHN to support ongoing capital works and for working capital. £3.8m was repaid by LVHN to the Council in the year with £566k of the advances converted to equity. In accordance with soft loan accounting, £6.5m was categorised as a long-term investment and is deemed equity. The Council impairs loans advanced to LVHN based on inherent business risk. The total value of the LVHN loan impairment as at 31st March 2026 was £34.7m. £396k has been charged to General Fund in respect of impairment based on a risk assessment of LVHN although the position will be reviewed annually.

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 2025*			31 March 2026	
Long-term	Short-term		Long-term	Short-term
£'000	£'000		£'000	£'000
		Amortised Cost		
		Borrowings		
(1,225,813)	(60,148)	Principal	(1,234,011)	(56,317)
-	(8,084)	Accrued interest	-	(8,851)
		Creditors		
-	(829)	PFI - Highlands School	-	-
(5,204)	(1,099)	PFI - Street lighting	(4,121)	(1,097)
(8,106)	(1,972)	PFI - Starksfield & Refurbishment	(6,108)	(2,057)
(39,443)	(6,409)	Finance leases	(57,424)	(6,321)
-	(92,439)	Trade creditors	-	(81,238)
-	(1,262)	Cash and Cash Equivalents	-	(1,236)
(1,278,566)	(172,242)	Total	(1,301,664)	(157,117)

During the financial year, the Council had repaid short-term principal debt of £45.7m.

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 £141.1m outstanding nominal loan, proper accounting practice requires that £43m 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 (£98.1m) 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 £56.1m loans outstanding with Energetik, £45.3m are classified as long term loans with the remainder deemed an “investment in subsidiary” as a result of soft loan accounting. £30.4m of these long term loans are impaired, split £1.1m to Revenue and £29.3m to Capital.

Notes Supporting the Consolidated Balance Sheet

Note 32 Financial Instruments continued:

Full movements on loans, and their recognition on the balance sheet, are given below.

31 March 2025			31 March 2026	
HGL	LVHN		HGL	LVHN
£'000	£'000		£'000	£'000
		Total Loans (nominal values)		
132,952	43,285	Opening Balance	141,902	51,715
10,000	8,809	New Loans Granted	-	8,726
(1,050)	(386)	Loans Repaid	(816)	(3,754)
		Lons converted to equity		(566)
141,902	51,708	Closing Balance of nominal loans	141,086	56,120
		<i>... of which:</i>		
-	9,379	Loans at Market Rates	-	3,500
141,902	42,329	Loans at Sub-Market Rates	141,086	52,620
141,902	51,708		141,086	56,120
		Loans are shown on the Balance Sheet as:		
91,898	-	Debtors at Amortised Cost	98,069	-
-	15,312	Debtors at Fair Value	-	14,969
91,898	15,312	Total	98,069	14,969
(50,004)	(36,395)	Difference to nominal loan value	(43,115)	(41,151)
50,004	6,066	Loan element classified as investment in subsidiary (Equity) and not deemed as a financial instrument	43,017	6,491
-	28,855	Impairment charged to Capital Adjustment Account (Cumulative)	-	33,602
-	1,474	Impairment charged to CIES (Cumulative)	98	1,058
-	-	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 2026 the Council had advanced loans of £56.1m to LVHN, but the loans on the Balance Sheet were valued at £21.5m (inclusive of the loan element that is classified as Equity investment due to soft loan accounting). The residual amount of £34.7m has been charged to the CIES over the last five years as an impairment charge, of which £33.6m has been reversed to the Capital Adjustment Account, as these were capital charges associated with loans used for capital purposes. Although there have been no defaults in principal or interest repayments in 2025/26 or prior financial years, a mandatory charge to General Fund is required for capital loans to recognise the inherent risk of the entity. This was £396k for 2025/26 although the position will be reviewed as loans are repaid and the credit risk reassessed.

The Council has also assessed the HGL loans under IFRS 9 for an expected credit loss allowance provision. As at 31st 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 2025		31 March 2026
£'000	Net (gains)/losses on:	£'000
547	Financial Assets at Fair Value in Profit and Loss	(423)
-	Financial Assets at Amortised Cost	-
-	Financial Liabilities at Amortised Cost	-
(12,825)	Interest Revenue	(10,853)
44,536	Interest Expense	45,896
32,258	Total	34,620

The £0.4m credit against Financial assets at fair value in profit and loss comprises £273k impairment of revenue loans advanced to Energetik offset by £696k impairment reversals resulting from the reclassification of loans from revenue to capital to accord with the terms of the loan. Impairment charges are calculated based on the perceived risk of the entity and reviewed annually based on loan repayments and revised credit assessments. Impairments for capital loans are reversed out against the Capital Adjustment Account in accordance with proper practices and those for revenue loans remain as a charge against the General Fund.

Notes Supporting the Consolidated Balance Sheet

Note 32 Financial Instruments continued:

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 2025**				31 March 2026	
Carrying amount £'000	Fair Value £'000		Fair Value Level	Carrying amount £'000	Fair Value £'000
Financial Liabilities:					
(1,294,045)	(1,031,811)	Total Borrowing	2	(1,299,179)	(1,045,057)
(63,062)	(63,062)	PFI and Finance Lease Liabilities*	2	(77,127)	(77,127)
(1,262)	(1,262)	Cash and Cash Equivalents	N/A	(1,236)	(1,236)
(92,439)	(92,439)	Trade Payables (Creditors)	N/A	(81,238)	(81,238)
(1,450,808)	(1,188,574)	Total Financial Liabilities		(1,458,780)	(1,204,658)
Financial Assets:					
91,898	91,898	Long Term Loans to HGL	2	97,971	97,971
51,708	15,312	Long Term Loans to LVHN	3	56,120	14,969
96	96	Long Term School Loans	N/A	51	51
1,427	1,427	Finance Leases	N/A	1,409	1,409
585	585	Other long-term debtors	N/A	1,430	1,430
30,926	30,926	Trade Receivables (Debtors)	N/A	48,649	48,649
79,559	79,559	Cash and Cash Equivalents	N/A	65,127	65,127
256,199	219,803	Total Financial Assets		270,757	229,606

The fair value for total borrowings reflects the increase in PWLB rates as a result of the underlying increase in UK Gilt rates during 2025/26. 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 27 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 applied based on the perceived risk of the entity.

For LVHN, the Council has recognised that there is a credit risk and has adjusted the book value downwards accordingly.

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 £15m 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 2025			31 March 2026		
Long Term	Short Term	Credit Rating	Long Term	Short Term	
£'000	£'000		£'000	£'000	
-	80,088	AAA	-	69,949	
5,000	5,000	A+	-	20,000	
5,000	85,088	Total	-	89,949	

Cash balances held in Money Market Funds (MMFs) (A+) and advanced to UK Local Authorities (AAA) as illustrated in the above table were broadly unchanged from prior year and supported the Council's cashflow requirement including repayment of maturing debt and capital expenditure. Cash held MMFs is easily accessible and is available upon demand. Cash advanced to other Local Authorities is fixed to achieve a higher rate of return. Credit ratings for MMFs have been obtained from the Council's Treasury Advisors.

The Council holds £70m of liquid financial assets that can be withdrawn or sold at short notice if required to meet cash outflows on financial liabilities.

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 within 12 months

Liquidity Risk Disclosure 2025/26 (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	56,317	70,584	180,673	317,276	274,986	285,492	105,000	1,290,328
Trade Payables	81,361	-	-	-	-	-	-	81,361
Lease payables	3,154	3,256	6,974	-	-	-	-	13,383
Finance Leases	6,321	10,377	19,641	11,358	7,986	8,062	-	63,745
Total Financial Liabilities	147,153	131,264	187,647	317,276	274,986	285,492	105,000	1,448,817
Liquid Financial Assets	65,127	-	-	-	-	-	-	65,127
Net Liquidity Risk	82,026	131,264	187,647	317,276	274,986	285,492	105,000	1,383,690

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

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

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

31 March 2025			31 March 2026		
Principal £'000	Interest £'000	Portion %	Principal £'000	Interest £'000	Portion %
Short Term			Short Term		
69,909	39,017	5.44%	56,317	40,605	4.36%
Long Term			Long Term		
55,203	37,473	4.29%	70,584	38,816	5.47%
193,121	102,093	15.02%	180,673	104,275	14.00%
290,156	134,583	22.56%	317,276	132,926	24.59%
240,525	88,951	18.70%	223,247	84,897	17.30%
34,137	71,970	2.65%	51,739	71,241	4.01%
67,138	62,646	5.22%	70,664	60,540	5.48%
87,695	41,846	6.82%	85,038	38,832	6.59%
44,288	26,192	3.44%	41,000	24,739	3.18%
88,789	15,591	6.90%	88,789	13,242	6.88%
90,000	7,702	7.00%	80,000	6,316	6.20%
25,000	574	1.94%	25,000	338	1.94%
1,285,961	628,637	100%	1,290,328	616,765	100%
Short Term			Short Term		
-	8,084		-	8,851	
1,285,961	636,721	Total	1,290,328	625,616	

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 £625.6m.

During 2025/26 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 £45.7m of loan principal and raised new loans of £50m. The table below summarises debt and other long-term liabilities outstanding at 31 March 2026:

31 March 2025		31 March 2026
£'000	Loans and other long-term liabilities outstanding (nominal value)	£'000
1,168,661	Public Works Loans Board	1,179,467
57,152	Market Debt	54,543
-	Other Loans	-
1,225,813	Long Term Borrowing	1,234,011
10,000	Temporary Borrowing	-
50,148	Other Loans Less than 1 year	56,317
8,084	Accrued Interest	8,851
1,294,045	Long & Short-Term Borrowing	1,299,178
63,061	Deferred Liabilities – PFI and finance leases	77,128
1,357,106	Total	1,376,306

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 25% on external debt that can be subject to variable interest rates. 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.

According to the investment strategy, if interest rates had been 1% higher at 31 March 2026, with all other variables held constant, the financial effect would have been as below:

31 March 2025 £'000	Interest Rate Risk	31 March 2026 £'000
(336)	Increase in interest payable on variable rate borrowings	(289)
733	Increase in interest receivable on variable rate investments	564
397	Impact on Comprehensive Income and Expenditure Account	275
(269)	Increase in interest payable on HRA cash balances*	(141)
-	Increase in fair value of fixed rate investment assets	-
187	Increase in fair value of investment assets held at FVPL	146
187	Impact on Other Comprehensive Income and Expenditure*	146
78,253	Decrease in fair value of fixed rate borrowings liabilities*	75,405

*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 31st March 2026, the Council held cash balances across three Sterling money market investment funds with a nominal balance of £65.6m. 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 2025		Money Market Funds (MMFs) held at Fair Value Through Profit and Loss	31 March 2026	
Carrying Amount £'000	Fair Value £'000		Carrying Amount £'000	Fair Value £'000
-	-	Long-term	-	-
72,765	72,765	Short-term	65,595	65,595
72,765	72,765	Total	65,595	65,595
(6,404)	(6,404)	Dividends distributed by MMFs during 2025/26	(4,452)	(4,452)

The Council received monthly dividends equating to £4.5m during 2025/26 on balances held in MMFs, 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 reduction in dividends received during the year is driven by the change in Bank of England Bank Rate throughout 2025/26. Cash balances held in Money Market Funds decreased during the financial year by 10% to finance the Council's daily cashflow requirement.

Notes Supporting the Consolidated Balance Sheet

Note 33 Short Term Debtors

31 March 2025		31 March 2026
£'000	Short Term Debtors	£'000
44,981	Sundry Debtors	48,650
10,491	Central Government Debtors	11,830
540	Business Rate Debtors	883
6,011	Payments In Advance	7,350
9,733	Tax Debtors	9,936
2,832	Rent Debtors	1,875
8,559	Council Tax Debtors	7,021
9,751	Housing Benefit Overpayments	6,470
1,564	Court Costs	1,708
3,389	Local Government Debtors	11,008
14,780	NHS Debtors	9,575
8,302	Leaseholder Debtors	6,603
80	Other Debtors	135
121,013	Total	123,044

The debtors below are for the entire Collection Fund:

31 March 2025		31 March 2026
£'000	Local Taxation Debtors	£'000
	Council Tax	
18,690	Under 1 year	19,693
29,767	Over 1 Year	35,476
48,457	Total Council Tax	55,169

	National Non-Domestic Rates	
7,592	Under 1 year	6,469
11,380	Over 1 Year	10,083
18,972	Total National Non-Domestic Rates	16,552

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 2025	Type	31 March 2026
£'000		£'000
13	Petty Cash	3
72,765	Money Market Funds	65,595
7,323	Call Accounts	4,354
(12,910)	Cash in Transit	(16,452)
1,731	Bank	255
10,637	School Balances	11,372
(1,193)	Trust Funds	(1,236)
(69)	Credit	-
78,297	Cash and Cash Equivalents	63,891

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 March 2025		31 March 2026
£'000		£'000
(4,095)	Deposits	(4,093)
(100,173)	Sundry Creditors	(81,238)
(2,094)	Business Rate Creditors	(2,039)
(3,899)	Lease Creditors	(3,153)
(6,601)	Council Tax Creditors	(7,457)
(14,912)	Central Government Creditors	(12,125)
(4,507)	Local Government Creditors	(7,437)
(417)	Property Finance Lease Creditors	(366)
(5,763)	TA Finance Lease Creditors	(5,708)
(229)	Vehicles Finance Lease Creditors	(247)
(9,412)	Leave Creditors	(8,570)
(152,102)	Total	(132,433)

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)

2024/25		2025/26
£'000	Revenue Grants Receipts In Advance	£'000
(8)	Local Restrictions Open and Additional Restriction Grants	(8)
(122)	Recovery Premium Funding	-
(216)	Self-Isolation Payments Funding	(216)
(346)	Covid Grant Receipts In Advance	(224)
(20,889)	Housing Benefits Subsidies	(6,816)
(1,629)	Family Hubs and Start for Life	-
(2,034)	Revenue Support Grant	-
(3,235)	Other non-Covid Grants (under £1m)	(1,219)
(28,133)	Total	(8,259)

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

31 March 2025		31 March 2026
£'000	Capital Grants Receipts In Advance	£'000
(33,394)	Building Council Homes for Londoners Grant	(24,443)
(9,137)	S106 Capital RIA	(8,387)
(365)	One Public Estate Grant	(1,733)
-	- Social Housing Decarbonisation Fund Wave 2.2	(425)
-	- Waking Watch Replacement Fund	(57)
(42,896)	Total	(35,045)

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 2025 £'000	Raised in year £'000	Utilised in Year £'000	Written back to revenue in year £'000	Balance 31 March 2026 £'000
Short Term					
Legal	(510)	(863)	320	43	(1,010)
Insurance	(2,022)	(1,803)	2,022	-	(1,803)
Redundancy	(491)	(324)	492	-	(323)
Other Minor Provisions		-	-	-	-
Short Term	(3,023)	(2,990)	2,834	43	(3,136)
Long Term					
Insurance	(6,175)	-	6,175	-	-
Business Rate Valuation Appeals	(2,878)	(9,294)	9,652	-	(2,520)
Long Term	(9,053)	(9,294)	15,827	-	(2,520)
Total Provisions	(12,076)	(12,284)	18,661	43	(5,656)

The largest provisions relate to: -

- i. The combined insurance provision of £1.8m reflects 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 in the next 12 months. This figure is in line with conclusions made by the insurance actuary.
- ii. The £2.5m provision for business rate valuation appeals is Enfield's share of a total provision of £8.400m 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 2025		31 March 2026
£'000		£'000
(13,310)	Amounts due to be paid under PFI Contracts	(10,230)
(39,443)	Amounts due to be paid under other Leases	(57,424)
(52,753)	Total	(67,654)

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 2025		31 March 2026
£'000		£'000
79	Not later than one year	63
63	Later than one year and not later than five years	-
-	Later than five years	-
142	Total	63

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 2025		31 March 2026
£'000		£'000
7,568	Amount due not later than one year	7,874
23,012	Amount due between one and five years	27,499
143,565	Later than five years	167,367
174,145	Total	202,740

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.

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.

	Other Land & Buildings £'000	Vehicles, Plant & Equipment £'000	Total £'000
Balance as at 1 April 2025	54,964	1,337	56,301
Additions	26,771	-	26,771
Revaluations	498	-	498
Depreciation	(9,847)	(251)	(10,098)
Disposals	-	-	-
Balance at 31 March 2026	72,386	1,086	73,472

	Other Land & Buildings £'000	Vehicles, Plant & Equipment £'000	Total £'000
Balance at 31 March 2025			
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.

2024/25 £'000		2025/26 £'000
32,845	Opening lease liability at 1 April	45,852
19,326	Additions of new leases	26,771
-	Remeasurements	-
1,687	Interest expense	3,147
(8,006)	Lease payments made	(12,025)
-	Terminations/Disposals	-
45,852	Closing Balance at 31 March	63,745

The variance between the lease liability and the ROU asset 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.

2024/25 £'000		2025/26 £'000
8,006	Less than one year	12,025
27,270	One to five years	38,818
43,280	More than five years	54,006
78,556	Total undiscounted liabilities	104,848
(32,704)	Less: unearned interest	(41,104)
45,852	Lease Liability at 31 March 2025	63,745

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.

2024/25		2025/26
£'000		£'000
1,687	Interest expense on lease liabilities	3,147
3,905	Expense relating to short-term leases	1,963
5,592	Cash Flow Statement	5,110

Leases Out

Transactions under leases out	2025/26
Finance leases	(£000)
Finance income on the net investment in the lease	(7)
Total Lease income	(7)

Net investment in finance leases	2025/26
	(£000)
Opening Net investment at 1 April 2025	0
New leases entered into	1,500
Payments received	7
Closing Balance at 31 March 2026	1,507

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 2026 are shown below.

Period	Payment for Services £'000	Reimbursement of Capital Expenditure £'000	Interest £'000	Total £'000
Within one year	-	3,153	1,070	4,223
2 - 5 years	-	10,230	1,644	11,874
6 - 10 years	-	-	-	-
Total	-	13,383	2,714	16,097

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

31 March 2025 £'000	Outstanding Liability for Reimbursement of Capital Expenditure	31 March 2026 £'000
(22,106)	Balance outstanding 1 April	(17,209)
4,474	Payments during the year	3,908
423	Remeasurements	(82)
(17,209)	Balance outstanding 31 March	(13,383)

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 2025/26 employer contributions of £12.9m were paid to the Teacher's Pension Scheme (£13.1m paid in 2024/25), representing 28.68% 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 2025/26 the Council's employer contributions to the NHS Pension Scheme were £21,246.36 (£21,872 in 2024/25).

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:

Scheme Assets £'000	Pensions Obligations £'000	Net Pensions Liability £'000		Scheme Assets £'000	Pensions Obligations £'000	Net Pensions Liability £'000
			- Opening Balance Assets and Liabilities	1,417,014	(1,260,298)	156,716
			- Asset Ceiling Application			(187,712)
1,400,368	(1,446,635)	(46,267)	Opening Balance at 1 April	1,417,014	(1,260,298)	(30,996)
-	(33,196)	(33,196)	Current Service Cost	-	(25,153)	(25,153)
-	(2,092)	(2,092)	Past Service cost and gains/losses on curtailments	-	(802)	(802)
66,791	(68,918)	(2,127)	Interest Income and Expense	81,970	(72,550)	9,420
(3,537)	4,384	-	Settlements	-	-	-
63,254	(99,822)	(36,568)	Total post-employment benefits charged to Surplus or Deficit on Provision of Services	81,970	(98,505)	(16,535)
			Contributions			
37,263	-	37,263	• The Council	37,481	-	37,481
11,271	(11,271)	-	• Employees	11,843	(11,843)	-
48,534	(11,271)	37,263	Employers contributions payable to scheme	49,324	(11,843)	37,481
			Payments			
(56,489)	56,489	-	• Retirement Grants and Pensions	(56,897)	56,897	-
(56,489)	56,489	-	Total payments	(56,897)	56,897	-
			Remeasurements			
(38,653)	-	(38,653)	• Return on Plan Assets	13,139	-	13,139
-	2,527	2,527	• Actuarial Gains and Losses arising from changes in demographic assumptions	-	(14,551)	(14,551)
-	221,865	221,865	• Actuarial Gains and Losses from changes in Financial Assumptions	-	38,826	38,826
-	16,549	16,549	• Experience loss /(gain) on defined benefit obligation	(23,826)	(3,811)	(27,637)
(38,653)	240,941	202,288	Post-Employment Benefits Charged to other Comprehensive Income and Expenditure Statement	(10,687)	20,464	9,777
1,417,014	(1,260,298)	156,716	Closing Balance at 31 March	1,480,724	(1,293,285)	187,439
		(187,712)	Asset Ceiling Application			(216,699)
		(30,996)	Net Closing Balance at 31 March			(29,260)

Notes Supporting the Consolidated Balance Sheet

Note 46 Pension Liability continued:

Composition of Scheme Assets:

31 March 2025				31 March 2026	
Total	Scheme Asset Type	Quoted	Unquoted	Total	
44%	Equity Investments	34%	10%	44%	
30%	Bond	9%	19%	29%	
8%	Other Assets	-	10%	10%	
6%	Private Equity	-	6%	6%	
5%	Property	-	6%	6%	
4%	Infrastructure	-	4%	4%	
2%	Cash	2%	-	2%	
-	Government Debt Securities	-	-	-	
-	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 2026. The principal assumptions used by the actuary are shown in the table below:

31 March 2025	Mortality Assumptions:	31 March 2026
	Future lifetime for Males	
20.8	Member aged 65 at accounting date	22.2
21.9	Member aged 45 at accounting date	22.9
	Future lifetime for Females	
23.3	Member aged 65 at accounting date	24.9
24.7	Member aged 45 at accounting date	26.0
	Economic Assumptions:	
5.8%	Discount Rate	6.2%
2.8%	CPI Inflation	3.0%
2.8%	Rate of increase to pensions	3.0%
4.3%	Rate of general increase in salaries	3.5%

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%)	1%	18,729
Rate of increase in salaries (increase by 0.1%)	0%	609
Rate of increase in pensions/Revaluation rate (increase by 0.1%)	1%	18,112
Longevity (increase by 1 year)	4%	51,483

Asset Ceiling

Asset Ceiling Reconciliation	31 March 2026
Asset ceiling balance at 1 April 2025	(187,712)
Interest on the effect of the asset ceiling	(10,880)
Changes in the effect of the of asset ceiling	(18,107)
Asset ceiling balance at 31 March 2026	(216,699)

Notes Supporting the Group Consolidation

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Notes Supporting the Group Consolidation

Note 47 Group Property, Plant and Equipment

Within the consolidation of the group accounts, £49.0m, 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 2025		31 March 2026	
£'000		£'000	
2,487,622	Council's Property, Plant & Equipment (PPE)	2,354,208	
50,339	Reclassified from Investment Property (Housing Gateway Ltd)	49,105	
126	Housing Gateway Limited (HGL)	111	
58,655	Lee Valley Heat Network (LVHN)	66,519	
2,596,742	Total	2,469,943	

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 2025/26 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 2025 £'000		31 March 2026 £'000
-	Balance at start of the year	372,659
-	Opening Balance Adjustment	(16,429)
382,950	Balance at the start of the year	356,230
5,728	Capital expenditure	2,826
(1,479)	Write out of disposals	(8,943)
11,124	Nets gains/(losses) from fair value adjustments	(32,622)
(25,664)	Other movements	(646)
372,659	Balance at the end of the year	316,845

31 March 2025 £'000		31 March 2026 £'000
123,857	Land	96,179
49,880	Commercial Units	44,736
31,050	Shops	32,454
120,166	Housing	112,095
47,706	Other	31,381
372,659	Total	316,845

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 2025			31 March 2026	
Long-term	Short-term		Long-term	Short-term
£'000	£'000		£'000	£'000
Debtors' at Amortised Cost				
-	61,617	Trade debtors	-	51,169
1,427	-	Finance lease	1,409	-
-	85,345	Cash and Cash Equivalents	-	75,484
1,427	146,962	Total	1,409	126,653

Note 50 Group Short Term Debtors

31 March 2025			31 March 2026	
£'000			£'000	
Analysis of Group Short Term Debtors				
129,897	Group Debtors		126,997	
(4,384)	Less Related Parties (from Subsidiaries)		(891)	
125,513	Total		126,106	

Notes Supporting the Group Consolidation

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

31 March 2025 Group £'000		31 March 2026 Group £'000
40,249	Depreciation of Non-Current Assets	47,138
146,518	Impairment of Non-Current Assets	129,928
2,162	Amortisation of intangible Fixed Assets	-
(695)	Pension Fund adjustments	(20,946)
(7,916)	Impairment losses on loans & advances debited to the CI&E in year	(5,420)
4,673	Increase/decrease in impairment for provision for bad debts	4,790
7,794	Transfer to the Deferred capital Receipts	(1,500)
(1,459)	Contributions to Provisions	(7,027)
53,149	Carrying amount of PP&E, investment property and intangible assets sold	92,265
(43,327)	Recognition of IFRS16 leases from operating leases and PPE	(26,771)
33	(Increase)/Decrease in Inventories	(249)
5,717	(Increase)/Decrease in Debtors	2,900
53,262	Increase/(Decrease) in Creditors	(23,965)
2,473	Other non-cash movement	(1,751)
262,633	Total adjustments to net deficit on the provision of services	189,392
Council £'000		Council £'000
(37,305)	Interest Paid	(43,452)
12,737	Interest Received	11,060
(24,568)	Total adjustments to net deficit on the provision of services	(32,392)

Notes Supporting the Group Consolidation

Note 52 Group Cashflow from Investing Activities

31 March 2025 Group £'000		31 March 2026 Group £'000
(263,930)	Purchase of property, plant and equipment, investment property and intangible assets	(205,652)
(14,461)	Other payments for investing activities	(11,512)
52,319	Proceeds from sale of property plant equipment & investment property and other capital receipts	47,631
167,012	Capital Grants Received	141,398
-	Other receipts from investing activities	-
(59,060)	Total Cashflow from Investing Activities	(28,135)

Note 53 Group Cashflow from Financing Activities

31 March 2025 Group £'000		31 March 2026 Group £'000
37,703	Cash receipts of short and long term borrowing	16,502
33,729	Cash payments for the reduction of outstanding liabilities relating to IFRS16 leases and on balance sheet PFI contracts	18,048
(1,872)	Repayments of short and long term borrowing	(5,158)
-	Other payments for financing activities	-
69,560	Total Cashflow from Financing Activities	29,392

Notes Supporting the Group Consolidation

Note 54 Group Investing and Financing Activities

31 March 2025		31 March 2026
Group		Group
£'000		£'000
52,319	Proceeds from sale of property plant equipment & investment property and other capital receipts	47,631
145,775	Any other items for which the cash effects are investing or financing cash flows: Capital Grants & Contributions	149,248
198,094	Total Financing Activities	196,879

Notes Supporting the Council's Cashflow Statement

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Notes Supporting the Cashflow Statement

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

2024/25 Council £'000		2025/26 Council £'000
40,014	Depreciation of Non-Current Assets	46,892
151,150	Impairment of Non-Current Assets	123,827
2,162	Amortisation of intangible Fixed Assets	0
(695)	Pension Fund adjustments	(20,946)
4,673	Impairment losses on loans & advances debited to the CI&E in year	4,790
(7,916)	Increase/decrease in impairment for provision for bad debts	(5,420)
7,794	Transfer to the Deferred capital Receipts	(1,500)
(2,641)	Contributions to Provisions	(6,420)
53,147	Carrying amount of PP&E, investment property and intangible assets sold	90,580
33	(Increase)/Decrease in Inventories	(249)
7,700	(Increase)/Decrease in Debtors	(2,031)
34,821	Increase/(Decrease) in Creditors	(19,669)
(43,327)	Recognition of IFRS16 leases from Operating leases and PPE	(26,771)
953	Other non-cash movement	(1,016)
247,868	Total adjustments to net deficit on the provision of services	182,067

31 March 2025 Council £'000		31 March 2026 Council £'000
(32,617)	Interest Paid	(37,864)
12,502	Interest Received	10,773
(20,115)	Total adjustments to net deficit on the provision of services	(27,091)

Notes Supporting the Cashflow Statement

Note 56 Cashflow from Investing Activities

31 March 2025 Council £'000		31 March 2026 Council £'000
(248,661)	Purchase of property, plant and equipment, investment property and intangible assets	(196,504)
(14,461)	Other payments for investing activities	(11,512)
54,001	Proceeds from sale of property plant equipment & investment property and other capital receipts	49,118
167,036	Capital Grants Received	141,398
-	Other receipts from investing activities	-
(42,085)	Total Cashflow from Investing Activities	(17,500)

Note 57 Cashflow from Financing Activities

31 March 2025 Council £'000		31 March 2026 Council £'000
37,703	Cash receipts of short and long term borrowing	8,198
33,729	Cash payments for the reduction of outstanding liabilities relating to IFRS16 leases and on balance sheet PFI contracts	18,048
(1,872)	Repayments of short and long term borrowing	(3,064)
-	Other payments for financing activities	-
69,560	Total Cashflow from Financing Activities	23,182

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 2025 Council £'000		31 March 2026 Council £'000
(54,001)	Proceeds from sale of property plant equipment & investment property and other capital receipts	(49,118)
(145,798)	Any other items for which the cash effects are investing or financing cash flows: Capital Grants & Contributions	(149,248)
(199,799)	Total Financing Activities	(198,366)

Note 59 Reconciliation of Liabilities Arising From Financing Activities

	1 April 2025 £'000	Financing £'000	Investing £'000	Non-Cash Changes £'000	31 March 2026 £'000
Long-Term Borrowings	(1,225,813)	(8,198)	-	-	(1,234,011)
Short-Term Borrowings	(68,232)	3,064	(17,500)	17,500	(65,168)
Other Long-Term Liabilities	(52,753)	(14,901)	-	-	(67,654)
Total Liabilities from Financing Activities	(1,346,798)	(20,035)	(17,500)	17,500	(1,366,833)

Other Notes

Note 60 Events After the Reporting Period

The Chief Finance Officer authorised the Statement of Accounts on 22 June 2026. 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 2026, 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

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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.

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Housing Revenue Account continued:

31 March 2025 £'000		Notes	31 March 2026 £'000
	Income		
(66,980)	Dwelling rents (gross)		(72,844)
(3,299)	Non-dwelling rents (gross)		(3,819)
(17,485)	Charges for services and facilities		(21,093)
(65)	Contributions towards expenditure		(658)
(87,829)	Total Income		(98,414)
	Expenditure		
16,252	Repairs and maintenance	5	17,344
37,999	Supervision and management		36,238
2,416	Rents, rates, taxes and other charges		5,949
4,928	Depreciation		5,359
144,695	Revaluation	7	54,309
-	Impairment	7	3,054
-	Movement in the allowance for bad debts	3	0
428			547
206,718	Total Expenditure		122,800
118,889	Net Expenditure or Income of HRA Services as included in the Whole Authority Comprehensive Income and Expenditure Statement		24,386
100	HRA services' share of Corporate & Democratic Core		103
118,989	Net Cost of HRA Services		24,489
	HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement:		
(13,553)	(Gain) or loss on sale of HRA non-current assets		(11,735)
-	Repayment of right-to-buy receipts		-
14,428	Interest payable and similar charges		16,476
(944)	Interest and Investment income		(581)
(155)	Income and expenditure and changes in fair value of Investment Properties	8	(1,245)
(14,773)	Capital grants and contributions receivable		(56,375)
-	Amounts payable into the Capital Receipts Pool		-
-	Other Operating Expenditure		-
103,992	(Surplus)/ Deficit for The Year on HRA Services		(28,971)

Housing Revenue Account continued:

31 March 2025		31 March 2026
£'000	Statement of Movement on the Housing Revenue Account	£'000
	Notes	
(22,647)	Balance on the HRA at the end of the previous reporting period	(15,938)
103,992	(Surplus) or deficit for the year on the HRA Income and Expenditure Statement	(28,971)
(96,239)	Adjustments between Accounting and Funding Basis under Statute	28,391
7,753	Net (Increase) or Decrease before transfers or from reserves	(580)
(1,044)	Transfers to/(from) earmarked reserves	4,696
6,709	(Increase) or decrease in-year on the HRA Balance	4,116
(15,938)	Balance on the HRA at the end of the reporting period	(11,822)
	Adjustments between Accounting and Funding Basis under Statute	
7,507	Transfer to Major Repairs Reserve	6,720
(149,623)	Offsetting transfer in from capital adjustment account	(62,722)
14,773	Difference between any other items of income and expenditure determined in accordance with the Code and determined in accordance with statutory HRA requirements	56,378
155	Investment property - Gain / loss on disposal & movement in fair and market value	1,245
13,553	MIRS-Gain on sale of HRA non-current assets	11,735
(890)	Use of Capital Receipts for RTB admin costs	-
542	HRA share of contribution to / from pension reserve	1,937
18,257	Capital expenditure funded by the HRA	13,129
-	Derecognition of other noncurrent assets - Aerials & AUC	-
-	Transfer from Capital Receipts Reserve equal to the amounts payable into the Capital Receipts Pool	-
(512)	Transfers to / from Deferred Capital Receipts Reserve	-
(1)	Accumulated Absences	(31)
(96,239)	Total Adjustments between Accounting and Funding Basis under Statute	28,391

Notes Supporting Housing Revenue Account (HRA)

HRA 1 Housing Stock

The Council was responsible for managing a Housing Revenue Account stock of 10,776 properties at 31 March 2026 compared with a total of 10,768 properties at 31 March 2025. An analysis of the types of homes is shown below. Of those 10,776 properties, 10,407 were categorised as Council Dwellings and 368 as Land & Buildings (10,768 at 31 March 2025 split as 10,434 in Council Dwellings and 334 as Land & Buildings). The Council is also a freeholder of 4,962 leased homes that were previously sold to tenants under the right-to-buy legislation.

31 March 2025 Number of Properties		31 March 2026 Number of Properties
3,076	Houses	3,044
110	Bungalows	109
1,515	Maisonettes	1,538
6,067	Flats	6,085
10,768	Total Housing stock	10,776

HRA 2 Stock Valuation

The open market value of the Council's dwellings was £3.3bn at 31 March 2026 (£3.3bn at 31 March 2025). The difference between this value and the existing use value of £901.3m at 31 March 2026 (£875.4m at 31 March 2025) 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 2026 are £1.24m compared to £1.68m at the 31 March 2025. The provision for impairment of debts was £1.58m (2024/25 £1.15m). In 2025/26 there was a increase in the Impairment of debt of £0.45m (£0.43m release in 2024/25).

Notes Supporting Housing Revenue Account (HRA)

HRA 4 Major Repairs Reserve

31 March 2025 £'000		31 March 2026 £'000
(205)	Balance at 1 April	-
(4,928)	Transfer in at depreciation for operational assets	(5,359)
1,343	Transfer	(1,361)
6,476	Amount applied to expenditure on council dwellings during year	6,405
-	Balance at 31 March	(315)

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 2025 £'000		31 March 2026 £'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-25 £'000	Opening Balance Adjustment	Adjusted Balance	Acquisitions & Transfers £'000	Disposals £'000	Depreciation £'000	Net Revaluation £'000	31-Mar-26 £'000
Council Dwellings	803,411		803,411	67,687	(12,039)	(4,774)	(58,436)	795,849
Other Land and Buildings	91,872	(1,511)	90,361	28,934	(554)	(585)	5,450	123,606
Intangible Assets	-		-	-	-	-	-	-
Total Property, Plant & Equipment	895,283	(1,511)	893,772	96,621	(12,593)	(5,359)	(52,986)	919,455
Total Investment Properties - Shops	30,041	-	30,041	175	(198)	-	1,426	31,444
TOTAL	925,324	(1,511)	923,813	96,796	(12,791)	(5,359)	(51,560)	950,899

Capital expenditure in the year amounted to £89.9m consisting of:

31 March 2025 £'000	Expenditure on:	31 March 2026 £'000
40,253	Works to Stock – General Works	40,220
0	Fleet	2,033
13,759	Leaseholder Buy Backs	12,155
63,122	Buying Out Commercial and Residential Interests (Regeneration Projects)	35,533
117,134	Total	89,941
	Funded by	
(46,493)	Capital Grants and Contributions	(55,775)
(23,672)	Capital Receipts	(4,033)
(18,257)	Earmarked Reserves	(13,129)
(21,000)	Prudential Borrowing	(10,000)
(7,712)	Major Repairs Reserve	(6,405)
-	S106 Income	(599)
(70,641)	Total	(89,941)

Notes Supporting Housing Revenue Account (HRA)

HRA 7 Depreciation and Impairment

31 March 2025 £'000		31 March 2026 £'000
	Depreciation	
(4,458)	Council Dwellings	(4,774)
(470)	Other Land and Buildings	(585)
-	Amortisation of Intangible Assets	-
	Impairment and Downward Valuation	
(141,358)	Council Dwellings	(54,309)
(3,337)	Other Land and Buildings	(3,054)
-	Surplus Properties	-
(149,623)	Total Capital Charges	(62,722)

HRA 8 Investment Properties

31 March 2025 £'000		31 March 2026 £'000
(141)	Rental Income from Investment Properties	(581)
-	Direct Operating Expenses arising from Investment Property	-
155	Net (gain)/loss from fair value adjustments	1,245
(141)	Net (Gain) / Loss	664

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 2025/26. 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 £3.658m for 2025/26.

In 2025/26, Council Tax income has grown from £224.625m in 2024/25 to £237.531m in 2025/26.

Business Rate income that the Council was required to collect increased to £133.267m in 2025/26, compared to £125.899m in 2024/25. The share of retained NNDR collection due to Central Government was 33% (the same as 2024/25 with the remaining 67% split 30% to the London Borough of Enfield and 37% to the GLA).

The Collection Fund Business Rate income for 2025/26 also includes the combined prior year estimated deficit of £5.315m, our share of which was £1.594m.

Subsequently the Council's 2025/26 NNDR surplus of £1.944m was reversed via the Movement in Reserves Statement into an Unusable Reserve (Collection Fund Adjustment Account), alongside its £0.651m surplus Council Tax equivalent, giving a £2.595m surplus in total.

The provision for business rate appeals has reduced by £1.194m to £8.400m, 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 three years into the 2023 appeals list. There has been a review of the council tax debt outstanding at 31 March 2026 and the provision for bad and doubtful debt has been increased by £11.425m to £45.691m. Following a similar review of business rate debt, the 2025/26 business rates bad debt provision has been decreased by £1.218m to £12.929m.

Collection Fund Statement

Collection Fund		2024/25			2025/26		
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)	(237,531)	-	(237,531)
Business ratepayers	2	-	(126,227)	(126,227)	-	(138,910)	(138,910)
Transitional Protection Payment		-	-	-	-	-	-
Business Rate Supplement	3	-	(3,074)	(3,074)	-	(3,520)	(3,520)
		(224,625)	(129,301)	(353,926)	(237,531)	(142,430)	(379,961)
Expenditure							
Council Tax Precepts and demands:							
London Borough of Enfield demand		164,118	-	164,118	174,545	-	174,545
London Borough of Enfield surplus		-	-	-	-	-	-
Greater London Authority precept		48,533	-	48,533	51,142	-	51,142
Greater London Authority surplus		-	-	-	-	-	-
Business Rates Retention:							
Central Government demand		-	42,162	42,162	-	43,600	43,600
Central Government surplus		-	2,028	2,028	-	-	-
Greater London Authority demand		-	47,273	47,273	-	48,884	48,884
Greater London Authority surplus		-	2,273	2,273	-	-	-
London Borough of Enfield demand		-	38,329	38,329	-	39,636	39,636
London Borough of Enfield Surplus		-	1,843	1,843	-	-	-
Cost of collection allowance		-	328	328	-	328	328
Transitional Protection Payment due to Central Government		-	1,194	1,194	-	195	195
GLA Business Rate Supplement							
Payment to GLA		-	3,074	3,074	-	3,520	3,520
Bad and Doubtful Debts:							
Council Tax		11,892	-	11,892	11,425	-	11,425
Business Rates		-	3,528	3,528	-	(1,218)	(1,218)
Provision for Business Rate Appeals							
		-	(3,201)	(3,201)	-	(1,194)	(1,194)
		224,543	138,831	363,374	237,112	133,751	370,863
Deficit / (Surplus) for the Year							
		(82)	9,530	9,448	(419)	(8,679)	(9,098)
Collection Fund Balances							
Balance brought forward at 1 April		(149)	(7,311)	(7,460)	(231)	2,219	1,988
(Surplus) / Deficit for year		(82)	9,530	9,448	(419)	(8,679)	(9,098)
Balance Carried Forward at 31 March		(231)	2,219	1,988	(650)	(6,460)	(7,110)
Allocated to:							
London Borough of Enfield		(179)	660	481	(503)	(1,945)	(2,448)
Greater London Authority		(52)	817	765	(147)	(2,393)	(2,540)
Government		-	742	742	-	(2,122)	(2,122)
Balance Carried Forward at 31 March		(231)	2,219	1,988	(650)	(6,460)	(7,110)

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 2025/26 is as follows:

Band	Chargeable properties adjusted for discounts	Band D equivalent adjusted for estimated non-collection
A	3,624	2,295
B	8,098	5,983
C	26,206	22,127
D	30,763	29,222
E	18,746	21,763
F	8,801	12,075
G	5,661	8,962
H	981	1864.6537
	102,880	104,292

This basic amount of Council Tax for a Band D property, £2,164.02. 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 2025 £000	31 March 2026 £000
Council Tax Provision for Impairment of debt brought forward	(26,300)	(36,693)
Amount written off	1,499	2,427
(Contribution to) / release from Provision for Impairment of debt	(11,892)	(11,425)
Council Tax Bad Debt Provision	(36,693)	(45,691)

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 2025/26 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 2025/26, 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 2025/26 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 £8.400¹ in 2025/26), of which Enfield Share is £2.520m). The provision for appeals is in addition to the provision for bad debts set out below.

	31 March 2025	31 March 2026
Local Business Rates Bad Debt Provision	£000	£000
Provision for impairment of debt brought forward	(14,259)	(15,739)
Amount written off / (on)	1,987	1,592
Contribution to Provision for Impairment of debt	(2,295)	1,218
Local Business Rates Bad Debt Provision	(14,567)	(12,929)

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 2025/26 after reliefs and provisions was £3.520m

Pension Fund Accounts

London Borough of Enfield

Pension Fund Draft Statement of Accounts 2025/26

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Pension Fund Accounts

31 March 2025 £000s	London Borough of Enfield Pension Fund Account	Notes	31 March 2026 £000s
	Dealings with members, employers and others directly involved in the Fund		
(59,444)	Contributions	7	(61,823)
(8,175)	Transfers in from other pension funds	8	(10,864)
(67,619)			(72,687)
61,583	Benefits payable	9	63,554
9,820	Payments to and on account of leavers	10	11,100
71,403			74,654
3,784	Net (additions)/withdrawals from dealings with members		1,967
13,255	Management expenses	11	13,132
17,039	Net (additions)/withdrawals from dealings with members		15,099
	Returns on investments		
(33,296)	Investment income	12	(31,339)
263	Taxes on income	13A	3
(11,406)	(Profit)/Loss on disposal of investments and changes in the market value of investments	14A	(85,731)
(44,439)	Net returns on investments		(117,067)
(27,400)	Net change in assets available for benefits during the year		(101,968)
(1,577,226)	Opening net assets of the scheme		(1,604,626)
(1,604,626)	Closing net assets of the scheme		(1,706,594)

Pension Fund Accounts continued:

Net Assets Statement for Year Ended 31 March 2026			
31 March 2025 £000s		Notes	31 March 2026 £000s
1,537,324	Investment assets	14	1,666,368
0	Investment liabilities		0
1,537,324	Total net investments		1,666,368
65,543	Cash deposits	14	39,206
617	Other investment balances -assets	14	543
0	Other investment balances - liabilities		0
1,603,484	Other investment balances	14	1,706,117
258	Long Term Debtor	20a	250
1,272	Current assets	20	1,185
(388)	Current liabilities	21	(958)
1,604,626	Net assets of the fund available to fund benefits at the end of the reporting period		1,706,594

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 Council as at 31 March 2026 and its income and expenditure for the year ended 31 March 2026.

Signed



Olga Bennet
Chief Finance Officer
Section 151 Officer
22 June 2026

Signed



Councillor Dino Lemonides
Chair of the Audit Committee
22 June 2026

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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 Local Government Pension Scheme (LGPS) and is administered by the London Borough of Enfield Council. 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](#) 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 43 employer organisations with active membership in the fund (including the Council itself), and 28,393 individual members, as detailed below. A full analysis is included below:

Enfield Pension Fund	31 March 2025 (restated)*	31 March 2026
Number of active members	8,223	8,204
Number of pensioners	7,748	8,523
Deferred pensioners	8,644	8,544
Frozen/undecided	2,863	3,122
Total number of members in pension scheme	27,478	28,393

*Membership totals restated for 31 March 2025 following completion of the 2025 Triennial Valuation.

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 2026. 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 2025 has employer contribution rates ranging from 8.5% to 18.0% 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 2025/26 financial year and its position at year-end as at 31 March 2026. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, 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 2025/26.

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 2026 (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 £22m. d. if life expectancy increases by 1 years, it would increase the liability by approximately £58m. <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 £30.2 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 +/- £3.0 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 £202.9m. 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.

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Notes Supporting Pension Fund Accounts

Note 7 Contributions

By Category:

31 March 2025		31 March 2026
£000s		£000s
(14,971)	Employees' contributions	(15,923)
	Employers' contributions:	
(42,305)	Normal	(44,735)
(168)	Deficit recovery contributions	(196)
(2,000)	Augmentation contributions	(969)
(44,473)	Total employers' contributions	(45,900)
(59,444)		(61,823)

By Authority:

31 March 2025		31 March 2026
£000s		£000s
(45,157)	Administering authority	(46,178)
(13,922)	Scheduled bodies	(14,949)
(365)	Admitted bodies	(696)
(59,444)		(61,823)

Note 8 Transfers in from other Pension Funds

31 March 2025		31 March 2026
£000s		£000s
(8,175)	Individual transfers	(10,864)
(8,175)		(10,864)

Notes Supporting Pension Fund Accounts

Note 9 Benefits Paid/Payable

By category	
31 March 2025	31 March 2026
£000s	£000s
50,139 Pensions	52,525
10,413 Commutation and lump sum retirement benefits	9,561
1,031 Lump sum death benefits	1,468
61,583	63,554

By authority	
31 March 2025	31 March 2026
£000s	£000s
56,707 Administration authority	57,800
4,109 Scheduled bodies	4,833
767 Admitted bodies	921
61,583	63,554

Note 10 Payments to and on Account of Leavers

31 March 2025	31 March 2026
£000s	£000s
470 Refunds to members leaving service	231
9,350 Individual transfers	10,869
9,820	11,100

Notes Supporting Pension Fund Accounts

Note 11 Management Expenses

31 March 2025 £000s		31 March 2026 £000s
1,560	Administrative costs	2,106
697	Oversight and governance costs	919
10,998	Investment management expenses	10,107
13,255		13,132

Note 11a Investment Management Expenses

	Total £000s	Custody fees	Management fees £000s	Transaction fees £000s	Performance related fees £000s
2025/26					
Bonds	-				
Pooled Investments	5,008	-	3,634	1,374	-
Pooled property Investments	1,845	-	1,772	73	-
Private equity/Infrastructure	3,219	-	3,920	1	(702)
Custody fees	35	35	-	-	-
	10,107	35	9,326	1,448	(702)

	Total £000s		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

Notes Supporting Pension Fund Accounts

Note 12 Investment Income

31 March 2025		31 March 2026
£000s		£000s
(3,704)	Income from bonds	0
(2,384)	Income from equities	(3,082)
(20,339)	Pooled investment funds	(22,908)
(3,156)	Pooled property investments	(2,718)
(3,713)	Interest on cash deposits	(2,568)
(33,296)	Total income before taxes	(31,339)

Note 13 Other Account Fund Disclosures

Note 13a External Audit Fees

31 March 2025		31 March 2026
£000s		£000s
97	Paid in respect of external audit (excluding VAT)	103
97		103

Notes Supporting Pension Fund Accounts

Note 14 Investments

31 March 2025 £000		31 March 2026 £000
	Investment assets	
32,244	Equities*	36,983
	Pooled Investments	
448,932	Fixed income funds	498,042
679,463	Equity funds	740,442
61,021	Inflation opportunity fund	30,190
19,332	Private debt funds	15,595
119,600	Pooled property investments	142,208
101,443	Private equity funds	106,606
75,289	Infrastructure funds	96,302
1,537,324		1,666,368
	Other Investments	
65,543	Cash deposits	39,206
617	Investment Income due	543
66,160		39,749
1,603,484	Total Investment assets	1,706,117
-	Total Investment liabilities	-
1,603,484	Net Investment assets	1,706,117

*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 2025/26	Market Value as at 1 April 2025 £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 2026 £000s
Bonds	-	-	-	-	-
Equities	32,244	-	-	4,739	36,983
Pooled Investments	1,208,748	58,549	(24,156)	41,128	1,284,269
Pooled property Investments	119,600	-	-	22,608	142,208
Private equity/Infrastructure	176,732	32,823	(16,212)	9,565	202,908
Management fees taken off value	-	-	(8,076)	8,076	-
	1,537,324	91,372	(48,444)	86,116	1,666,368
Derivative contracts:					
Futures	-	-	-	-	-
Forward currency contracts	-	-	-	-	-
	1,537,324	91,372	(48,444)	86,116	1,666,368
Other Investment balances:					
Cash deposits	65,543	-	-	(382)	39,206
Investment income due	617	-	-	-	543
Spot FX contracts	-	-	-	(3)	-
Amounts payable for purchases of Investments	-	-	-	-	-
	1,603,484	-	-	85,731	1,706,117

Notes Supporting Pension Fund Accounts

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

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

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 March 2025			31 March 2026	
£000s	%		£000s	%
Investments managed by London CIV regional pool:				
185,422	11.6	LCIV Alternative Credit Fund – CQS	195,949	11.6
118,079	7.4	LCIV Global Alpha Growth Paris Aligned Fund - Baillie Gifford & Co	128,766	7.5
128,846	8.0	LCIV Global Equity Focus Fund - Longview Partners	112,659	6.6
89,104	5.6	LCIV Global Bond Fund - PIMCO	92,931	5.4
31,932	2.0	LCIV Emerging Market Equity Fund - J.P. Morgan Asset Management	43,484	2.5
19,332	1.1	LCIV Private Debt fund II - London CIV	23,454	1.4
16,609	1.0	LCIV Renewable Infrastructure Fund - London CIV	15,595	0.9
Investments under pool management:				
400,566	25.0	ACS World Low Carbon Equity Tracker Fund - Blackrock	455,532	26.7
104,391	6.5	Aquila Life All Stock UK Index-Linked Gilt Index Fund - BlackRock	139,415	8.2
1,094,281	68.2		1,207,785	70.8
Investments managed outside London CIV pool:				
101,443	6.3	Adams Street Partners L.P.	106,606	6.2
70,021	4.4	Aon Investments Limited	69,753	4.1
58,668	3.7	BlackRock Inc	66,395	3.9
61,021	3.8	M&G Investments	50,648	3.0
39,342	2.5	Legal & General Investment Management Limited	41,353	2.4
66,057	4.1	Cash and other investment balances (internally managed)	39,645	2.3
32,244	2.0	International Public Partnerships Limited – Amber Infrastructure	36,983	2.2
36,094	2.2	CBRE Investment Management	36,010	2.1
21,867	1.4	Antin Infrastructure Partners	23,506	1.4
10,195	0.6	Copenhagen Infrastructure Partners	15,230	0.9
12,173	0.8	Brockton Everlast Inc.	12,161	0.7
78	0.0	York Capital Management	42	0.0
509,203	31.8		498,332	29.2
1,603,484	100.0		1,706,117	100.0

Notes Supporting Pension Fund Accounts

Note 14b Analysis of Investments continued:

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

Security	Market value	% of total	Market value	% of total
	31 March 2025	Fund	31 March 2026	Fund
	£000s		£000s	
ACS World Low Carbon Equity Tracker Fund - Blackrock	400,566	25.0	455,532	26.7
LCIV Alternative Credit Fund - CQS	185,422	11.6	195,949	11.6
Aquila Life All Stock UK Index-Linked Gilt Index Fund - BlackRock	104,391	6.5	139,415	8.2
LCIV Global Alpha Growth Paris Aligned Fund - Baillie Gifford & Co	118,079	7.4	128,766	7.5
LCIV Global Equity Focus Fund - Longview Partners	128,846	8.0	112,659	6.6
LCIV Global Bond Fund - PIMCO	89,104	5.6	92,931	5.4
Total Value of Investments	1,026,408		1,125,252	

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 2026.

Description of asset	Assessed valuation range (+/-) %	Value at 31 March 2026 £000s	Value on increase £000s	Value on decrease £000s
Private debt funds	7.8%	15,595	16,811	14,379
Inflation opportunity fund	13.1%	30,190	34,145	26,235
Pooled property investments	13.1%	48,172	54,483	41,861
Private equity funds	21.1%	106,606	129,100	84,112
Infrastructure funds	11.0%	96,302	106,895	85,709
Total		296,865	341,434	252,296

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 2026	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	36,983	-	-	36,983
Pooled investments	746,940	491,544	45,785	1,284,269
Pooled Property Investments	-	94,036	48,172	142,208
Private Equity/Infrastructure	-	-	202,908	202,908
Derivative Assets	-	-	-	-
Cash deposits	39,206	-	-	39,206
Investment income due	543	-	-	543
Financial liabilities at fair value through profit and loss				
Payable for investment purchases	-	-	-	-
Derivative liabilities	-	-	-	-
Net financial assets	823,672	585,580	296,865	1,706,117

Notes Supporting Pension Fund Accounts

Note 15a Fair Value Hierarchy continued:

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	-	-	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 15b: Transfers Between Levels 1 and 2

There has been no movement during 2025/26.

Note 15c Reconciliation of Fair Value Measurements Within Level 3

	Market Value as at 1 April 2025 £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 2026 £000
Private debt funds	19,332		14,602	(18,339)	-	-	15,595
Inflation opportunity fund	61,021	(20,178)*	-	(5,684)	(2,650)	(2,319)	30,190
Pooled property investments	48,266		-	-	(94)	-	48,172
Private equity funds	101,443		10,812	(13,042)	725	6,668	106,606
Infrastructure funds	75,289		22,012	(3,170)	2,111	60	96,302
	305,351	(20,178)	47,426	(40,235)	92	4,409	296,865

*During the year the legal title of the Fund's units in the M&G Secured Property Income Fund were transferred into the Fund's own name. Previously these units had been owned through the M&G Inflation Opportunities Fund. As a direct holding these units are no longer subject to the same material valuation uncertainty over ground rent debt and have been reclassified as Level 2.

Notes Supporting Pension Fund Accounts

Note 16 Financial Instruments

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 2025			Fair value through profit and loss £000	31 March 2026	
	Assets at amortised cost £000	Liabilities at amortised cost £000			Assets at amortised cost £000	Liabilities at amortised cost £000
			Financial assets			
-	-	-	- Bonds	-	-	-
32,244	-	-	- Equities	36,983	-	-
1,208,748	-	-	- Pooled investments	1,284,269	-	-
119,600	-	-	- Pooled property Investments	142,208	-	-
176,732	-	-	- Private Equity	202,908	-	-
-	-	-	- Derivative Assets	-	-	-
65,306	239	-	- Cash deposits	39,169	37	-
-	617	-	- Other investment balances	-	543	-
-	88	-	- Sundry Debtors	-	-	-
1,602,630	944	-		1,705,537	580	-
			Financial liabilities			
-	-	-	- Other Investment balances	-	-	-
-	-	-	- Amount Payable for Purchases	-	-	-
-	-	(321)	- Sundry Creditors	-	-	(910)
-	-	(321)		-	-	(910)
1,602,630	944	(321)	Total	1,705,537	580	(910)
		1,603,253	Grand Total			1,705,207

Notes Supporting Pension Fund Accounts

Note 16b Net Gains and Losses on Financial Instruments

31 March 2025		31 March 2026
£000		£000
Financial assets		
11,585	Fair value through profit and loss	86,115
311	Assets at amortised cost	-
Financial liabilities		
(471)	Fair value through profit and loss	-
(19)	Liabilities at amortised cost	(384)
11,406		85,731

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

Notes Supporting Pension Fund Accounts

Note 17 Nature and Extent of Risks Arising from Financial Instruments

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.

Notes Supporting Pension Fund Accounts

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

Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The fund is exposed to share and derivative price risk. This arises from investments held by the fund for which the future price is uncertain. All securities investments present a risk of loss of capital. Except for shares sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from shares sold short are unlimited.

The fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored by the 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 2025/26 reporting period (based on assumptions made in March 2026 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).

Notes Supporting Pension Fund Accounts

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

Asset type	Market Value as at 31 March 2026 £000	Percentage change %	Value on increase £000	Value on decrease £000
Cash and cash equivalents	39,206	0.0%	39,206	39,206
Investment portfolio assets:				
Equities	36,983	14.7%	42,420	31,546
Fixed Income funds	498,042	7.8%	536,889	459,195
Equity funds	740,442	14.7%	849,287	631,597
Inflation opportunity fund	30,190	13.1%	34,145	26,235
Private debt	15,595	7.8%	16,811	14,379
Pooled property Investments	142,208	13.1%	160,837	123,579
Private equity funds	106,606	21.1%	129,100	84,112
Infrastructure funds	96,302	11.0%	106,895	85,709
Investment income due	543	0.0%	543	543
Total assets available to pay benefits	1,706,117		1,916,133	1,496,101

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
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 unit trusts	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/Infrastructure 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

Notes Supporting Pension Fund Accounts

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 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 2026 and 31 March 2025 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.

Notes Supporting Pension Fund Accounts

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

Income exposed to interest rate risks	Amount receivable as at 31 March 2026 £000	Potential movement on 1% change in interest rates £000	Value on increase £000	Value on decrease £000
Interest on cash deposits	2,568	392	2,960	2,176
Bonds	-	-	-	-
Total	2,568	392	2,960	2,176

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

Currency risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the fund (UK 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%.

Notes Supporting Pension Fund Accounts

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

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 2026	Change in year in the net assets available to pay benefits	
		+10%	-10%
	£000	£000	£000
Pooled Investments	42	46	38
Private equity/Infrastructure	179,454	197,399	161,509
Cash Balances	5,662	6,228	5,096
Total change in assets available	185,158	203,673	166,643

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

Notes Supporting Pension Fund Accounts

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

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.

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 2025 £000	Balances as at 31 March 2026 £000
Money market funds			
Goldman Sachs money market fund	AAAm	16,737	12,494
Northern Trust market fund	AAAm	48,535	26,640
Bank current accounts			
HSBC	AA-	2	-
Northern Trust Custodian	AA-	226	25
		65,500	39,159

Notes Supporting Pension Fund Accounts

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 2026 are due within one year.

d) 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.

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Notes Supporting Pension Fund Accounts

Note 18 Funding Arrangements

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 2025 and was carried out by the Fund's actuary Hymans Robertson.

The funding policy is set out in the Funding Strategy Statement (FSS), dated April 2026. In summary The key elements of the funding policy are:

- to ensure the long-term solvency of the overall Fund;
- to ensure the solvency of each individual employers' share of the Fund based on their expected term of participation in the Fund
- to maximise the returns from investments within reasonable and considered risk parameters, and hence minimise the cost to the employer
- to minimise the degree of short-term change in employer contribution rates
- to ensure that sufficient cash is available to meet all liabilities as they fall due for payment
- to help employers manage their pension liabilities
- where practical and cost effective, to make allowance for the different characteristics of different employers and groups of employers

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. For employers whose covenant was considered by the Administering Authority to be sufficiently strong, contributions have been stabilised to have a sufficiently high likelihood of achieving the funding target over 20 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 a 80% likelihood that the Fund will achieve the funding target over 20 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 2025. This valuation revealed that the Fund's assets, which at 31 March 2025 were valued at £1,605 million, were sufficient to meet 127% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting surplus at the 2025 valuation was £337 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 2026 to 31 March 2029 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 2025 valuation report and FSS.

Notes Supporting Pension Fund Accounts

Note 18 Funding Arrangements continued:

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 2025 valuation were as follows:

Financial assumptions	31 March 2025
Discount rate	5.9% 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 the Fund's VitaCurves with improvements in line with the CMI 2024 model, with core parameterisation, except, initial addition of 0.25% 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	22.1	24.8
Future pensioners aged 45 at the valuation date	22.8	25.9

Full details of the methods and assumptions used are described in the 2025 valuation report and FSS. Copies of the 2025 valuation report and FSS are available on the Fund's website.

Experience over the period since 31 March 2025

The increase in US tariffs on imports since March 2025 and the recent conflict in the Middle East have caused significant market volatility which feeds through to the investment returns achieved by the Fund's assets. The Fund's overall investment returns since March 2025 have been positive.

Notes Supporting Pension Fund Accounts

Note 18 Funding Arrangements continued:

Observed inflation has been higher than anticipated over 2026, resulting in LGPS benefit increases of 3.8% in April 2026 and an increase in the value placed on the Fund's liabilities.

Overall, the Actuary estimates that the funding position is likely to be similar to that at the previous formal valuation at 31 March 2025.

The next actuarial valuation will be carried out as at 31 March 2028 and will be finalised by 31 March 2029. The Funding Strategy Statement will also be reviewed during the valuation, and a revised version will come into effect from 1 April 2029.

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Notes Supporting Pension Fund Accounts

Note 19 Actuarial Present Value of Promised Retirement Benefits

CIPFA's Code of Practice on Local Authority Accounting 2025/26 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 2026. 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 and not with the Fund's funding assumptions.

	31 March 2025 (£m)	31 March 2026 (£m)
Active Members	547	485
Deferred members	242	290
Pensioners	679	679
Total	1,468	1,454

Note 19 Actuarial Present Value of Promised Retirement Benefits continued:

The promised retirement benefits at 31 March 2026 have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2025. 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.

The figures include both vested and non-vested benefits, although the latter is assumed to have a negligible value. Further, Hymans Robertson have not made any allowance for unfunded benefits.

Assumptions

Financial assumptions	31 March 2025	31 March 2026
Discount rate	5.8% p.a.	6.2% p.a.
Salary increase assumption	4.3% p.a.	4.5% p.a.
Benefit increase assumption (CPI)	2.8% p.a.	3.0% p.a.

Notes Supporting Pension Fund Accounts

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 2025 model, with core parameterisation, 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	22.2	24.9
Future pensioners aged 45 at the valuation date	22.9	26.0

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

Notes Supporting Pension Fund Accounts

Note 20 Current Assets

31 March 2025 £000s		31 March 2026 £000s
	Debtors	
286	Contributions due - employees	303
896	Contributions due - employers	882
88	London Borough of Enfield	-
1,270		1,185
	Cash balances	
2	Current account	-
1,272		1,185

Note 20a Long Term Debtors

31 March 2025 £000s		31 March 2026 £000s
	Debtors	
258	Pensioner Tax liability	250
258		250

Note 21 Current Liabilities

31 March 2025 £000s		31 March 2026 £000s
(321)	Sundry creditors	(404)
(67)	Benefits payable	(48)
-	London Borough of Enfield	(506)
(388)		(958)

Notes Supporting Pension Fund Accounts

Note 22 Additional Voluntary Contributions

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. At the time of publishing Prudential have not finalised their 2025/26 accounts. Based on draft accounts the value of Investments as at 31 March 2026 totals £6.2m (£5.5m as at 31 March 2025)

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 £2.180m (2024/25: £1.674m) 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 Pension Fund owed the Council £506k (in 2024/25 the Council owed the Pension Fund £88k).

Notes Supporting Pension Fund Accounts

Note 24 Related Party Transactions continued:

Governance

Under current legislation Councillors are not permitted to join the LGPS, however, from May 2026, as part of the fit for the future recommendations proposed by MHCLG, Councillors will be permitted to join the Fund. It is not yet known how many Councillors will elect to join the scheme.

No allowances are paid to Councillors 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 and the Head of Pension Fund (& Senior LGPS Officer) 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 2025		31 March 2026
£000s		£000s
119	Short-term benefits	111
23	Post-employment benefits	21
142		132

Note 25 Contingent Liabilities And Contractual Commitments

The total outstanding capital commitments (investments) 31 March 2026 are £184.6m (31 March 2025 were £194.2m).

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.