

BARNET
LONDON BOROUGH
2024/25 Statement of Accounts

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Narrative Report

Introduction

This Narrative Report provides the context upon which to understand the financial performance of the council. The report covers both a summary of the financial performance for the financial year 2024/25 coupled with a narrative of the non-financial performance over the past 12 months.

Annual Governance Statement

The Annual Governance Statement sets out the council's governance framework, how it has reviewed governance arrangements as well as any actions proposed or taken to deal with any significant governance issues arising during 2024/25. The statement is included within the Statement of Accounts (pages 17 to 46).

About the Council

Home to almost 400,000 people, we are the second largest borough by population in London, and with more than 26,000 businesses and 1,000 charities, Barnet has more high streets and town centres than any other London borough, all at the heart of a buzzing, caring and vibrant community. The borough has many strengths. It is a place where people feel welcomed and celebrated and we take pride in our vibrant, diverse and inclusive communities. But we are very aware that the cost-of-living crisis continues to affect so many people across our community, and we are committed to supporting them.

To help those who are in financial crisis, we have the Resident Support Fund and other cost-of-living support as well as our award-winning financial calculator, which has helped bring in £7m of unclaimed benefits into Barnet. Various health, social and economic inequalities limit the opportunities for many of our residents to leads good lives, and tackling these problems requires us all to work together.

Our partnership with residents on our Net Zero journey through our Citizen's Assemblies, demonstrates we are a listening council. We continue to build trusting relationships with residents, businesses, and communities by having ongoing conversations, involving all parties in decision-making processes. We have held Business Breakfast Briefings where business owners have been able to talk to the Leader of the Council, our Small Business Champion and council officers. We also have a "how to plan a community event" toolkit, which puts our key business services in one place, setting out what Barnet offers and how these can be accessed.

Barnet's ambition and vision puts Caring for People, our Places and the Planet at the heart of what we do.

In May 2024, we were awarded 'Borough of Sanctuary' status by City of Sanctuary UK in recognition of the help that we provide to refugees and asylum seekers, including via New Citizen's Gateway and Persian Advice Bureau. The council aims to make Barnet the healthiest borough in London. This includes tackling health inequalities so that life expectancy, and the number of years people spend living in good health, is not varied between different areas. Part of this delivery includes the delivery of the "Teeth for Life" programme and Migrant Health Programme.

Brent Cross West station opened last financial year, on the 10th of December 2023, the first major new mainline station in London in over a decade and a fundamental part of the ambitious Brent Cross Cricklewood Regeneration Programme. Providing a gateway to Brent Cross Town, the new park town for future London, trains from central London take as little as 12 minutes connecting Eurostar services from St Pancras to Brent Cross West.

Brent Cross Town aims to be a net zero carbon town by 2030, through driving down embodied carbon in buildings and infrastructure and targeting 'fossil-free' generation of on-site energy supplies. The town embodies the council's vision and aims to deliver on our ambitions by delivering up to 6,700 new homes through a mix of affordable homes, rentals and homes for sale, a high street with a mix of shops, cafés and restaurants and multi million square feet new office space creating 25,000 jobs, rehousing of three schools, and better walking and cycling routes.

We have pledged to plant 1,000 trees a year over the next 5 years and rank among the country's top 18% of local authorities for progress towards becoming a net zero carbon council. To encourage greener travel choices, a programme of work to increase electric vehicle charge (EVC) points across Barnet has continued throughout 2025. In Q3, the Trojan P2 project was completed, with 793 charge points installed. Additionally, 40 charge points were installed as part of the JOLT scheme.

Our secondary schools rank third in England for attainment 8 and 95.3% of our schools are rated 'Good' or 'Outstanding' and 100% of applications made on time for reception places received an offer. As part of our cultural events and festivals programme, there were 8 events in parks, with an estimated 9,374 attendees. Our libraries and community venues saw 10,622 attend 515 events, including 193 health and wellbeing events. Through our community engagement and participation strategy we have set out how we involve communities more closely to shape services and local areas and we have developed a new Community Participation Toolkit.

To monitor crime across the borough we invested £2.3m in CCTV in October 2023. During 2024/25, the number of Public Space CCTV camera locations increased from 127 to 135, and between April and September 2024, there were 3,514 CCTV incidents recorded on the system.

In addition, we made over 17m bin collections and cleared over 7,100 fly-tips, with more than 7,700 residents using our community skips service and are investing £97m to resurface roads and tackle potholes over the next 5 years.

The council replaced its Enterprise Resource Planning system from Integra to Oracle, which went live on 1st April 2024.

Council

The Council is comprised of 63 Councillors democratically accountable to residents of the Borough and their respective Wards. The overriding duty of Councillors is to the whole community, but they have a special duty to their constituents. All Councillors meet as the Council, required by law to take certain important decisions, and decide on the Council's overall policies.

The Council also approves several key plans and strategies:

- Approving the strategic financing of the council.
- Determining of the council's financial strategy; and
- Approving the Budget

Cabinet Structure

The council has operated under a Cabinet structure of governance since 2023/24. Before 2023/24, the council operated under a 'Committee System of Governance'. This means that decisions are taken by the Executive, which is made up of the Leader and between two and nine other Councillors appointed by the Council, known as the Cabinet.

Major decisions are published on the Council's Forward Plan for discussion at upcoming Cabinet meetings, where decisions are made in line with the Council's overall policies and budget.

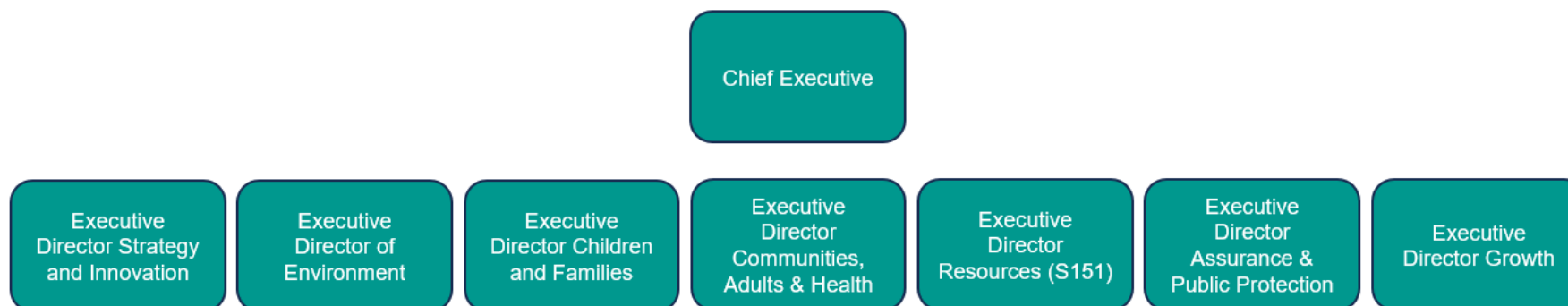
Overview and Scrutiny Committee

The Council appoints the Overview and Scrutiny Committee, which has a role of checking the actions of Cabinet in delivering services and assisting Cabinet to develop plans and policies.

The Overview and Scrutiny Committee can monitor the decisions of the Executive and have a power to "call-in" certain decisions of the Executive where they have yet to be implemented for reconsideration however, the Overview and Scrutiny Committee cannot overrule the Executive.

Council's Management Structure

The council's management team during 2024/25 is shown below:



Note: Interim Executive Director Resources (S151) covered maternity leave for Executive Director of Strategy and Resources (S151) until January 2025.

Strategy and Resource Allocation

Our Plan for Barnet for 2023-2026 sets out a strategic vision for the Borough, driven by our pillars of “**Caring for People, our Places and the Planet**” that are at the heart of everything we do. The plan sets out the key priorities, specific areas of focus and undertaking to deliver:

- **A council that cares for people** – We want everyone in Barnet to have a good quality of life; to be healthy and active, with access to excellent education, fulfilling employment, good housing, social connection and community. We will work with others to provide people with the right support when needed, to fight inequalities and reduce poverty.
- **A council that cares for our places** – We are an ambitious London suburb – a vibrant and fun place to live, work and visit. We will champion and develop our town centres and neighbourhoods, creating safe, clean, and welcoming places with quality homes that people can afford. As a borough of fun, we will be a destination, a place to visit, live and enjoy ourselves, where people connect to each other and feel a sense of belonging.
- **A council that cares for the planet** – We will work together with local people, communities and businesses across the borough to become net zero carbon in Barnet by 2042, and for the council by 2030.

The pillars are underpinned by a foundation of:

- **Engaged and Effective** - We will become a 'listening council' that collaborates, listens and builds a dialogue with residents and communities, together working for a better Barnet. In doing so, we will transform how we work as a council, into one that residents find easy to access and where we act on their concerns and involve them in decision-making. Supporting this ambition, we want to become an employer of choice.

The figure below demonstrates how the pillars and foundation work together:



Financial Performance

General Fund

The council managed a General Fund revenue budget of £389.583m during 2024/25 with overall spend against allocated budgets shown below:

Service Areas	2024/25 Budget	Outturn before reserves	Variance	Reserves applied	Outturn after reserves	Variance after reserves
	£'m	£'m	£ m	£'000	£'000	£'000
Assurance and Public Protection	10.821	9.498	(1.323)	0.419	9.918	(0.904)
Children Services	87.996	91.198	3.200	(3.041)	88.157	0.159
Communities, Adults and Health	171.234	180.450	9.216	(0.290)	180.160	8.926
Finance & Central Expenses	54.311	61.277	6.966	5.569	66.847	12.536
Environment	19.211	15.245	(3.966)	(1.581)	13.665	(5.547)
Growth	16.927	16.237	(0.690)	8.358	24.595	7.668
Strategy & Innovation	29.082	33.984	4.902	(4.890)	29.094	0.012
Total at Month 12	389.583	407.890	18.307	4.545	412.434	22.851

The following table sets out how the Service Areas performed in 2024/25, and accounting adjustments made to get to the Comprehensive Income and Expenditure Statement (CIES). The expenditure of the council was monitored and reported quarterly to Cabinet.

	2024/25						
Service Areas	Budget	Actual as per Outturn	(Under)/Overspend as per Outturn	Reserve and Non-specific grant Adjustments	Expenditure and Funding Analysis Note 7	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	(a)	(b)	(c)=(b)-(a)	(d)	(e)=(b)+(d)	(f)	(g)=(e)+(f)
	£'m	£m	£'m	£'m	£'m	£'m	£'m
Assurance and Public Protection	10.821	9.918	(0.904)	(0.417)	9.500	2.514	12.014
Children Services	87.996	88.157	0.159	5.840	93.997	6.286	100.283
Communities, Adults and Health	171.234	180.160	8.926	0.536	180.696	(23.318)	157.378
Finance & Central Expenses	54.311	66.847	12.536	(54.270)	12.576	37.118	49.694
Environment	19.211	13.665	(5.547)	(6.183)	7.482	11.174	18.656
Growth	16.927	24.595	7.668	(13.790)	10.805	110.419	121.224
Strategy & Innovation	29.082	29.094	0.012	0.000	29.094	0.000	29.094
Local Authority Housing (HRA)				(10.401)	(10.401)	69.943	59.542
Net Expenditure on Services	389.583	412.434	22.851	(78.685)	333.750	214.135	547.885
Other Income and Expenditure	0	0	0	(310.895)	(310.895)	(9.768)	(320.663)
(Surplus) or Deficit on Provision of Services	389.583	412.434	22.851	(389.579)	22.855	204.367	227.222

Capital Outturn

For 2024/25 the capital programme included a budget of £318.867m. The capital outturn is £243.110m, of which £164.822m relates to the General Fund programme and £78.289m relates to the HRA capital programme:

Service Area	2024/25 Budget	(Slippage)/ Accelerated Spend	2024/25 Outturn	Variance from Approved Budget
	£'000	£'000	£'000	£'000
Assurance and Public Protection	279	(188)	91	(188)
Children Services	17,876	(5,995)	11,881	(5,995)
Communities, Adults and Health	7,010	(545)	6,465	(545)
Finance & Central Expenses	10,558	(3,206)	7,352	(3,206)
Environment	43,111	(14,694)	28,417	(14,694)
Growth	149,479	(38,864)	110,615	(38,864)
Strategy & Innovation	0	0	0	0
General Fund Programme Total	228,313	(63,491)	164,822	(63,491)
HRA	90,554	(12,265)	78,289	(12,265)
Grand Total	318,867	(75,757)	243,110	(75,757)

The key variances since updating the programme at February Cabinet are in Growth (£38.864m) and Environment (£14.694m).

Reserves

Reserves	Balance at 31 March 2024	In year Expenditure	Reserve movements	New Reserves Raised	Balance at 31 March 2025
	£'000	£'000	£'000	£'000	£'000
Capital - Community Infrastructure Levy	16,812	(17,735)	0	10,336	9,413
Revenue implications of capital	0	0	0	0	0
Total Capital Reserves	16,812	(17,735)	0	10,336	9,413
Public Health	818	(944)	0	466	340
Dedicated Schools Grant	10,775	(3,901)	0	1,431	8,305
Special Parking Account	1,311	0	0	0	1,311
Earmarked Revenue Grants	3,990	(1,183)	(70)	1,673	4,410
Brent Cross Designated Area S31	6,000	0	(6,000)	0	0
Insurance	2,768	(345)	0	0	2,423
Council tax and NNDR smoothing	1,091	(1,823)	0	4,340	3,607
Ring-Fenced Service Specific Reserves	2,477	(53)	0	7,989	10,414
Total Ringfenced Reserves	29,231	(8,250)	(6,070)	15,899	30,810

Housing Benefits	0	0	0	0	0
Local Welfare Provision	993	(993)	0	0	0
Covid-19 Recovery	0	0	0	0	0
Service Specific Revenue Reserves	14,657	(7,399)	(5,674)	2,700	4,284
Climate change	818	(98)	0	0	721
Council Tax Rebate	0	0	0	0	0
Transformation Reserve	10,568	(4,488)	(6,080)	0	0
Residents Support Fund	1,601	(167)	0	0	1,434
Financial Resilience Reserve	8,882	(24,431)	17,823	7,144	9,419
Total Committed Reserves	37,519	(37,574)	6,070	9,843	15,858
Total Earmarked Reserves	83,561	(63,559)	0	36,078	56,081

The council has set aside specific amounts as reserves for future policy purposes or to cover contingencies. As at 1st April 2024, the council held earmarked reserves of £83.561m, by 31st March 2025 these had reduced to £56.081m.

➤ **Capital Reserves:**

- Community Infrastructure Levy (CIL) contributions: the difference between amounts received and amounts spent carried to reserves at year end for use in future years.

➤ **Ringfenced Reserves**

- These include the Public Health Grant, Dedicated Schools Grant and other Earmarked Revenue Grants carried to reserves at year end for use in future years.

➤ **Committed reserves.**

- Service Specific Revenue Reserves totalling £4.284m
- Financial Resilience Reserve with a carry forward of £9.419m

Further details on 2024/25 outturn report can be found in the report that was presented to Cabinet on 17 June 2025 [Agenda for Cabinet on Tuesday 17th June, 2025, 7.00 pm.](#)

2025/26 Budget

Medium Term Financial Strategy (MTFS)

The MTFS is an integral part of the council's overall planning and strategy as part of the statutory requirement to set a balanced budget, it ensures a financially sustainable and stable platform from which to deliver its strategic objectives through Our Plan for Barnet 2023-26.

The MTFS covering 2025-30 and the Budget for 2025/26 was presented to Council in March 2025, in line with the objectives of Our Plan for Barnet 2023-26. This has been prepared both to ensure that the services and responsibilities of the council are well resourced and appropriately funded.

The MTFS included assumptions with regards to council tax, other funding, expenditure forecasts and the savings and income generation plans necessary to set a balanced budget. The council presented a balanced budget for 2025/26, which included an in-year savings target of £79.271m. Of this, £23.544m in savings have already been identified. The Government has indicated that it is *minded to approve* the council's application for Exceptional Financial Support (EFS) to cover the remaining £55.727m, through a capitalisation direction. This will allow the authority to meet revenue costs through capital resources. The EFS request allows for some headroom in the council's contingency budget for unforeseen risks and pressures.

The MTFS recognised various financial pressures which will impact the council over the coming years. These include nationwide high inflation and high interest rates, impacting the cost of borrowing and impacting council capital programmes and unit costs of delivering services. This is twinned with increases in demand for statutory services, notably for social care and temporary accommodation and rising complexity of demand for some services.

This is not a new challenge for the council, and we will manage this through prudent financial planning and delivery of the Medium-Term Financial Strategy.

In putting together the MTFS, due regard has been given to the CIPFA Code of Financial Management. The MTFS complies with the relevant sections of the FM code.

The organisational objectives in setting the MTFS were as follows:

- Given the financial position we currently face, our key objective is to return to a financially sustainable position.
- Despite the challenging overspend position for 2024/25 and its on-going impact into 2025/26, we will aim to set a legal budget, balancing recurrent expenditure with estimated income within the medium term in order that the council has a sustainable financial position.
- Where required we will liaise with government to highlight any unsustainable pressures and seek their advice and support.
- Members and officers will work closely to identify cost-effective ways to meet statutory duties and reduce non-essential spend and increase income.
- We will plan over a medium term of at least 3 years in order that the council is fully informed as to future scenarios and can prepare appropriate action.

- To build resilience to economic shocks and insulate from the requirement for sudden cuts to vital services, we will forward plan and our aim to increase reserves levels over the course of the MTFS. Where there is an unplanned drawdown of reserves, we will plan to replenish them.
- If we are not able to balance the 2025/26 budget without the help of a loan from government, we will aim to return to a position where this loan is re-paid as soon as possible, and the council is returned to a sound financial footing.
- We will provide the financial framework for the delivery of the Council's priorities and ensure that these priorities drive the financial strategy - allocating limited financial resources whilst also continuing to support residents. Given our current financial position, we will align our budget with Our Plan for Barnet but will be realistic about what we can achieve.
- We will understand the implications of growth and ensure that where possible both the reward and the increased costs to services are recognised; and
- We will act lawfully and protect the integrity of regulations, ring fences and accounting rules.

The final Local Government Finance Settlement (LGFS) was announced on 3rd January 2025, outlining funding allocations for local authorities for 2025/26 only. This is the seventh single-year funding settlement in a row since 2019/20. It gave confirmation of the most funding streams for 2025/26. Government has indicated its intention to move to multi-year settlements starting from 2026–27, which would support better long-term financial planning for local authorities. The council's work on the 2026/27 MTFS has begun and, against this background of funding uncertainty we continue to look ahead and consider how to deliver services differently and find ever more innovative ways to deliver services to make Barnet a great place to live and work.

Risk Management

The council monitors & assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud.

The council has an established approach to risk management, which is set out in the Risk Management Framework (RMF). Each Directorate maintains a risk register capturing strategic and service risks, which include joint risks with our strategic contractors Capita, The Barnet Group (TBG) and Barnet Education and Learning Service (BELS). The risks are reviewed on a quarterly basis by risk owners/managers and Directorate Senior Leadership Teams before undergoing a "check and challenge" by the corporate risk team and final review by the Council Management Team (CMT). The strategic and high level (15+) service risks are reported to the Governance, Audit, Risk Management and Standards (GARMS) Committee quarterly, and all high level (15+) risks are included in the 'Our Plan for Barnet – Delivery and Outcomes Framework' quarterly report to cabinet.

In Q4 2024/25 the number of high-level risks reported was slightly higher than the previous year (24, compared with 20 in 2023/24), with almost half of these, financial risks (10 out of 24). These risks highlighted the ongoing financial pressure on both revenue and capital budgets, notably in Adults and Children's services (including schools' budgets) and on the affordability of major capital schemes; as well as the increasing demands/costs for

temporary accommodation. Other high-level risks related to meeting statutory duties, including provisions for children with special educational needs, and business continuity such as responding to a cyber security event).

Our approach to risk management ensures we have effective oversight of risks across the organisation and remains a key part of our internal control framework. Internal Audit also regularly audit our risk approach and process. The latest audit was carried out in 2023/24 and focused on risk management within Children's Services and Strategy & Resources and how relevant risks in these areas are reported at a corporate level. The final report issued in April 2024 provided positive assurance.

Group Accounts

For various reasons, the council conducts some activities through legal entities that fall under its control. These are detailed in section 1.27 of the Statement of Accounts. The CIPFA Code of Practice requires the council to prepare group accounts. The council has two subsidiary companies included in the group accounts: The Barnet Group Ltd and Barnet Education and Learning Services Ltd. These companies are included in the group accounts, as the council has overall control, and the council has judged that their financial information is significant to the overall financial statements of the group.

Annual Governance Statement

London Borough of Barnet **Annual Governance Statement** 2024/25 – Annual Review



Introduction

Barnet Council is responsible for ensuring that Council business is conducted in accordance with the law and proper standards. Barnet Council ensure that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively.

The Council is duty bound under the Local Government Act 1999 to arrange secure continuous improvement in the way in which its functions are exercised, having regard to economy, efficiency, and effectiveness.

The Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions including the management of risk.

The Council acknowledges its responsibility for ensuring that there is effective governance within the Council. It has developed a [Code of Corporate Governance](#) that defines the principles and practices that underpin the governance arrangements operating within the Council. This Annual Governance Statement (AGS) explains how the Council meets the requirements of Regulation 6 of the Accounts and Audit Regulations 2015¹ in relation to the publication of a Statement of Internal Control.

The Council has a separate [Code of Corporate Governance](#) which is reviewed annually and reported to the [Governance, Audit, Risk Management and Standards Committee](#) alongside this Statement and published as part of the Constitution². The Code is consistent with the principles of Good Governance as set out in the CIPFA Delivering Good Governance in Local Government Framework 2016³. This AGS and the appendix to the Statement explains how the Council has complied with the Code of Corporate Governance in the financial year 2024/25 and sets out the areas the Council needs to focus on in 2025/26.

¹ <http://www.legislation.gov.uk/uksi/2015/234/regulation/6/made>

² [Barnet Constitution](#) Part 4H – Code of Corporate Governance

³ [Delivering Good Governance in Local Government Framework 2016 Edition | CIPFA](#)

The Annual Governance Statement

The AGS is an annual self-assessment which allows the Council to review the effectiveness of their operating governance arrangements and identify the progress of the authority in managing significant issues. The Council produces this AGS to report publicly on the extent to which the Council complies with its local code, this is a statutory requirement.

This AGS:

- Outlines the Council's governance framework;
- Provides an assessment of how the Council has complied with the principles and sub-principles of the Code of Corporate Governance during the year (as detailed in Appendix A); and
- Significant governance issues carried forward from the previous year's statement which have been monitored during the year, and any new emerging issues identified during the year.

Barnet Council has an assurance framework which includes the Council's formal governance arrangements and the Assurance and Public Protection Directorate and other directorates. This enables Members, the Council Management Team and the wider Senior Management Team to identify the principal risks to the Council's ability to meet its key objectives. Members, the Council Management Team and the wider Senior Management Team can map out key controls to manage risks as well as how they are assured that these controls are effective in identifying, managing, and mitigating risks.

This framework is designed to provide assurance on internal controls that are in place and whether they are operating effectively and whether objectives are being achieved, except for those areas identified below which require further improvements. The assurance provided by the framework is based on sufficient evidence.

The Three Lines of Defence assurance model helps elected Members and the Senior Management Team to understand where assurances are being obtained from, the level of reliance they place on that assurance and identify potential gaps in assurance to help inform Key Areas of Improvement.

How has the Annual Governance Statement been prepared?

The Council has reviewed significant governance issues from the [2023/24 statement](#) and there are detailed updates on each issue in the following section. The Council undertook a mid-year review and identified new and emerging issues, and these have been included in the Statement. All Council Directorates have been involved in the formations of the AGS.

The Council's Governance Framework

Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest, and accountable manner. Good governance leads to effective:

- Leadership and management.
- Performance and risk management.
- Stewardship of public money, and
- Public engagement and outcomes for our citizens and service users.

The governance framework incorporated into this Annual Governance Statement has been in place at Barnet Council for the year ended 31 March 2025 and up to the date of the approval for the statement of accounts.

Table 1, below, provides a summary of the governance framework:

Council, Cabinet and Leader <ul style="list-style-type: none"> • Provide leadership, approve the budget, develop and set policy. • Approve the Constitution which sets out how the council operates. • Agree council Corporate Plan priorities, developed in consultation with residents and stakeholders. 	Scrutiny and Review <ul style="list-style-type: none"> • Overview and Scrutiny function commissions a review of council policy and can challenge decisions. • GARMS Committee includes the audit function and reviews governance and promotes and maintains high standards of conduct by councillors.
Decision Making <ul style="list-style-type: none"> • All decisions made in compliance with law and council Constitution. • Meetings are usually held in public. • Decisions are recorded on the council website. 	Risk Management <ul style="list-style-type: none"> • Risk Management Strategy ensures proper management of risks. • Risk registers identify both strategic and operational risks.
<p style="text-align: center;">Council Management Team</p> <p>Head of Paid Service is the Chief Executive and is responsible for all council staff and leading an effective Council Management Team (CMT)</p>	

Governance Arrangements

The Council's governance arrangements comprise two key elements:

1. The systems and processes which are in place to ensure that adequate controls exist (internal control framework; external audit; the [Constitution](#); Chief Officers [schemes of delegation](#); codes and protocols; and written decisions being subject to a report clearance process before they are published). The strategic direction of the authority is set out in [Our Plan for Barnet](#) and the Council regularly monitors via its decision-making framework, delivery of its strategic objectives.
2. Good governance is underpinned by the behaviours of Members, officers and partners which includes, but is not limited to, adherence to the decision-making framework as set out in the Constitution, adherence to codes and protocols, the culture and values of the organisation, and how the authority is accountable to and engages with the community it serves.

How do we know our arrangements are working?

Within this Annual Governance Statement, the Council has undertaken an assessment of previously identified significant governance issues, and the progress made against these throughout the year. New and emerging issues identified during a mid-year review have also been included. Any areas which have not been resolved will carry forward into 2025/26 and will continue to be monitored. Any issues that have been resolved during 2024/25 will no longer be monitored through the Annual Governance Statement but will continue to be monitored through appropriate channels.

We consider that the Council is compliant with the CIPFA Delivering Good Governance in Local Government Framework 2016. The separate [Code of Corporate Governance 2025/26](#) is part of the Constitution, and an assessment of how the Council has complied with the principles and sub-principles during 2024/25 is detailed in the following text.

Governance Issues Identified Throughout 2024/25

The table below summarises the specific governance issues identified. These have been categorised as:

- Open issue (identified and carried forward from 2023/24);
- New or Amended issue – identified in 2024/25; and
- Closed issues – issue is now closed on the Annual Governance Statement but will be managed as ‘Business as Usual.’

Governance Issue	Responsible Officer
OPEN	
1. Annual Internal Audit Opinion - Key Findings	Head of Internal Audit
2. Auditor Capacity and Impact on Audit of Accounts	Executive Director of Finance
3. Company Governance and Loan Arrangements	Executive Director of Finance / Monitoring Officer / Head of Governance
4. Housing Regulation	Head of Strategic Housing
5. Financial Resilience	Executive Director of Finance (Section 151 Officer)
6. Emergency Planning and Organisational Preparedness	Emergency Planning Manager
NEW IN 2024/25:	
7. Pensions – Prepayment	Executive Director of Finance (Section 151 Officer) / Monitoring Officer
8. Oracle	Executive Director of Finance (Section 151 Officer) / Executive Director Strategy and Innovation
9. Equal Pay Claim	Assistant Director Human Resources & Organisational Development
CLOSED IN 2024/2025	
10. Centre for Governance and Scrutiny Governance Risk and Resilience Framework	Monitoring Officer and Head of Governance
11. Industrial Relations	Assistant Director Human Resources & Organisational Development
12. Cyber Security and Business Continuity	Assistant Director Resident Experience, Digital and Commercial / Emergency Planning Manager

Issues Monitored in 2025/2026

1	<p>Annual Internal Audit Opinion - Key Findings</p> <p><i>(Core Principle G – Implementing Good practices in transparency, reporting and audit to deliver effective accountability)</i></p>	<p>Each year the work of Internal Audit is summarised to give an overall opinion on the system of internal control and corporate governance within the Council. This is a requirement of the Public Sector Internal Audit Standards (PSIAS). This issue is monitored via every Annual Governance Statement.</p> <p>The 2023/24 Annual Opinion, covering work completed up to 31 March 2024, offered Reasonable Assurance overall. The Opinion was presented to the GARMS Committee in June 2024.</p> <p>The 2024/25 Annual Opinion, covering work completed to 31 March 2025 will be presented to the GARMS Committee in May 2025. Key issues arising from the Opinion only will be monitored via this Statement.</p> <p>A Limited Assurance Opinion will be presented. Consideration is given to:</p> <ul style="list-style-type: none"> • All internal control, risk management and governance matters impacting the Council in 2024/25, including the delays to external audits being published (and likelihood of disclaimed opinions for the previous four years); • The requirement to issue a section 114 notice under section 5(2)(a) of the Local Government and Housing Act 1989 and section 114(2)(a) of the Local Government Finance Act 1988 relating to three unlawful payments to the Council's Pension Fund made in 2020 and 2021; • The outcomes of the external auditor's Value for Money report (July 2024); • Issues related to the Oracle system implementation impacting operations; and • Any control deficiencies noted through work (including audits and follow-up of actions) undertaken by Internal Audit and Corporate-Anti Fraud Team investigations. <p>In respect of Internal Audit outcomes:</p> <ul style="list-style-type: none"> • The performance on implementation of audit actions has deteriorated in 2024/25. For the actions followed up, we were only able to confirm that 64% of actions that were due had been implemented by year end. This is below the target of 90% and is a deterioration on the previous year when the outturn was 67%. Until we have clear confirmation that the implementation of audit actions is at an appropriate level and that this is sustainable, Internal Audit will maintain the risk rating as 16 within the Assurance & Public Protection Risk Register for the risk that "Audit advice and/or agreed actions not being implemented could lead to a deterioration in the
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		<p>Council's control environment resulting in increased financial losses, non-compliance with regulations and heightened risk of errors or fraud".</p> <ul style="list-style-type: none"> Recurring issues continue to be noted on reviews performed during the year, in particular relating to governance, oversight, roles and responsibilities and compliance issues. Key findings from non-school audits have been grouped into three themes: financial management and control, governance and oversight, and benefits management. <p>Status: Open (Ongoing)</p> <p>Responsible Officer: Head of Internal Audit</p>
2	<p>Auditor Capacity and Impact on Audit of Accounts</p> <p><i>(Core Principle F – Managing risks and performance through robust internal control and strong public financial management)</i></p>	<p>The 2023/24 Statement highlighted significant delays with auditing of the Council's accounts by the external auditors. Details of this issue are on pages 14 – 15 here. This issue was carried forward to be monitored in 2024/25.</p> <p>The independent audit of a local authority's statutory accounts and arrangements for achieving value for money is a key transparency and accountability mechanism which is fundamental to sustaining public confidence in systems of local democracy. Local audit enables taxpayers, and local bodies themselves, to have confidence that financial accounts are true and fair, and that the authority has been acting with propriety and has arrangements in place to secure value for money through the economic, efficient, and effective use of its resources.</p> <p>Recent years have seen delays in audit completion due to increased regulatory requirements of audit firms and capacity and capability issues within the external audit sector. The Council's accounts to 2019/20 were successfully audited but the audit for subsequent years remained outstanding during 2024/25. Despite the delays, the Council published its draft accounts for the years 2021/22 to 2023/24 in line with the deadlines set by the Accounts and Audit Regulations 2015.</p> <p>On 30th July 2024, the Minister of State for Housing, Communities and Local Government wrote to local Councils and audit firms advising that he had provided Parliament with a written update on the action the government were taking to tackle the local audit backlog in England. The letter laid out the intention to lay secondary legislation to provide for an initial backstop date of 13th December 2024 for completion of all audits up to and including 2022/23. The letter also outlined backstop dates for the years 2023/24 to 2027/28.</p> <p>BDO, the Council's external auditors for the accounts up to and including 2022/23 had advised that they would be unable to complete their audits of the 2021/22 and 2022/23 accounts by the time of the proposed 'backstop' date of 13th December 2024. They advised that the backstop date created</p>

		<p>constraints in allowing them to complete all required audit procedures and to obtain evidence to support an opinion. This includes an inability to obtain all essential evidence in areas such as fixed assets, group accounts and the cashflow statement and also the unresolved pensions payments to and from the Pension Fund detailed below in section 10. Hence, they advised that they were unable to conclude that Barnet Council's financial statements are free from material misstatement, and they issued a disclaimed opinion on the Council's financial statements to 31st March 2021. The outstanding audits for 2021/22 to 2023/24 inclusive have also been impacted by a matter relating to a prepayment of secondary deficit contributions in 2020/21 – details of this issue are set out in the Pension Prepayment section detailed elsewhere on this statement.</p> <p>The external audit of the Council's Statement of Account 2023/24 is being undertaken by Grant Thornton LLP (GT). GT have advised that, due to the challenges posed by conducting an audit for a Council that has not received an audit opinion since 2019/20 and the backstop date for 2023/24 accounts (28 February 2025), they have been unable to undertake sufficient work to support an unmodified opinion or verify 2023/24 opening balances. They will therefore be issuing a disclaimed opinion for the Council's financial statements to 31st March 2024.</p> <p>Status: Open</p> <p>Responsible Officers: Executive Director of Finance (Section 151 Officer)</p>
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3	<p>Company Governance and Loan Arrangements</p> <p><i>(Core Principle F – Managing risks and performance through robust internal control and strong public financial management)</i></p>	<p>In the 2022/23 Statement, as part of a section on compliance with Local Government Ethical Standards best practice recommendations, it was reported that a single best practice recommendation remained outstanding which related to reporting on separate bodies that the Council have set up or own and reporting this as part of the Annual Governance Statement. The 2022/23 Statement included information on separate bodies and concluded that robust arrangements were in place and that this issue should be closed (see pages 8-12 here).</p> <p>However, during 2023/24 the Council completed a Local Government Association Peer Review (in June 2023) and one of the recommendations was: "Undertake a review of company governance and loan arrangements, providing clarity of responsibility around the management of risk." As such, it was decided that this issue should be opened again and it was monitored during 2023/24 (see pages 16-17 here). In that Statement it was noted that "...given the potential risks relating to these types of bodies, this issue will continue to be monitored via the 2024/25 Statement."</p>
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	<p>During 2024/25 further work has been undertaken to complete corporate records on Council companies, service loans and Council investments. This information was reported to CMT Assurance on 27th August 2024 and there will be regular reporting going forward.</p> <p>During the year, it has been decided that it is appropriate to separate this area into two workstreams as follows:</p> <ol style="list-style-type: none"> 1. Service Loans and Council Investments; and 2. Council Owned Companies and Subsidiaries. <p>In relation to Service Loans and Investments:</p> <ol style="list-style-type: none"> 1. Reporting on these arrangements will now be included in Chief Finance Officer's reports to Cabinet (see item 15 here) and Overview and Scrutiny Committee. 2. An internal audit of loans was undertaken in 2024/25 to further support the Council in ensuring processes are comprehensive and embedded across the Council. Following the audit, the assurance rating was 'limited'. The key risk findings and recommendations related to: <ul style="list-style-type: none"> ➤ Roles and responsibilities in relation to Service Investment Loans process (High) ➤ Service Investment Loan Register (High) ➤ Lack of defined process for setting interest rates and monitoring interest payments (Medium) ➤ Business cases and due diligence (Medium) ➤ Loans classification (Medium) ➤ Monitoring and reporting (Medium) ➤ Loan funding documentation (Medium) <p>Relevant officers are now in the process of implementing these recommendations by summer 2025. The anticipation is that the follow up by internal audit shows that the processes in place will then be robust.</p> <p>In relation to Council Owned Companies and Subsidiaries, further work has taken place on collating information on those entities. There are outstanding actions relating to this area including:</p> <ol style="list-style-type: none"> 1. Reporting to Cabinet on the performance of Council owned companies and their subsidiaries.
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		<p>2. Defining the roles and responsibilities of the Senior Responsible Officer for each company to ensure that each body is being managed appropriately and to enable any gaps to be addressed; and</p> <p>3. Ensuring that Members and CMT have oversight of these arrangements and that any risks are being managed appropriately.</p> <p>Status: Open</p> <p>Responsible Officers: Monitoring Officer / Executive Director of Finance (Section 151 Officer) / Head of Governance</p>
4	<p>Housing Regulation</p> <p><i>(Core Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law)</i></p>	<p>In the 2023/24 Statement information was included on various housing regulation issues including: fire safety; building safety; damp and mould; and housing regulation and inspection (see pages 18-21 here). This issue remained open for monitoring during 2024/25.</p> <p>At the end of the year, the following update has been provided:</p> <p>Fire Safety and Building Safety</p> <ul style="list-style-type: none"> • The Fire Risk Prioritisation tool surveys were completed in April 2025. A Fire Risk Assessments review is planned for May 2025 with in train actions and changing building ratings. • Registration of high-rise buildings on HSE portal, Building Safety Cases, Golden Thread digital system and Resident engagement strategy are now live. We have not been called by the regulator yet and early indications are due to the works undertaken we are unlikely to be called anytime soon. • Work required to Longford Court and Bell Court is due to go out to tender in December 2025 as part of the low-rise budget expenditure. • Funding to remediate Council owned timber frame properties has been increased to £4.8million. The Barnet Homes programme of works has now started. Funding has been obtained to support a loan for any owner occupiers with category 1 hazards for Fire subject to certain application criteria. Inspections of owner-occupied properties have had a soft launch. An external contractor has been procured to support the Council with the HHSRS inspections. The full inspection program will hopefully commence in quarter 1 of 2025/26.

		<ul style="list-style-type: none"> • Fire door inspection programme is now fully in-house and operating well with 100% compliance. The doors forming inclusion within the Fire Safety Act are reported through various boards. • Changes to the regulations for Personal Emergency Evacuation Plan's and evacuation responsibilities are being reviewed due to potential changes in government advice and will be updated in next 6 monthly review. • The Whitefields in scope buildings will be removed as they are being demolished and final handover due in April 2025. • The Extra Care Home - Hester Court will be included upon completion in the summer 2025 when the occupation certificate is provided by the Building Safety Regulator. • The low/medium rise fire safety programme has been reprofiled for future years due to the additional expenditure required on Timber Frame Houses and Atholl House. • We are reviewing the revenue Building a Safer budget for 2025/26 following the potential adjustment in risk rating of low-rise blocks and whether 5 yearly Type 4 FRA's will be required. • There have been some delays in relation to completion of work to some of the highest risk private sector high rise blocks due to: • An appeal to the First Tier Tribunal which has now been resolved following mediation and works continue onsite. The cladding has been removed and replaced • One property going into administration and being sold. The builders are now back on site and the cladding has been removed • Following service of 50 notices/orders under the Housing Act 2004 a block with significant fire safety, and structural issues has been vacated and is due to be redeveloped. <p>Housing Regulatory Services continue in partnership with the LFB to inspect blocks based on risk and ensure that the necessary works are completed.</p> <p>Damp and Mould</p> <ul style="list-style-type: none"> • The consultant Savills continues to undertake a rolling programme of stock condition surveys – to survey 20% of our social housing stock each year. Any damp and mould issues that are identified are passed on to Barnet Homes' teams, who address the identified issues
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		<p>by order of priority. Within the latest round of surveys (“Tranche 5”), 1,735 properties have been inspected to-date.</p> <ul style="list-style-type: none"> • The Government will implement Awaab’s Law on 1 October 2025. This new legislation places additional requirements on local authorities, to ensure that repair issues are inspected and addressed within strict timeframes. Barnet Homes has developed a comprehensive action plan, and concerted activity will now take place to prepare the service for Awaab’s Law. • Following a desktop analysis activity to review all repairs orders that relate to damp, mould and condensation at 7 blocks, a consultant has completed intrusive surveys at 4 blocks to review the M&E components within the building fabric (e.g. enclosed risers). This activity aims to understand the cause of damp, mould & condensation issues that are affecting the blocks. The consultants’ findings will inform Barnet Homes’ planning, and they could result in a programme of repair works. • Barnet Homes is mid-way through the procurement phase for a planned works programme at Longford Court, to address leaks issues, to repair the stacks, and to replace the kitchens and bathrooms at some properties. The first phase of decanting has been completed – with some tenants moving out permanently which will enable intrusive access to one of the stacks. When the planned programme commences, residents who remain in situ will temporarily move into empty properties within the block to enable works to be completed to their stacks. • The Damp and Mould project continued to be run by Housing Regulatory Services taking referrals from GP surgeries in Burnt Oak, Colindale North and Colindale South to investigate whether housing conditions were contributing to patients’ respiratory issues, with provision of advice and legal action, where necessary, to improve housing conditions. It was a slow project to get off the ground, given the conflicting priorities of health providers, but the referral systems are now established. 25 referrals were received and followed up. A report on the project will be submitted to Public Health, and it is hoped that based on the findings of this project the service can be rerun in the Winter of 2025/26. <p>Housing Regulation and Inspection</p> <ul style="list-style-type: none"> • Barnet Homes continues to keep emerging judgements from the RSH under review and is seeking to learn from the published reports, which are generally very high level, and peer discussion at relevant networks. A potential date for inspection of Barnet Council / Barnet Homes is not yet known.
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		<ul style="list-style-type: none"> • LBB and Barnet Homes had an introductory session with our key contact at the Regulator of Social Housing in 2024, and Barnet Homes has remained in occasional dialogue with our assigned lead Regulatory Engagement Manager and is prioritising building a strong working relationship. A further routine meeting with the lead Regulatory Engagement Manager is scheduled in June 2025. • Barnet Homes engaged with Housing Quality Network (HQN) in 2024 on an exercise to determine ‘readiness for inspection’ by the Regulator of Social Housing. HQN conducted a desktop review of documentation provided by Barnet Homes and facilitated workshops with Heads of Service on each of the consumer standards that took effect from 1 April 2024. It also undertook reality testing exercises in July 2024, including focus groups with tenants and staff, shadowing of the Customer Contact Team, and estate visits. Barnet Homes completed a self-assessment of compliance with the new standards, and HQN undertook a ‘critical friend’ review, providing feedback. HQN presented on its findings to The Barnet Group Board in December 2024 and provided positive feedback overall on Barnet Homes’ position and completion of its self-assessment. • Following on from the self-assessment, Barnet Homes has developed a new Consumer Standards Action Plan which includes actions to ensure compliance with the new standards, as well as actions to further improve services and exceed compliance. Progress is being monitored by the TBG Executive Management Team and reported on to the TBG Board. It will form part of future reporting to LBB through the proposed Consumer Standards Regulation Board which has been recommended through the Management Agreement review of governance. • An initial meeting of key LBB staff and TBG staff will take place on 10 April to pre-empt the Consumer Standards Regulation Board, to provide an update on performance related to the consumer standards. • It has been agreed that HQN will undertake ‘mock interviews’ with key personnel from the Council, including the Cabinet Member for Homes and Regeneration. These will be set up in due course to help ensure confidence in the approach and what the regulator will expect. • Barnet Homes is developing a ‘readiness for inspection’ hub that contains key documents that may be requested by the RSH in advance of an inspection. A process for the response to inspection notification is also being finalised. <p>In relation to private sector housing regulation:</p>
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	<ul style="list-style-type: none"> • The team received 1,800 requests for assistance and dealt with an additional 63 proactive cases (fire safety in tower blocks and timber framed properties in and out of borough) • Category 1 hazards (the highest risk) were reduced under the Housing Act 2004 in 167 units of accommodation • 84 notices requiring works and Prohibition Orders were served • 20 Financial Penalty notices/intention to issue Financial Penalty notices were served under the Housing Act 2004 due to poor property management and failure to complete necessary repairs • In a complex case a landlord was prosecuted for failure to licence and manage an HMO that was having a significant impact on the safety of the residents, and it was also impacting the local community. The case received extensive publicity including from the BBC. • The HMO Licensing team passed their audit. Whilst being managed, the inspection backlog was flagged as a concern for continued monitoring, but it was noted that the application backlog had been cleared. Permanent recruitment to the HMO Licensing Team recommenced in Q4. Interviews are due to take place in April 2025 and following the departure of officers two new agency staff have been identified to support the team in the meantime. The team is still relying heavily on agency staff, but the situation remains a productive platform. Risk assessment systems have been set up in relation to the licensing inspection backlog and ongoing compliance work to ensure that resources are appropriately targeted. • HMO licensing applications in 24/25 have continued at a similar rate to 23/24 with 525 received (v570 in 23/24). Licences issued in 24/25 have increased by 38% compared to 23/24 and there are now 1,222 licensed HMOs in the borough and 87 in the process of being issued. Conditions compliance inspections are completed on a risk basis. Compliance with major conditions is currently at 62% • The joint project with Barnet Homes to reduce temporary accommodation pressures caused by tenants requesting rehousing when their accommodation can be made safe has continued this quarter on a part time basis, with 16 new cases fast tracked. • Cross-Council discussions have been ongoing in relation to preparation for the Renters Rights Bill, which has had implementation delayed until Autumn 2025. There have also been cross Council discussions in relation to the Supported Housing (Regulatory Oversight) Act
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		<p>which will require the licensing of all supported housing in the borough. The regulations are currently being consulted on, and the implementation date has yet to be confirmed.</p> <ul style="list-style-type: none"> Council's Enforcement and Prosecution Policy was updated to streamline the assessment process for penalty notices under the Housing Act 2004 and associated regulations. <p>Status: Open</p> <p>Responsible Officer: Head of Strategic Housing</p>
5	<p>Financial Resilience <i>(Core Principle F – Managing risks and performance through robust internal control and strong public financial management)</i></p>	<p>In the 2023/24 Statement the Council's financial resilience was identified as a key issue (see pages 22-25 here). This issue was continued to be monitored during 2024/25.</p> <p>At the mid-year point it was noted that during recent years, several local authorities had issued Section 114 notices which has the effect of restricting all spending except on statutory services. It was noted that funding across the local government sector is challenging and without sound financial management, the Council could be at risk of issuing a notice. This emerging issue was being actively monitored during 2024/25 and an update provided to Cabinet in November 2024 (see item 15 here).</p> <p>A Business Planning and Medium-Term Financial Strategy 2025-2030 (see item 16 here) was also presented to Cabinet on 18th November 2024 which outlined a number of budget scenarios based on varying assumptions.</p> <p>Detailed savings and income generation proposals were planned to be presented to Cabinet in December 2024 Cabinet and those would be the proposals that would be consulted on and agreed by Cabinet and then full Council in early 2025.</p> <p>At the end of the year, it is noted that 2024/25 continued to be a challenging year for the Council in terms of its financial position and longer-term planning. Despite setting a balanced budget in March 2024, financial pressures, particularly in adults' and children's social care, temporary accommodation, and financing of capital costs led to significant forecast overspends. Spending controls were put in place to try to reduce in year forecast overspend, including tighter control over discretionary, contract and third party spend, plus controls on requests for both permanent and interim recruitment.</p> <p>Since 2020, the government has provided several local authorities with support via the Exceptional Financial Support (EFS) framework to manage financial pressures that they considered unmanageable. Support provided via this framework is usually in the form of a capitalisation direction which permits a local authority to meet revenue costs through capital resources. As part of</p>

		<p>setting the budget for 2025/26, the Council engaged with Ministry of Housing, Communities and Local Government (MHCLG) to apply for EFS up to £55.7m. MHCLG confirmed it was minded to approve the application. The support is provided on an exceptional basis and on the condition that each local authority is subject to an external assurance review. This review is anticipated to be conducted in summer of 2025. In anticipation of this, the Council completed its own exercise, based on the criteria that reviews at other Councils were based on. This involved rating Barnet against 293 checklist items, identifying an action plan for areas of improvement. The recommendations, including new processes for monitoring savings proposals and reviewing capacity in corporate functions, are being reviewed monthly with the Chief Executive and the Executive Director of Finance. EFS is not a long-term solution and in recognition of this we have procured an Improvement Partner to work alongside us to ensure we are tackling the four areas of spend pressures: adult social care; children's placements and SEN transport; temporary accommodation crisis; and capital financing costs.</p> <p>The future budget gap is challenging, and while continuing to bear down on the areas of spend is important, there is also structural funding issues in respect of how, as an Outer London borough, we are funded for need. However, there is hope in the form of Spending Review and Funding Reform and the expectation that this will better align funding with needs, which should have a beneficial impact on the income in the Medium-Term Financial Strategy (MTFS). While 2025/26 is a one-year settlement, and further announcement on the system of local government funding are expected in the Summer of 2025, it is expected there will be a multi-year settlement from 2026 onwards. For now, the MTFS income expectations in the second and third years remain as they were except that the Council Tax base from 2025/26 has increased.</p> <p>The Council will continue to monitor financial resilience through 2025/26 through the business planning process to ensure Members, officers and external stakeholders are aware of and included in the path to financial sustainability.</p> <p>Status: Open</p> <p>Responsible Officers: Executive Director of Finance (Section 151 Officer)</p>
6	<p>Emergency Planning and Organisational Preparedness</p> <p><i>(Core Principle D – Determining the interventions necessary to optimise the</i></p>	<p>This area is included with the AGS as an area of good practice and transparent reporting. During 2024/25 The Emergency Planning Team and Council emergency responders demonstrated the Council's ability to respond to disruptive incidents. The Council has sufficient skilled and trained emergency responders to maintain an adequate state of preparedness, and the emergency planning team have successfully integrated learning from recent incidents into the Council's wider BAU and emergency response practises.</p>

	<p><i>achievement of the intended outcomes)</i></p>	<p>The Emergency Planning Team conducted a self-assessment of the Council's resilience arrangements under the Resilience Standards for London (RSL), the emergency preparedness standards all London Councils use to benchmark their preparedness. The self-assessment referenced the request from the Chair of London's Local Authority Regional Resilience Board (LARRB) that all London Local Authorities review their self-assessment using paragraph 107.1 of the Grenfell Tower Inquiry report (Module 2, vol 7) as a lens through which to view their emergency preparedness activities. The review is ongoing, and any actions arising are incorporated into the team's work plan for the forthcoming year.</p> <p>Work to improve the Council's Business Continuity Management System is ongoing, with some work under the 2023 BC audit actions delayed due to disruptions with resourcing within the team and organisational restructures introducing unforeseen complexities. The EP team continues to engage across the organisation to deliver this work and improve the Council's overall preparedness and is making awareness-building a key component of the work to build organisational knowledge throughout. An organisation-wide training programme was implemented, and the team is now focussing on more targeted engagement with key roles who are required to input to this work. Monthly monitoring of the programme continues with the project sponsor, the Executive Director of Assurance and Public Protection.</p> <p>Recent incidents in the borough requiring business continuity actions and activation of the Council's emergency response structures and deployment of physical resource have demonstrated the Council's capacity to respond. It has also demonstrated that the Council can respond to emergencies to deliver good outcomes for affected residents.</p> <p>While these arrangements are not fully tested in very large incidents, the Council has the capacity to scale up emergency response arrangements effectively, has strong leadership a knowledgeable and well engaged workforce, and the expertise needed to access mutual aid and support from across London. The risk remains low that Barnet would not be able to provide an adequate emergency response.</p> <p>Status: Open (Ongoing)</p> <p>Responsible Officer: Emergency Planning & Business Continuity Manager</p>
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New Issues identified Mid-Year

7	<p>Pensions – Prepayment</p>	<p>During 2024/25 it was identified by officers that during 2020/21 there had been some unlawful payments both to and from the pension fund. A report was presented to the Pension Fund</p>
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<p><i>(Core Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law)</i></p>	<p>Committee on 14th January 2025 (see item 16 here) and a report of the Monitoring Officer and Chief Finance Officer (a joint Section 5 / Section 114 report) was reported to Council on 28th January 2025 (see item 5 here). This issue was identified during 2024/25 and it was agreed to add this to the Statement as a significant governance issue at the mid-year point.</p> <p>A summary of the issue is as follows:</p> <p>In 2020/21, the Council prepaid a reduced amount of £20.477 million in Secondary Deficit Contributions, instead of spreading £21.866 million over three years as stated in the Rates and Adjustment Certificate. Prepaying Pension Contributions in this way was adopted by many Councils. Officers were concerned around the legality of this as approval processes were not followed. The Council might face a significant tax charge and / or be unable to make a final reimbursement which is currently held in the Pension Fund, which would impact the Council's reserve position. Legal advice, including Counsel Opinion, was sought to clarify the legality of the prepayment and subsequent structuring any related financial implications.</p> <p>Key stakeholders, including the Pension Fund Committee Chair and external auditors, have been informed to ensure transparency.</p> <p>As detailed above, on 20th January 2025 the Monitoring Officer and Chief Finance Officer jointly issued a Report under Section 5 (2) (a) of the Local Government and Housing Act 1989 and Section 114 (2)(a) of the Local Government Finance Act 1988 as a result of unlawful payments being made into and out of the Pension Fund by the Council as the payments and prepayments were not authorised and were done without the usual checks and legal, tax and actuarial advice.</p> <p>It is the duty of the Monitoring Officer to prepare a Report to the authority, if at any time it appears to them that: "any proposal, decision or omission by the authority, has given rise or is likely to give rise to a contravention of any enactment or rule of law or of any code of practice made or approved by or under any enactment". It is the duty of the Section 151 Officer to make a Report to the authority: "if it appears to him that the authority, a committee or a joint committee on which the authority is represented has made or is about to make a decision which involves or would involve the authority incurring expenditure which is unlawful."</p> <p>The Council were asked to consider the following:</p> <ol style="list-style-type: none"> 1. Agree to accept the Joint Report issued by the Monitoring Officer issued under Section 5 (2) (a) of the Local Government and Housing Act 1989; and by the Section 151 Officer issued under Section 114 (2) (a) of the Local Government Finance Act 1988 (at Appendix A).
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		<p>2. Note the action taken by officers so far of informing the external auditors, reporting the matter to the Governance Audit Risk Management and Standards Committee (GARMS) and Pension Fund Committee and commissioning external legal, actuarial and tax advice.</p> <p>3. Note that the Pension Fund Committee has considered some of the next steps for the Council as und administrator at its meeting of 14th January 2025 and that there will be a further report in due course to the Pension Fund Committee.</p> <p>4. Agree to remedial action for the Council as employer recommended in paragraphs 7 and 8 of the Joint Report and delegate authority to the Chief Executive in consultation with the Monitoring Officer and Chief Finance Officer to ensure that these actions are carried out.</p> <p>5. Consider the three options at paragraph 6 of the Joint Report and delegate where relevant to the Pension Fund and GARMS Committees to consider and approve recommendations for rectification and refer back to Council as required once all advice has been received and fully considered.</p> <p>The Monitoring Officer and Chief Finance Officer have also reported the matter to the Pension Fund Committee, GARMS, Pensions Board and Council regarding the rectification actions. These include a decision on moving any of the payments or not, updates to the scheme of delegation and new process notes.</p> <p>Status: Open (New)</p> <p>Responsible Officers: Executive Director of Finance (Section 151 Officer) / Monitoring Officer</p>
8.	<p>Oracle</p> <p><i>(Core Principle F – Managing risks and performance through robust internal control and strong public financial management)</i></p>	<p>A strategic risk included on the Council's risk register (reported to the GARMS Committee) relates to Oracle implementation with a risk descriptor of: "Poor implementation or failure to implement the new system on time could lead to a lack of available financial and HR system resulting in inability to carry out financial transactions and disruption to the organisation." This issue was identified during 2024/25 and it was agreed to add this to the Statement as a significant governance issue at the mid-year point.</p> <p>The Council, as planned, went live with Oracle as its Finance and HR system in April 2024. While the go-live date was met within timeframes and to budget, there were several issues and de-scoped items that were transitioned to the Systems Support Team for post implementation delivery. Although the organisation and team have made substantial progress in adopting the new system, a true stabilisation period has not yet been achieved. One of issues impacting the organisation is:</p>

		<p>The current use of two disparate HR systems (Oracle and CoreHR) leading to data synchronization issues. This lack of integration has resulted in discrepancies between employee position codes and cost centre assignments, particularly evident in the Oracle budget monitoring tool (PBCS). Consequently, budget monitoring and forecasting are compromised due to inaccurate employee data, hindering effective financial planning and decision-making. Mitigations have been put in place – cost centres in Oracle have been updated to the correct codes and the HR Team continue to work on the amendments required for CoreHR. During the year, the Systems Team worked with Finance Business Partners to make PBCS corrections budget monitoring. Payroll is due to go live on Oracle in April 2025, which should resolve this issue.</p> <p>While this is an important issue, there are issues regarding adoption of the new system (i.e. changing processes) and other integration issues which are being worked through. An Oracle Optimisation Group has been convened with key officers across the organisation to aid in providing pace and oversight to improvements required.</p> <p>Due to these issues and payroll in Oracle going live in April 2025; these issues will be kept under review in 2025/26.</p> <p>Status: Open (New)</p> <p>Responsible Officers: Executive Director of Finance (Section 151 Officer) / Strategy and Innovation</p>
9.	Equal Pay Claim	<p>In common with several other councils, the council has received an equal pay claim which appears to relate to non-teaching staff in schools. The Council is responding to the claim.</p> <p>Status: Open (New)</p> <p>Responsible Officer: Assistant Director Human Resources & Organisational Development</p>

Issues Closed in 2024-2025

10.	Centre for Governance and Scrutiny Governance Risk and Resilience Framework	<p>In the 2023/24 Statement, it was reported that the Council had undertaken a review against the Centre for Governance and Scrutiny (CfGS) Governance Risk and Resilience Framework – see page 26 here. This issue was monitored during 2024/25.</p> <p>During the year, this work has been superseded by the LGA Peer Review Action Plan which covered many of the same areas identified as part of this self-assessment process. Monitoring of the LGA Action Plan has been monitored by Cabinet (reported on 5th September 2023, see item 13 here) and a Cabinet Member delegated powers report was published in January 2025 detailing the progress made to date on implementing the Action Plan: Decision - LGA Peer Review - Annual Update - Cabinet Member Delegated Decision</p> <p>This issue is proposed to be closed at the end of 2024/25.</p> <p>Status: Closed</p> <p>Responsible Officers: Monitoring Officer and Head of Governance</p>
11.	Industrial Relations	<p>In the 2023/24 Statement, the Council monitored an issue relating to industrial relations with staff and trade unions (see page 22 here). This issue was monitored during 2024/25.</p> <p>During the year, it was reported that industrial relations continue to be challenging, although there is a strong desire to strengthen them and work collaboratively with trade unions, particularly regarding the financial pressures that the Council faces.</p> <p>Localised industrial action has ended, following the expiry of the ballot-mandate. While some industrial relation tensions and challenges remain, the Council continues to be committed to working collaboratively with unions. This has included agreeing a new Trade Union Engagement Framework (TUEF) to ensure that effective mechanisms are in place.</p> <p>This issue is proposed to be closed at the end of 2024/25.</p> <p>Status: Closed</p> <p>Responsible Officer: Assistant Director Human Resources & Organisational Development</p>
12.	Cyber Security and Business Continuity <i>(Core Principle D – Determining the interventions)</i>	<p>In the 2022/23 Statement, the Council monitored an issue relating to cyber security and information management (see pages 16-17 here). Due to the potential impact of this issue on the Council's systems and services, this issue was monitored during 2023/24 (see pages 17-18 here) and it was noted that this issue would continue to be monitored through 2024/25 statement.</p>

	<p><i>necessary to optimise the achievement of the intended outcomes)</i></p>	<p>Up to the mid-year point in 2024/25 the Council has:</p> <ul style="list-style-type: none"> • Continued proactive monitoring of technical changes that detect and monitor traffic to the network; these are constantly reviewed and acted upon as required. These have actively thwarted disruption to services due to increased attacks on the Council’s website, during the election period (known as DDoS attacks), as an example. • Continued to implement recommendations following an internal audit on our third-party supply chain (e.g. improving assessment of suppliers during procurements and implementing cyber contract monitoring tools based on a risk score). Proactively reaching out to suppliers, where we suspect their systems have been compromised as highlighted through the Council’s enhanced monitoring systems. • Been an early adopter of the government’s new Cyber Assessment Framework (CAF), submitting in December 2024. • Undertaken a separate security review across the entire Barnet estate prior to modernising corporate infrastructure. • Continued communications campaign to staff and partners around cyber security and awareness; and continuation of cyber phishing simulation exercises to raise awareness internally with staff of the risks of clicking on suspicious emails and entering password details. • Commenced work to review the mandatory POD Information Security e-learning module. • Following the November 2023 Internal Audit report on Business Continuity, the service has and will continue to link with Business Continuity leads to ensure service plans reflect cyber security risk appropriately and support scenario-based training exercises. • Several technical controls have been implemented/enhanced over the period: <ul style="list-style-type: none"> ➤ ‘Defender for mobile’ was deployed to all corporate mobile devices. This provides malware and advanced threat protection for the devices and services being accessed from those devices; ➤ A new service to encrypt and protect data via emails; ➤ Following DLHUC updated advise reviewed and updated password expiration policy and replaced SMS (text) and ‘voice’ security authentication with the ‘MS Authenticator’ app which is recognised as a much more secure way to authenticate to devices; ➤ Rolled out ‘Safelinks’ which adds additional protection against phishing;
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		<p>➤ Utilised Microsoft's latest AI security capability to enable intelligent security analytics and threat intelligence across the estate to detect and address threat risks more quickly and accurately.</p> <p>At the end of year, the Council is continually strengthening security controls to minimise the likelihood of a successful external cyber-attack. However, the potential impact of a successful cyber-attack remains a high risk to the Council due to the number and frequency of attempts on the Council's IT infrastructure. The increase in use of Artificial Intelligence (AI) has increased the range and complexity of the types of attacks the public sector is experiencing.</p> <p>The Council works closely with National Cyber Security Centre (NCSC), and Information Security for London (ISfL), where the cyber security threat landscape is actively monitored. Any emerging threats or intelligence that are identified are mitigated. The Council continues to subscribe to appropriate cyber security network alert services.</p> <p>The Council utilises safe password standards and password security monitoring.</p> <p>Critical security patches are updated to ensure that all applications have the latest patches and hackers are not able to exploit these vulnerabilities. In addition, there is a robust patching regime in place for Windows updates. All older Windows servers have been upgraded.</p> <p>2024/25 saw 349 proactive improvements made to either applications or the network.</p> <p>Firewalls are managed and monitored to assist in the prevention of any virus, spyware, and high-risk programs, before they can infiltrate the network.</p> <p>The Council secured government funding to support our cyber security protection, which supported Cyber enhancements during 2024/25.</p> <p>Training was run for CMT/Gold including the Leader and Deputy Leader in regards cyber risk, operational resilience and preparedness for an attack. Further sessions will be taking place in 2025/26 for senior managers and Councillors.</p> <p>Several technical improvements were delivered during the year to enhance the Council's Cyber Security, some of which are:</p> <ul style="list-style-type: none"> • Conducted a security review to inform continuous threat protections are in place • Successful completion of the first stage of the Cyber Assessment Framework which resulted in additional government funding
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		<ul style="list-style-type: none"> Enhanced monitoring of information and communication traffic and trends, and blocking of suspicious traffic Implementing additional software, including AI enhanced tools, to provide greater threat detection, automation and efficient incident response Improved several existing security processes including improved browser security for safe browsing Monitoring of overseas working and ensuring all employees have appropriate approval Amended the corporate training and introduced a process to ensure all staff complete their training As part of improving knowledge and resilience, regular communications and phishing exercises are run to support staff in spotting a phishing email to prevent a real attack During the year, the Council is PCI compliant and retained its PSN compliance certificate with any highlighted areas of improvement addressed. All Council issued devices, laptops and smartphone are encrypted to ensure the safety of Council data should the device be lost or stolen. The PSN certification extends to the checking of Bring Your Own Device (BYOD) and the laptop images and builds and highlights any vulnerabilities. <p>Moving forward 2025/26 will see:</p> <ul style="list-style-type: none"> Continuation of working with NCSC, ISFL, and other national and regional bodies on cyber security Delivery of training and awareness to senior managers and Members on cyber security Embedding changes to include cyber security in the supply chain of services and applications working with organisations and regional bodies Increased automation in response to cyber alerts and using AI to enhance cyber incident analysis <p>Cyber security remains a risk to the Council, but given the significant progress made as detailed above and in previous Statements, it will be closed as a governance issue. Progress will continue to be monitored through the annual Senior Information Owner (SIRO) report (see item 13 here) and quarterly risk updates presented to the GARMS Committee.</p>
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		Status: Closed Responsible Officers: Executive Director Assurance / Assistant Director Resident Experience, Digital and Commercial / Emergency Planning Manager
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Conclusion

During 2024/2025 the Council has progressed open issues, identified new emerging issues, and resolved some of the significant governance issues identified. The governance issues marked as ‘open’ above will carry forward for monitoring in 2025/26.

To the best of our knowledge the governance arrangements as defined have been effectively operating during the year 2024/25 except for those areas identified below. We propose over the coming year to take steps to address the matters to further enhance our governance arrangements.

We are satisfied that these steps will address the need for improvements that were identified during the review of effectiveness and will monitor their implementation and operation on an on-going basis through the year and as part of our next annual review at the end of the 2025/26.

SIGNED: _____ **Date:** xx xxxx 2025
 Councillor Barry Rawlings, Leader of the Council

SIGNED: _____ **Date:** xx xxxx 2025
 Cath Shaw, Chief Executive

Statement of Responsibilities

The Council's Responsibilities

The council is required to:

- Arrange for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In the London Borough of Barnet that officer is the Executive Director of Resources and Section 151 Officer.
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

The Executive Director of Resources and S151 Officer Responsibilities

The Executive Director of Resources and Section 151 Officer is responsible for the preparation of the London Borough of Barnet's Statement of Accounts in accordance with proper practices as set out in the Chartered Institute of Public Finance and Accountancy 2024/25 Code of Practice on Local Authority Accounting in the United Kingdom (The Code).

In preparing this Statement of Accounts, the Executive Director of Resources and Section 151 Officer has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with The Code.
- Kept proper accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certification of Accounts

I certify that the Statement of Accounts gives a true and fair view of the financial position of the London Borough of Barnet Council as at 31 March 2025 and its income and expenditure for the year then ended. The draft accounts were published on 16 July 2025.

Anisa Darr (CPFA)
Executive Director of Resources and Section 151 Officer

Approval of Accounts

In accordance with the Accounts and Audit Regulations 2015, I certify that the Statement of Accounts was approved by the Governance, Audit, Risk Management and Standards Committee on xx xxx 2025.

Chair of Governance, Audit, Risk Management and Standards Committee
Councillor Arjun Mittra

Auditor's Statement

Auditor's Statement (to follow)

Core Financial Statements

Core Financial Statements: Council Comprehensive Income and Expenditure Statement (CIES)

This statement summarises the income and expenditure of the council in providing services during 2024/25. The statement also shows how the council's services are funded through Council Tax, Business Rates, Government grants and fees and charges made by the council for its services.

Restated 2023/24*			Comprehensive Income and Expenditure Statement (CIES)	Note	2024/25		
Gross Expenditure	Gross Income	Net Expenditure			Gross Expenditure	Gross Income	Net Expenditure
£'000					£'000		
262,152	(109,071)	153,082	Communities, Adults and Health		259,598	(102,220)	157,378
12,901	(1,136)	11,765	Assurance and Public Protection		16,681	(4,667)	12,014
104,804	(58,525)	46,278	Growth		223,466	(102,242)	121,224
63,257	(36,515)	26,741	Environment		63,997	(45,341)	18,656
209,376	(184,485)	24,891	Resources		215,918	(166,224)	49,694
33,691	(4,481)	29,210	Strategy and Innovation		33,140	(4,046)	29,094
461,530	(368,778)	92,752	Children's Family Services		501,249	(400,966)	100,283
170,212	(73,029)	97,183	Local Authority Housing (HRA)		140,819	(81,277)	59,542
1,317,923	(836,020)	481,902	Cost of Services		1,454,868	(906,983)	547,885
19,667	(10,198)	9,468	Other Operating Expenditure	10	58,225	(12,119)	46,106
42,202	(28,848)	13,354	Financing and Investment Income and Expenditure	11	62,672	(27,055)	35,617
(0)	(371,556)	(371,556)	Taxation and Non-Specific Grant Income	12	0	(402,386)	(402,386)
61,868	(410,602)	(348,734)	Subtotal		120,897	(441,560)	(320,663)
1,379,791	(1,246,622)	133,169	Deficit/(Surplus) on Provision of Services		1,575,765	(1,348,543)	227,222
		(369,005)	Deficit/(Surplus) on revaluation of non-current assets	36			(52,258)
		(51,233)	Remeasurement of the net defined benefit liability	46			(176,693)
		(420,238)	Other Comprehensive Income and Expenditure				(228,951)
		(287,069)	Total Comprehensive Income and Expenditure				(1,729)

*The CIES has been updated to reflect changes in the council's reporting structure. See Note 6.

Core Financial Statements: Group Comprehensive Income and Expenditure Statement

This statement summarises the income and expenditure of the council and its subsidiaries (The Barnet Group Ltd and Barnet Education and Learning Services Ltd (BELS)). In 2024/25 Barnet Group company made an operating gain of £13.520m (£2.304m gain in 2023/24) and BELS made an operating loss of £0.062m (£0.059m profit in 2023/24).

Restated 2023/24*				2024/25		
Gross Expenditure	Gross Income	Net Expenditure	Comprehensive Income and Expenditure Statement (CIES)	Gross Expenditure	Gross Income	Net Expenditure
£'000				£'000		
263,115	(110,195)	152,920	Adults and Health	245,582	(106,186)	139,395
0	0	0	Public Health	0	0	0
12,901	(1,136)	11,765	Assurance	18,770	(4,482)	14,288
161,368	(93,458)	67,911	Customer and Place	273,566	(174,493)	99,072
243,067	(188,966)	54,101	Strategy and Resources	326,300	(163,441)	162,859
464,591	(371,835)	92,755	Children's Services	508,119	(407,727)	100,392
332,948	(64,894)	268,054	Local Authority Housing (HRA)	286,953	(92,653)	194,300
1,477,990	(830,484)	647,506	Cost of Services	1,659,289	(948,983)	710,306
19,667	(10,198)	9,468	Other Operating Income and Expenditure	58,225	(12,119)	46,106
49,627	(24,986)	24,641	Financing and Investment Income and Expenditure	73,221	(24,857)	48,363
(0)	(371,556)	(371,556)	Taxation and Non-Specific Grant Income	0	(402,386)	(402,386)
0	0	0	Corporation Tax	0	0	0
69,294	(406,740)	(337,446)	Subtotal	131,446	(439,362)	(307,917)
1,547,284	(1,237,224)	310,060	Group (Surplus)/Deficit on Provision of Services	1,790,735	(1,388,345)	402,390
		(369,005)	(Surplus)/Deficit on revaluation of non-current assets			(52,258)
		(58,517)	Remeasurement of the net defined benefit liability			(173,598)
		(427,522)	Other Comprehensive Income and Expenditure			(225,856)
		(117,462)	Total Comprehensive Income and Expenditure			176,534

* The Group CIES has been updated to reflect changes in the council's reporting structure.

Core Financial Statements: Council Movement in Reserves Statement

This statement shows the movement on the different reserves held by the council, analysed into useable and unusable reserves, and shows the increase or decrease in the net worth of the council. It provides an explanation of the changes in, and movements between, reserve accounts to increase or reduce the resources available to the council. It shows how the council's total Comprehensive Income and Expenditure is allocated to the council's reserves.

	Note	General Fund Balance	School balances	Earmarked Reserves	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
Movements in Reserves 2023/24		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2023		15,081	12,844	126,701	4,120	43,827	1,998	118,397	322,969	934,223	1,257,193
Surplus / (Deficit) on provision of services		(54,055)	(2,264)	0	(76,850)	0	0	0	(133,169)	0	(133,169)
Other comprehensive income & expenditure		0	0	0	0	0	0	0	0	420,238	420,238
Total comprehensive income & expenditure		(54,055)	(2,264)	0	(76,850)	0	0	0	(133,169)	420,238	287,069
Adjustments between accounting basis & funding basis	8	10,916	0	0	83,377	(17,439)	0	(15,161)	61,693	(61,691)	0
Net increase / (decrease) in year		(43,139)	(2,264)	0	6,527	(17,439)	0	(15,161)	(71,476)	358,547	287,069
Transfer to/(from) earmarked reserves	9	43,139	0	(43,139)	0	0	0	0	0	0	0
Balance as at 31 March 2024		15,081	10,580	83,561	10,649	26,389	1,998	103,236	251,490	1,292,769	1,544,258
Movements in Reserves 2024/25		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2024		15,081	10,580	83,561	10,649	26,389	1,998	103,236	251,490	1,292,769	1,544,258
Surplus / (Deficit) on provision of services		(163,500)	3,979	0	(67,701)	0	0	0	(227,222)	0	(227,222)
Other comprehensive income & expenditure		0	0	0	0	0	0	0	0	228,951	228,951
Total comprehensive income & expenditure		(163,500)	3,979	0	(67,701)	0	0	0	(227,222)	228,951	1,729
Adjustments between accounting basis & funding basis	8	136,017	0	0	68,350	5,131	0	(9,762)	199,736	(199,736)	0
Net increase / (decrease) in year		(27,483)	3,979	0	649	5,131	0	(9,762)	(27,486)	29,215	1,729
Transfer to/(from) earmarked reserves	9	27,483	0	(27,481)	0	0	0	0	0	0	0
Balance as at 31 March 2025		15,081	14,558	56,081	11,294	31,518	1,998	93,474	224,005	1,321,985	1,545,989

Core Financial Statements: Group Movement in Reserves Statement

This statement shows the movement on the different reserves held by the council and its subsidiaries (The Barnet Group Ltd and Barnet Education and Learning Services Ltd), analysed into useable and unusable reserves, and shows the increase or decrease in the net worth of the Group. It provides an explanation of the changes in, and movements between, reserve accounts to increase or reduce the resources available to the Group. It shows how the Group's total Comprehensive Income and Expenditure is allocated to the Group's reserves.

	General Fund Balance	School Balances	Earmarked Reserves	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Council Usable Reserves	Council Unusable Reserves	Council Total Reserve	Share of Subsidiary Reserves	Total Reserve
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Movements in Reserves 2023/24												
Balance as at 31 March 2023	15,082	12,844	126,700	4,122	43,827	1,998	118,397	322,970	934,223	1,257,193	(129,462)	1,127,731
Surplus / (Deficit) on provision of services	(48,680)	(2,264)	0	(76,850)	0	0	0	(127,794)	0	(127,794)	(182,265)	(310,060)
Other Comprehensive Income & Expenditure	0	0	0	0	0	0	0	0	420,238	420,238	7,284	427,522
Total Comprehensive Income and Expenditure	(48,680)	(2,264)	0	(76,850)	0	0	0	(127,794)	420,238	292,444	(174,981)	117,462
Adjustment between Council account and Group accounts	(5,374)	0	0	0	0	0	0	(5,374)	0	(5,374)	177,208	171,834
Net increase / (decrease) before transfers	(54,055)	(2,264)	0	(76,850)	0	0	0	(133,169)	420,238	287,069	2,226	289,296
Adjustments between accounting basis and funding basis	10,916	0	0	83,373	(17,438)	0	(15,161)	61,690	(61,690)	0	0	0
Net increase / (decrease) before transfers to earmarked reserve	(43,139)	(2,264)	0	6,523	(17,438)	0	(15,161)	(71,479)	358,548	287,069	2,226	289,296
Transfer to/(from) earmarked reserves	43,139	0	(43,139)	0	0	0	0	0	0	0	0	0
Balance as at 31 March 2024	15,082	10,580	83,561	10,645	26,389	1,998	103,236	251,492	1,292,770	1,544,262	(127,236)	1,417,029
Movements in Reserves 2024/25												
*Balance as at 31 March 2024	15,082	10,579	83,561	10,645	26,389	1,998	103,236	251,492	1,292,771	1,544,262	(127,236)	1,417,027
Surplus / (Deficit) on provision of services	(147,670)	3,979	0	(67,701)	0	0	0	(211,392)	0	(211,392)	(190,998)	(402,390)
Other Comprehensive Income & Expenditure	0	0	0	0	0	0	0	0	228,951	228,951	(3,095)	225,856
Total Comprehensive Income and Expenditure	(147,670)	3,979	0	(67,701)	0	0	0	(211,392)	228,951	17,559	(194,093)	(176,534)
Adjustment between Council account and Group accounts	(15,830)	0	0	0	0	0	0	(15,830)	0	(15,830)	193,988	178,158
Net increase / (decrease) before transfers	(163,500)	3,979	0	(67,701)	0	0	0	(227,222)	228,951	1,729	(104)	1,625
Adjustments between accounting basis and funding basis	136,017	0	0	68,350	5,131	0	(9,762)	199,736	(199,736)	0	0	0
Net increase / (decrease) before transfers to earmarked reserve	(27,483)	3,979	0	649	5,131	0	(9,762)	(27,486)	29,215	1,729	(104)	1,625
Transfer to/(from) earmarked reserves	27,483	0	(27,481)	0	0	0	0	2	0	2	0	2
Balance as at 31 March 2025	15,081	14,558	56,081	11,294	31,518	1,998	93,474	224,005	1,321,985	1,545,989	(127,339)	1,418,651

Core Financial Statements: Council and Group Consolidated Balance Sheet

The Balance Sheet shows the value at the balance sheet date of the assets and liabilities recognised by the council. The net assets of the council are matched by the reserves. Only usable reserves are available to support delivery of the council's services to residents. Details of the usable reserves can be seen in the Movement in Reserves Statement.

31 st March 2024				31 st March 2025	
Council	Group			Council	Group
£'000		Balance Sheet	Note	£'000	
2,235,205	2,302,329	Property plant and equipment	15	2,149,107	2,219,206
1,807	1,807	Heritage assets		1,730	1,730
131,179	131,179	Investment properties		134,579	134,579
12,882	23,306	Intangible assets		20,227	30,622
0	0	Right of Use Assets	17	121,791	127,458
246,848	42,929	Long term debtors		300,229	88,702
17,607	17,607	Long term investments		7,137	7,137
2,645,528	2,519,158	Total Long-Term Assets		2,734,800	2,609,434
122	122	Inventories		116	116
55,982	50,982	Short term investments	17	10,473	5,473
280,909	250,603	Short term debtors	18	278,911	289,757
5,100	5,100	Assets held for sale		3,293	3,293
57,750	92,487	Cash and cash equivalents	19	41,573	69,248
399,863	399,294	Total Current Assets		334,366	367,887
0	0	Bank Overdrafts	17	0	0
(2,492)	(2,492)	Short term borrowing	17	(40,621)	(40,621)
(219,830)	(215,915)	Short term creditors	20	(211,389)	(240,352)
0	0	Short Term Provisions	21	(725)	(725)
(222,322)	(218,407)	Total Current Liabilities		(252,734)	(281,698)
(1,056,994)	(1,056,492)	Long term borrowing	17	(1,116,294)	(1,112,747)
(10,927)	(10,963)	Provisions	21	(11,681)	(11,741)
(199,986)	(204,657)	Pension scheme	35	(30,290)	(37,833)
(10,904)	(10,904)	Long term lease (PFI)	32	(9,748)	(12,221)
0	0	Long term Creditors		(102,429)	(102,429)
(1,278,811)	(1,283,016)	Total Long-Term Liabilities		(1,270,443)	(1,276,971)
1,544,258	1,417,029	Net Assets		1,545,989	1,418,651
(251,489)	(124,260)	Usable reserves	8	(224,004)	(96,666)
(1,292,770)	(1,292,769)	Unusable reserves	22	(1,321,985)	(1,321,985)
(1,544,258)	(1,417,029)	Total Reserves		(1,545,989)	(1,418,651)

*There has been a restatement since 2023/24 Draft accounts were published. Please refer to Note 6 for an explanation of changes.
Note 39 gives details of movements from Council to Group Balance sheet.

Certification by the Chief Financial Officer

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Council as at 31 March 2024 and its income and expenditure for the year then ended.

Anisa Darr (CPFA)
Executive Director of Resources & Statutory
Section 151 Officer

xx xxxx 2025

Core Financial Statements: Council and Group Consolidated Cash Flow Statement

This shows the changes in cash and cash equivalents of the council and its subsidiaries (The Barnet Group Ltd and Barnet Education and Learning Services Ltd) during the year. The statement classifies the Group's cash flows between operating, investing, and financing activities. Operating activities reflect the day-to-day income from grants and taxation together with expenditure on services provided by the Group. Investing activities summarise the expenditure made to support future activities, for example capital expenditure on housing and schools. Financing activities demonstrate how the Group has managed its borrowings to fund its operating and investing activities.

2023/24					2023/24	
Council	Group				Council	Group
£'000			Cash Flow Statement	Note	£'000	
(133,169)	(310,060)		Net surplus/(deficit) on the provision of services		(227,222)	(402,390)
20,418	207,310		Adjustment to the surplus on the provision of services for non-cash movements*	23	237,214	418,016
(70,126)	(69,201)		Adjustment for items included in the net surplus on the provision of services that are investing and financing activities **		(58,796)	(68,861)
(182,877)	(171,951)		Net cash flows from operating activities		(48,804)	(53,234)
(209,905)	(220,878)		Net cash flows from investing activities	24	(53,294)	(30,094)
347,180	344,048		Net cash flows from financing activities		85,921	60,087
(45,603)	(48,781)		Net (decrease)/increase in cash and cash equivalents		(16,176)	(23,241)
103,353	141,266		Cash and cash equivalents at the beginning of the reporting period		57,750	92,487
57,750	92,487		Cash and cash equivalents at the end of the reporting period***	19	41,573	69,248

* Includes £182m write down cost to Expected Use Value for Social Housing on new dwellings @ 75%

**Group cashflow includes TBG adjustments of £29.8m relating to ODH Loan Deferred income and £10.1m Actuarial gain on Defined benefit on pension scheme

Notes Relating to the Core Financial Statements

Note 1 Accounting Policies

1.1 Introduction

The Statement of Accounts summarises the London Borough of Barnet's transactions for the financial year 2024/25 and its financial position as at 31 March 2025. The accounting policies adopted, that are material to the context of the Council's accounts for 2024/25, are set out within the following pages. The accounting policies explain the basis for the recognition, measurement and disclosure of transactions and other events within the Statement of Accounts.

1.2 General Principles

The council's Statement of Accounts are prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS) and statutory regulations.

The Statement of Accounts has been prepared using the going concern and accruals basis. The historical cost convention has been applied, modified by the revaluation of certain categories of non-current assets and financial instruments.

1.3 Accruals of Income and Expenditure

The council recognises income and expenditure in the financial year in which the associated economic benefits are transferred, rather than when payments are physically made and received. Debtors and Creditors (Accruals) are raised at year end to reflect the difference between amounts due and amounts paid up to 31 March. In general, the council does not normally raise accruals for individual amounts under £0.025m, although exceptions are made for:

- Grant related income & expenditure.
- Transactions between entities that form part of the council's Group accounts.
- Services which involve high volume transactions with shared characteristics, e.g., Client placements within Adults or Children's Social Care.

1.4 Income Recognition

Income is recognised when there is reasonable certainty that the inflow of economic benefits or service potential has occurred and can be measured reliably. In accordance with IFRS 15 (Revenue from Contracts with Customers) the council recognises revenue from contracts with service recipients once it has satisfied any performance obligations by transferring promised goods or services to a recipient, measured as the amount of the overall transaction price allocated to that obligation.

Interest receivable on deposits and payable on borrowings is accounted for as income and expenditure respectively based on the effective interest rate for the relevant financial instrument, rather than the cash flows set out in the relevant contract.

1.5 Fair Value Measurement

The council measures some of its non-financial assets such as surplus assets and investment properties at fair value at each reporting date. 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 fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability where market participants act in their economic best interest. When measuring the fair value of a non-financial asset, the council considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the council's financial statements are categorised within the fair value hierarchy as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the council can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

1.6 Provisions

Provisions are charged as an expense to the appropriate service expenditure line in the CIES, where an event has taken place that gives the council a legal or constructive obligation that probably will be settled by the transfer of economic benefit or service potential and a reliable estimate can be made of the amount of the obligation. Provisions are held on the balance sheet at the best estimate of expenditure required to settle the obligation considering the relevant risks and uncertainties.

1.7 Government Grants and Contributions

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 them and the grants and contributions are likely to be received. Once the conditions are satisfied the grants and contributions are credited to the CIES as follows:

- Ring-fenced revenue grants and contributions - credited to the relevant service line in the CIES.
- Ring-fenced capital grants and contributions - credited to Taxation and Non-Specific Grant income in the CIES.
- Non-Ring-fenced revenue grants - credited to Taxation and Non-Specific Grants income in the CIES.

Where specific revenue grants and contributions are credited to the CIES, but the associated expenditure has not yet been incurred, the grant is set aside in an earmarked reserve so that it can be matched with the expenditure when it is incurred in a subsequent year. Where a revenue grant is received, and conditions are not satisfied it is carried in the Balance Sheet as a receipt in advance. When the condition is met, it is then credited to the CIES.

Capital grants and contributions are reversed out of the General Fund Balance through the Movement in Reserves Statement and are either transferred to the Capital Adjustment Account, if the eligible expenditure has been incurred, or to the Capital Grants Unapplied Account. Grants are subsequently released into the Capital Adjustment Account when the eligible expenditure is incurred.

1.8 Council Tax and Non-Domestic Rates ("Business Rates")

The council as a billing authority act as an agent collecting Council Tax and Non-Domestic Rates (NDR) on behalf of the major preceptors and, as principals, collecting Council Tax and NDR for themselves. Billing authorities are required by statute to maintain a separate 'Collection Fund' account, for the collection and distribution of Council Tax and NDR. Billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of Council Tax and NDR could be less or more than predicted.

The Council Tax and NDR income included in the CIES is the council's share of accrued income for the year. However, regulations determine the amount of Council Tax and NDR that must be included in the council's General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The council's Balance Sheet includes the council's share of Council Tax and NDR arrears, prepayments, impairment allowance for doubtful debts, NDR appeals and the council's portion of any surplus or deficit on the Collection Fund Account. Amounts due to or from precepting authorities are recorded as debtors or creditors on the council's Balance Sheet.

1.9 Employee Benefits

Benefits Payable during Employment

Short term employee benefits are those due to be settled wholly within 12 months of the year end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense in the year in which employees render service to the council. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is charged to the Surplus or Deficit on the Provision of Services and then reversed through the Movement in Reserves Statement and held as a balance on the Accumulating Compensated Absences Adjustment Account.

Termination Benefits

Termination benefits are amounts payable because of a decision by the council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. These costs are charged on an accrual basis to the appropriate service line in the CIES at the earlier of when the council can no longer withdraw the offer of the benefit or when the council recognises the costs of restructuring.

Post-Employment (Retirement) Benefits

Employees of the council are members of two separate pension schemes:

- The Teachers' Pension Scheme administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).
- The Local Government Pension Scheme (LGPS) for which the Council is the administering authority.

Both schemes provide defined benefits to members (retirement lump sums and pensions) based on earnings and service while employed by the Council or other participating employers.

Local Government Pension Scheme (LGPS)

The scheme is accounted for as a defined benefits scheme. Hence:

- The liabilities of the LGPS attributable to the council are included in the council's balance sheet on an actuarial basis, using the projected unit cost method.
- The Fund's liabilities are discounted to their value at current prices, using a discount rate that is based upon the indicative rate of return on a high-quality corporate bond of equivalent currency and term to the scheme's liabilities.
- The Fund's assets attributable to the council are included on the Balance Sheet at fair value.
- Changes in the net pension liability are analysed into the following components:
 - i. Service costs comprising current service and past service costs are charged to the service lines of the CIES.
 - ii. Net interest on the net defined benefit asset/liability is charged or credited to the 'Financing and Investment Income and Expenditure' line of the CIES.
 - iii. The council recognises the cost of retirement benefits in the Comprehensive Income and Expenditure Statement (Cost of Services) when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the council is required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund and Housing Revenue Account via the Movement in Reserves Statement.
 - iv. Re-measurements of the net pension liability (comprising return on assets excluding amounts included in net interest and the net defined benefit liability and actuarial gains and losses) are charged to the Pension Reserve as part of 'Other Comprehensive Income and Expenditure' line.
 - v. Employer contributions paid to the Fund in settlement of liabilities are not accounted for as an expense within the CIES.

Teachers' Pension Scheme

The Teachers' Pension Scheme, whilst being a defined benefit scheme, is treated as a defined contribution scheme, as under the scheme arrangements the liabilities of the scheme cannot be identified specifically to the council. This means that the pension costs reported for any year are equal to the contributions payable for the scheme for the same period. The costs are recognised within Surplus or Deficit on Provision of Services. The council's Balance Sheet does not include a liability for future payments under the scheme.

Discretionary Benefits

The council has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise because of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for in line with the accounting arrangement for the LGPS.

1.10 Minimum Revenue Provision

Statute requires the council to set money aside each year for the repayment of loans originally taken out to finance capital expenditure. This is called the Minimum Revenue Provision (MRP) and is calculated in line with the 2024/25 MRP Policy agreed by Council in March 2024 and the Local Government Guidance on MRP. The council's MRP policy is to:

- For any capital expenditure incurred prior to 1 April 2008 or financed from supported borrowing, the council charges MRP over 50 years on an annuity basis.
- For any capital expenditure carried out after 1 April 2008 being financed by unsupported borrowing the council adopts the asset life method where MRP is based on the capital expenditure divided by a determined asset life or profile of benefits to give annual instalments. The annual instalment is calculated on an annuity basis.

MRP in respect of leases and Public Finance Initiatives (PFI) brought onto the Balance Sheet under the Code will match the annual principal repayment for the associated deferred liability. There is no requirement on the Housing Revenue Account (HRA) to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.

1.11 Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

1.12 Reserves

The council sets aside specific amounts as earmarked reserves for future policy purposes or to cover contingencies. Reserves are created by apportioning amounts out of the General Fund or Housing Revenue Account balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus / Deficit on the Provision of Services in the CIES.

The reserve is then appropriated back into the General Fund or Housing Revenue Account balance in the Movement in Reserves Statement, so that there is no net charge against council tax or rents for the expenditure. All applications for specific reserves are subject to approval by the Chief Finance Officer. Specific reserves are discretionary, not mandatory.

Certain reserves are kept for managing the accounting processes for non-current assets, financial instruments and retirement and employee benefits and do not represent usable resources for the council to fund expenditure. These reserves are explained in the relevant policies.

1.13 Property, Plant and Equipment

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

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

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment or replacement of components of highways network is capitalised on an accrual basis, if 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. Any expenditure on an asset that is under £0.01m is considered non-enhancing and is treated as revenue expenditure. Any acquisitions such as equipment and vehicles for less than £0.01m are assessed and included in Property, Plant and Equipment if considered appropriate to do so.

The council has schools in the following categories: community schools, foundation schools, voluntary aided schools, and academies. Community and foundation schools are included in the council's Balance Sheet based on the risks and rewards the council is deemed to have, and voluntary aided schools and academies are excluded from the council's Balance Sheet. This means that the council recognises the Property, Plant and Equipment of the following categories of locally maintained schools in the financial statements:

- Community and community special schools
- Foundation and Foundation Trust schools (other than those owned by religious bodies)

The Property, Plant and Equipment of voluntary aided schools are not recognised in the council's financial statements. In most cases, the council has ownership of the playing fields for these categories of schools, which are recognised on the council's balance sheet.

Measurement

Assets are initially measured at cost, comprising:

- The purchase price; and
- 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.

The cost of assets acquired other than by purchase, is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e., it will not lead to a variation in the cash flows of the council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-specific Grant Income and Expenditure line of the CIES unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the CIES, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement basis:

- Infrastructure (including street lighting PFI), community assets and assets under construction – depreciated historical cost.
- Highways Infrastructure Network – 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.
- Dwellings – current value, determined using the basis of existing use value for social housing (EUVSH).
- Surplus assets - the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- All other assets (For example schools, leisure centres, crematorium, etc.) – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, the valuation method of Depreciated Replacement Cost (DRC) is used as an estimate of current value. Examples of specialist assets include schools, leisure centres, crematoria, and cemeteries prior to their being run on a more commercial basis. The DRC method of valuation provides the current cost of replacing an asset with its Modern Equivalent Asset (MEA) less deductions for all physical deterioration and all relevant forms of obsolescence and optimisation. The council, where possible, has used direct evidence from its own capital programmes to determine the MEA cost basis for specialist assets. Where this evidence is not available, Building Cost Information Service construction cost figures have been used.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost is used as a proxy for current value. The freehold and leasehold properties that comprise the council's property portfolio are subject to a five-year rolling programme of revaluation, although the top ten properties, shops and industrial sites, all schools and all assets valued on a DRC basis are valued every year, which is 80% (by value)

of the council's property portfolio. This ensures that where market conditions or rebuilding costs alter, all affected assets are considered over a reasonable period.

Accounting for property value gains and losses

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the CIES where they arise from the reversal of a loss previously charged to a service. 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 CIES.

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

Impairment

Assets are assessed at each year end as to whether there is any indication that an asset 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 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 CIES.

Where an impairment loss is subsequently reversed, the reversal is credited to the relevant service line(s) in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised. Any remaining upward revaluation will be credited to the revaluation reserve.

Depreciation and useful lives

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 those assets without determinable finite useful lives (i.e., freehold land and certain community assets) and assets that are not yet available for use (i.e., assets under construction).

Depreciation is calculated on the following basis:

Asset Category	Depreciation Basis	Estimated Useful Life
Land	n/a	n/a
Buildings, Council Dwellings and Schools	Straight Line	1 to 50 years as estimated by valuers
Vehicles, Plant and Equipment	Straight Line	5 to 20 years
Infrastructure	Straight Line	10 to 120 years
PFI Street Lighting	Straight Line	25 years

Highways Network Infrastructure depreciation is provided on the parts of the highways network that are subject to deterioration or depletion and by the systematic allocation of their depreciable amounts over their useful lives. Depreciation is charged on a straight-line basis. 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 Highways Engineer using industry standards, existing inventories or best estimate where applicable, and will be reviewed annually. The estimated useful life are as follows:

Part of the highways network	Depreciation Basis	Estimated Useful Life
Carriageways & Cycle Tracks	Straight Line	25 years
Footways & Cycle Tracks	Straight Line	45 years
Structures (bridges, tunnels and underpasses)	Straight Line	120 years
Structures (Other Barriers)	Straight Line	30 years
Street lighting	Straight Line	30 years
Street furniture	Straight Line	20 to 50 years
Traffic management systems	Straight Line	15 to 25 years

Depreciation charges commence in the first full year after the asset is purchased or becomes operational. The impact of not depreciating an asset from the date of its acquisition (or the date it is brought into use) is not material.

Assets under construction are re-categorised upon completion, from which point depreciation is charged on a straight-line basis based on the estimated useful life for the asset category concerned.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Componentisation

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. A component is considered significant when the cost of the component is 20% or greater of the total cost of the asset and has a differing useful life. Each component is depreciated separately except where there is more than one significant component within the same asset which has the same useful life and depreciation method; such components may be grouped in determining the depreciation charge.

Any component parts of an asset are de-recognised when the component is replaced, even if the original component had not been recognised separately for depreciation purposes. If it is not practical to determine the carrying amount of the replaced components, the cost of the new component is indexed back and then adjusted for depreciation. This is used as a reasonable proxy.

Disposals and derecognition

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. When Property, Plant and Equipment or a component of the Highways network is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the CIES. The written-off value 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 appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Receipts from Disposal

Receipts from disposals (if any) are credited to the same line in the CIES 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). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account. Amounts received for a disposal are categorised as capital receipts. Receipts are appropriated to the Capital Receipts Reserve from the General Fund Balance in the Movement in Reserves Statement and can then only be used for new capital investment or set aside to reduce the council's underlying need to borrow (the capital financing requirement).

Receipts from sale of Council Houses

A proportion of receipts relating to housing disposals (net of statutory deductions and allowances) is payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve.

1.14 Heritage Assets

The council's heritage assets are held in support of the primary objective of increasing the knowledge, understanding and appreciation of the council's history and local area. Heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the council's accounting policies on property, plant, and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below. The council's collections of heritage assets are accounted for as follows:

Property Heritage Assets

These are held on the Balance Sheet based on the following valuation methods as appropriate for each asset:

- Current value based on a Depreciated Replacement Cost (DRC), fair value, or insurance valuation.

The assets are revalued every five years as part of the council's rolling programme of revaluations.

Mayor's Regalia and Silverware

These assets are held at insurance valuation and are valued every three years.

General Accounting Policy

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, for example where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the council's general policies on impairment. The council will occasionally dispose of heritage assets which have a doubtful provenance or are unsuitable for public display. The proceeds of such items are accounted for in accordance with the council's general provisions relating to the disposal of property, plant, and equipment. The collection of heritage assets is relatively static, and acquisitions and donations are rare. Where they do occur, acquisitions are initially recognised at cost and donations are recognised at valuation. The heritage assets are deemed to have indeterminate lives and a high residual value; hence the council does not consider it appropriate to charge depreciation.

1.15 Investment Properties

Investment properties are those that are held solely to earn rental income and/or for capital appreciation. The definition is not met if the Council has any Social, Strategic or Operational interest in the asset of if it is held for sale.

Measurement

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. As a non-financial asset, investment properties are measured at highest and best use. Investment Properties are not depreciated. Shops and industrial units are revalued annually. The remaining investment properties are revalued on a five-year cycle unless market conditions at year end change.

Accounting Arrangements

Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the CIES. The same treatment is applied to gains and losses on disposal. Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

1.16 Private Finance Initiative (PFI)

PFI and similar contracts are agreements to receive services where the responsibility for making available the property, plant and equipment needed to provide the services, are passed to the PFI contractor. As the council is deemed to control the services that are provided under its PFI schemes, and as ownership of the property, plant and equipment will pass to the council at the end of the contract for no additional charge, the council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment. The council has one PFI contract for the maintenance of street lighting in the borough.

The assets are accounted for in accordance with the accounting policy for Property, Plant and Equipment. A PFI liability is also recognised on the council's Balance Sheet for amounts due to the scheme operator for capital investment. The amounts payable to the PFI operators each year are analysed into five elements:

- Fair value of services received during the year – debited to the relevant service in the CIES.
- Finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line on the CIES.
- Contingent rent – increases in the amount to be paid for the property arising during the contract, 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 (the profile of write-downs is calculated using the same principles as for a finance lease).
- Lifecycle replacement costs – a proportion of the amount 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 Leases

The council does not utilise or lease out any property, plant, equipment, or vehicles under finance lease arrangements.

Operating Leases

The council as Lessee

Rentals paid under operating leases are charged to the CIES as an expense related to the services benefiting 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 (e.g., there is a rent-free period at the commencement of the lease).

The council as Lessor

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 Financing and Investment Income and Expenditure line in the CIES if the asset is an investment property or the relevant service area line in the CIES if it is Property, Plant and Equipment. Credits are made on straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

The accounting treatment of leases is determined by the identification of an asset within the contract, the value of the asset and the length of the use. Finance must be consulted at the earliest possible stage when lease agreements are being actively considered by Services.

IFRS 16 Leases

CIPFA/LASAAC have deferred implementation of IFRS16 for Local Government to 1 April 2024. IFRS 16 will impact the way in which the council reports operating leases. Under IFRS 16 the Council will be required to recognise a right of use asset and a lease liability on the Balance Sheet (subject to certain exemptions); currently the Council includes these costs as operating lease payments in the CIES.

Under IFRS 16 a lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time. A contract can be (or contain) a lease only if the underlying asset is 'identified'. Having the right to control the use of an identified asset means having the right to direct, and obtain all of the economic benefits from, the use of that asset. These rights must be in place for a period of time and/or a specified amount of use.

Types of assets that may be suitable for leasing include the following:

- Transport (vehicles and cars)
- Equipment
- Property
- Land
- Technology (including computers, telephony and other communications equipment)
- Plant
- Furniture, Fixtures and Fittings
- Leisure Equipment; and
- Managed service contracts (Embedded leases).

Under IFRS16 there are two types of leases; non-residual based, and residual based.

Non-residual based: there is no assumed residual value, repayments cover all the principal with interest, there are no return conditions and there is an entitlement to any sales proceeds.

Residual based: there is an assumed residual value, repayments are the principle with interest (exclude the residual value amount), there are return conditions and there is no entitlement to sales proceeds.

Recognition exemptions

There are two specific exemptions for lessees from applying the detailed accounting requirements to transactions that would meet the definition of a lease:

Short-term leases

Leases that have a lease term of 12 months or less at the commencement date. Any lease that contains a purchase option is automatically excluded from the definition. Contracts that might meet the criteria as short-term include property tenancies with notice periods of less than 12 months, hire agreements for vehicles, plant and equipment.

Leases where the underlying asset is of low value.

The Code allows authorities to elect not to apply the lease accounting provisions to leases where the underlying asset is of low value, even if the impact of doing so would be material. Leases that have an annual value of less than £10k are deemed to be low value.

1.18 Intangible Assets

These are assets that do not have a physical form, but which are identifiable and provide the council with rights to future economic benefits. Intangible Assets comprise Purchased Software Licences. The policy is to amortise the costs of the assets over their economic life, which varies from one asset to another, on a straight-line basis up to a maximum of 10 years.

1.19 Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset for the council has been charged as expenditure to the relevant service in the CIES in the year. Examples include home improvement grants and expenditure on voluntary aided school land and buildings. Where the council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement to the General Fund Balance from the Capital Adjustment Account then reverses out the amounts charged, so that there is no impact on the level of Council Tax.

1.20 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that have a maturity date of less than three months and are readily convertible to known amounts of cash with insignificant risk of change in value.

1.21 Contingent Assets and Liabilities

Contingent assets are events which may give rise to future economic benefits to the council but cannot be estimated with reasonable certainty at the balance sheet date and whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the council.

A contingent liability arises where an event has taken place that gives the council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

Contingent Assets and Contingent Liabilities are not recognised in the Balance Sheet but, if material, are disclosed in a note to the accounts.

1.22 Interests in Companies and Other Organisations

The council reviews annually the extent to which other entities (over which the council has a controlling interest) need to be consolidated into group accounts. The council has controlling interests in:

- The Barnet Group Ltd (which includes Your Choice Barnet Ltd, Barnet Homes Ltd, The Barnet Group Flex Ltd, Open door Ltd and Bumblebee Lettings).
- Barnet Holdings Ltd, Regional Enterprise Ltd.
- The Inglis Consortium.
- BX Holdings Ltd (which includes BXS GP Ltd and BXS Ltd Partnership).
- Hill Green Homes Ltd.
- Barnet Education and Learning Services Ltd.

These entities have the nature of subsidiaries, associates and/or joint ventures and the council is therefore required to prepare group accounts, unless the overall impact on the group accounts is not material.

All locally maintained schools (i.e., community, foundation, voluntary aided, voluntary controlled, community special and foundation special schools) are deemed to be under the council's control. For this reason, schools' transactions, and balances attributable to the governing bodies are 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 the schools have been eliminated. Assets provided to a school without the right to continuing use, such that they can be taken back by the owners at some point, are not recognised in the council's financial statements.

Academy and free schools are independently managed. None of these schools' income and expenditure, assets, liabilities, or reserves are included within the council's financial statements.

1.23 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.

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

Prior period adjustments may arise because 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.

1.25 Pooled Budgets

The Authority has eight pooled budget arrangements NHS North Central London Integrated Care Board. The council's pooled budgets with NHS NCL ICB relate to community equipment, learning disabilities, preventative services, speech, language, and occupational therapies, looked after children and the Better Care Fund.

The council recognises the income that it gains and expenditure that it incurs on a gross basis in the Comprehensive Income and Expenditure Statement. The Balance Sheet recognises any assets and liabilities resulting to the council from the pooled budget.

1.26 Financial Instruments

The definition of a financial instrument is: "Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity". The term "financial instrument" covers both financial assets and financial liabilities. The council's borrowing, service concession arrangements (PFI and finance leases), investments, loans to other entities, debtors, creditors and cash and cash equivalents are classified as financial instruments.

Financial Liabilities

Financial liabilities are initially measured at fair value and are carried at their amortised cost. Interest is charged to the Financing and Investment Income and Expenditure line of the CIES, based on the carrying amount of the liabilities, multiplied by the effective interest rate for the instrument. This means that:

- The amount included in the Balance Sheet is the outstanding principal repayable, plus the accrued interest.
- Interest charged to the CIES is the amount payable for the year in accordance with the loan agreement.

Financial liabilities are de-recognised when the obligation is discharged, cancelled, or expired.

Financial Assets and Expected Credit Loss (ECL)

Expected credit losses are provided for the present value of the difference between the cash flows that the council is contracted to receive in relation to each financial asset and the cash that it expects to receive, considering the risks that defaults might occur over the remaining term, either on a 12-month or a lifetime basis.

This means the council must take a forward look at the likelihood of repayment default and, if material, recognise by way of an Expected Credit Loss provision before any actual impairment event has taken place. The expected credit loss model now applies to all the council's contractual Financial Instrument Assets apart from Financial Instrument Assets with:

- Central Government Bodies.
- Other Local Authorities; and
- NHS Organisations.

These are guaranteed to be repay by statute; and:

- Council Tax Debtors
- Business Rate Debtors.

These are statutory tax-based debts rather than contractual debts.

The above Financial Assets are outside the scope of IFRS9, and therefore impairment losses are recognised under incurred loss model where there is evidence that the debtor is unlikely to make the payments due.

The council's Accounting Policy for Expected Credit Losses is to review all Financial Instrument Assets within the Scope of IFRS9 for possible impairment based on the following approach:

- Only to individual Financial Instruments with carrying value above 2% of the council's materiality figure set by the auditors. The materiality figure in this context, for items which are not "clearly trivial", is £0.700m based on the 2024/25 Audit Planning Report.
- Apply Collective Assessment for Financial Instrument with shared risk characteristics and to apply the simplified approach using lifetime expected credit losses – i.e., General Trade Debtors, Housing Related Debtors and Parking Debt.
- The above is done through carrying out collective assessment of loss allowances calculated largely using provision matrices based on historical experience in accordance with the Code and applying the general principle of materiality for any judgement that might be required to determine the loss allowance.
- Where reasonable and supportable information is available without undue cost or effort, the remaining Financial Instruments will be assessed separately to measure expected losses. The Risk assessment will be carried out on such instruments at initial recognition and reviewed annually for possible credit risk increased since initial recognition. Loss allowance will be calculated using 12 month expected credit losses.

- Where there is objective evidence of a reduction in the value of an asset because of a past event then, if material the council will recognise this by way of a provision before any impairment event has taken place.
- Cumulative Assessment of certain Financial Instrument Assets will be carried out using historic collection rates as the basis for Expected Credit Loss. This means if sufficient provision was raised using historic collection data, the methodology will continue to be used to calculate the loss allowance for that type of debt. Example would be Housing Rent and Parking debts.
- Impairment losses are not a proper charge to the General Fund where the acquisition of an investment or debtor balance meets the applicable statutory definition of capital expenditure. Therefore, movement in the loss allowance for these areas will not impact on General Fund Balances as the amount debited / credited to the Comprehensive Income and Expenditure will be reversed out in the Movement in Reserves Statement to the Capital Adjustment Account.
- All Financial Instruments that fall inside the scope of IFRS are held at amortised costs, these includes all short- and long-term Investments, Debtor and Cash and Cash equivalents.
- Assessment of credit losses under the ECL approach is based on forward looking data where applicable, such as budgets, forecasts which considers micro and macro factors affecting counterparties in the industries they operate in.

1.27 Group Accounts

Introduction

For a variety of legal, regulatory, and other reasons, local authorities often choose (or are required) to conduct their activities not through a single entity but through two or more legal entities which fall under their ultimate control. For this reason, the financial statements of the local authority do not necessarily, in themselves, present a full picture of its economic activities or financial position. Because of this, the Code of Practice requires a local authority to prepare group accounts if it has a control over one or more other legal entities. The aim of the group accounts is to give an overall picture of the extended services and economic activity that is under the control of the local authority.

The London Borough of Barnet (the reporting authority) has two subsidiary companies reported in the group accounts:

The Barnet Group Ltd

The London Borough of Barnet owns 100% of the share capital of The Barnet Group Ltd. The Barnet Group has five subsidiaries:

- Barnet Homes Ltd
- Your Choice (Barnet) Ltd
- TBG Flex Limited
- TBG Open Door Ltd and
- Bumblebee Lettings Ltd.

The Barnet Group Ltd is the sole member and guarantor of Barnet Homes Ltd, a company limited by guarantee. The Barnet Group Ltd owns 100% of the share capital of the other four subsidiaries. The Barnet Group Ltd has a board consisting of ten members, two of which are members of the council.

Barnet Education and Learning Services Ltd

In July 2020, London Borough of Barnet established a new company called Barnet Education & Learning Service (BELS) to deliver the council's education and skills services. The London Borough of Barnet owns 100% of the share capital of BELS. BELS has a board consisting of eight members, two of which are members of the council, one being senior officer Chris Munday.

Basis of Consolidation

The group CIES, group balance sheet, group movement in reserves statement and group cash flow statement have been prepared by consolidating the accounts of the reporting authority (London Borough of Barnet) and its subsidiaries (The Barnet Group Ltd and Barnet Education and Learning Services Ltd) on a line-by-line basis. The accounts of the subsidiaries have been prepared using similar accounting policies and practices to that of the reporting authority. However, some accounting policies and practices do differ in some respects from the council's, due to legislative requirements and these are aligned on consolidation.

BELS accounts are qualitatively and quantitatively below materiality, but they have been consolidated into the council's group accounts based on anticipated increase in activity in the coming years.

The council's detailed accounting policies are disclosed above.

The Barnet Group Ltd, a Local Authority Trading Company

The London Borough of Barnet contracts with The Barnet Group Ltd for the provision of adult social care services, housing management and homelessness services. The Barnet Group Ltd then contracts on a back-to-back basis with Your Choice (Barnet) Ltd and Barnet Homes Ltd in respect of adult social care services and housing management and homelessness services respectively. As a result, The Barnet Group Ltd receives the management fee from The London Borough of Barnet on behalf of Barnet Homes Ltd and Your Choice (Barnet) Ltd. It also invoices for ad hoc services on behalf of the two companies.

Barnet Education and Learning Services Ltd

The London Borough of Barnet contracts with Barnet Education and Learning Services Ltd (BELS) to deliver the council's education and skills services. BELS main source of income is a management fee paid by the council which it uses to deliver the council's services. In addition, BELS operates a traded services function which generates additional income.

Note 2 Accounting Standards Issued Not Yet Adopted

The Code requires the council discloses information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted or amendment to an existing standard. The following amendments to the Code shall be made prospectively, unless otherwise required by the relevant amendments to standards:

- Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

None of the above changes are expected to have a material impact on the 2024/25 accounts.

The Council has fully implemented IFRS16 for 2024/25. The impact on the value of assets and liabilities are as follows:

- £160.336m Right of Use Asset (Depreciated £38.545m as at 31st March 25). NBV £121.791m.
- £102.430m Non-Current Creditors (Lease Liability)

The Council's policy for IFRS16 adoption in 2024/25 is listed under accounting policies note 1.17 Leases.

There are no new changes in accounting standards for 2025/26 that are anticipated to have a material impact on the council's financial performance or financial position

Note 3 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- The council is deemed to control the services provided under the agreement for street lighting and control the residual value of the assets at the end of the agreement. The accounting policies for PFI schemes and similar contracts have been applied to the arrangement and the streetlights are recognised as Property, Plant and Equipment on the council's Balance Sheet.
- The Brent Cross Town (South) development has progressed during the year. Large parts of the site have been cleared and construction of the first new homes is underway and public realm and highways already delivery. Works on the first office building commenced in April 2024. As new plots come forward the land is being invested into the joint venture. Further land will be secured and invested over the coming decade as the development continues to come forward. Land which has been secured but is not ready to be invested in the scheme has been classified as surplus land rather than assets held for sale.
- As noted in the Annual Governance Statement, the Pension Fund reimbursed the council for overpaid secondary contributions in 2020/21 and 2021/22. A third and final repayment of £7.8m was not made in 2022/23. In line with advice from the actuary, negative secondary contributions will be set such that the additional contribution amount which was not made (c.£7.8m) is distributed over the three-year period of the next Rates and Adjustment certificate (2026-2029). This will lead to negative secondary contribution of c.£2.6m each year.

Note 4 Assumptions made about the Future and Other Major Sources of Estimation Uncertainty

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

The cost-of-living crisis continues to have a significant impact on various areas of the council's finances. To provide the reader of these accounts with information on the impact, the key issues have been combined into one note. The council's response to some of the key issues and the work we have done is described in the narrative statement.

The items in the council's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Material Uncertainty (Property Valuation)

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions Liability	Estimation of the net liability to pay pensions depends on several 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.	The effect of the net pension liability due to changes in individual assumptions can be measured although the assumptions interact in complex ways. The impact of changes in assumptions is shown in note 35 Defined Benefit Pension Schemes.
Property Plant and Equipment and Investment Properties	<p>Property Plant and Equipment The carrying values of property, plant and equipment and investment properties are primarily dependent on judgements of such variables as the state of the property market, location, asset lives, condition of the property, indices etc. Valuation is an inexact science with assessments provided by different surveyors rarely agreeing and with prices subsequently realised diverging from valuations.</p> <p>Investment Properties Where level 1 inputs are not available, the council employs relevant experts to identify the most appropriate valuation techniques to determine fair value (for example for investment properties, the principal valuation manager).</p> <p>The council uses Level 2 observable inputs for valuing its investment properties. The Investment Property valuations have utilised either the square footage of the property based on newly agreed lease rents, or through utilising data on new rents of comparable buildings in the local market.</p> <p>Where this is not possible judgement is required in establishing fair values (Level 3). These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions made could affect the fair value of the council's assets and liabilities.</p> <p>Brent Cross The 24/25 Brent Cross valuation was an internal valuation based on cash flow 'Option 2 – CLC paid at Start on Site', when individual plots are drawn-down, using the revenue and cost projections. The valuation of the land at year end was £21.660m with a valuation loss of £64.503m going into the CIES.</p>	<p>A reduction in the estimated valuations would result in reductions to the Revaluation Reserve and / or a loss recorded as appropriate in the Comprehensive Income and Expenditure Statement. If the value of the Council's operational properties were to reduce by 5%, this would result in a charge to the Comprehensive Income and Expenditure Statement of approximately £94.437m. An increase in estimated valuations would result in increases to the Revaluation Reserve and / or reversals of previous negative revaluations to the Comprehensive Income and Expenditure Statement and / or gains being recorded as appropriate in the Comprehensive Income and Expenditure Statement.</p> <p>Investment Property inputs are those that are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumptions that market participants would use when pricing the asset or liability. In that, rents used are based on current rents or rents of comparable market rents, as evidenced in valuation certificates. Professional valuers have applied their opinion where observable market data is applied to each individual property. Some yields, such as those of residential properties are determined by case law, others are determined using substantial comparable market data as specified above.</p> <p>Significant changes in any of the observable inputs would result in significantly lower or higher fair values.</p>
<u>Brent Cross Surplus Assets</u>		
The asset is a brown-field site of approximately 2.6 acres. The valuations basis is Existing Use Value using comparable method based on residual land values. Given the use of comparable data the valuation is kept under frequent review.		

Item	Uncertainties			Effect if actual results differ from assumptions
Information about unobservable comparable evidence inputs (Level 3)				
Address	Area	Occupied	Use	Analysis (sqm & Ha.)
Site 1 (MolAve)	Est. 1-2acres	Tenanted	Civic waste depot.	£55psqm/ £8mln.
Site 2 (EdiRd)	3.39 acres (incl.¾ acre recycling)	Tenanted	Plant yard and highway. Concrete surface and salt barn.	£47.50psqm/£6.9mln.
Impairment for doubtful debt and Expected Credit Loss (ECL)	The council had an outstanding balance of short-term debtors totalling £278.911m, against which an impairment allowance of £91.646m has been made. It is not certain that this impairment allowance would be sufficient as the council cannot assess with certainty which debts will be collected and which will not.			An understatement of doubtful debts would lead to a future adjustment and impairment to be reflected.
	ECL of £3.391m is applied to non-statutory debt and statutory debt continues to be impaired (£31.810m) on the incurred loss model. Please refer to Note 18 for a breakdown.			If collection rates fall or improve by 5% the impairment would increase or decrease by £3.017m.
	ECL impairment is based on historical information such as collection rates adjusted to reflect current and future economic conditions. Whereas incurred loss impairment, mainly business rates, council tax, housing benefit overpayments, housing rents and parking is based on historical data such as collection rates.			

Material Uncertainty (Property Valuation)

The CIPFA Code confirms that local authority accounts must be prepared on a going concern basis in line with the requirements of the code.

Note 5 Post Balance Sheet Events

Since the Balance Sheet date of 31 March 2025 there have been no material events which would require an adjustment to the financial statements of the council.

Note 6 Balance Sheet and CIES re-statements

Since publishing the draft 2023/24 Statements a few immaterial restatements have been made to the Closing balance on the Balance Sheet.

		31 st March 2024 Final		Restatements		31 st March 2024 Restated	
		Council	Group	Council	Group	Council	Group
Balance Sheet	Ref	£'000		£'000		£'000	
Property plant and equipment	vi)	2,235,205	2,302,330	0	0	2,235,205	2,302,329
Heritage assets		1,807	1,807	0	0	1,807	1,807
Investment properties		131,179	131,179	0	0	131,179	131,179
Intangible assets		12,882	23,306	0	0	12,882	23,306
Long term debtors		246,848	42,929	0	0	246,848	42,929
Long term investments		17,607	17,607	0	0	17,607	17,607
Total Long Term Assets		2,645,528	2,519,158	0	0	2,645,528	2,519,158
Inventories		122	122	0	0	122	122
Short term investments		55,982	50,982	0	0	55,982	50,982
Short term debtors	i)	280,981	250,675	(72)	(72)	280,909	250,603
Assets held for sale		5,100	5,100	0	0	5,100	5,100
Cash and cash equivalents	ii)	57,594	92,331	156	156	57,750	92,487
Total Current Assets		399,779	399,210	84	84	399,863	399,294
Short term borrowing		(2,492)	(2,492)	0	0	(2,492)	(2,492)
Short term creditors	iii)	(219,746)	(215,831)	(84)	(84)	(219,830)	(215,915)
Total Current Liabilities		(222,238)	(218,323)	(84)	(84)	(222,322)	(218,407)
Long term borrowing		(1,056,994)	(1,056,492)	0	0	(1,056,994)	(1,056,492)
Provisions		(10,927)	(10,963)	0	0	(10,927)	(10,963)
Pension scheme		(199,986)	(204,657)	0	0	(199,986)	(204,657)
Long term lease (PFI)		(10,904)	(10,904)	0	0	(10,904)	(10,904)
Total Long Term Liabilities		(1,278,811)	(1,283,016)	0	0	(1,278,811)	(1,283,016)
Net Assets		1,544,258	1,417,029	0	0	1,544,258	1,417,029
Usable reserves		(251,489)	(124,260)	0	0	(251,489)	(124,260)
Unusable reserves		(1,292,770)	(1,292,770)	0	0	(1,292,770)	(1,292,769)
Total Reserves		(1,544,258)	(1,417,029)	0	0	(1,544,258)	(1,417,029)

i) Unallocated receipts, previously shown in Cash and Cash Equivalents (£0.177m) with £0.106m now re-mapped to Short Term Debtors for staff overpayments. Net £0.72m credit movement.

ii) £0.177m (Cash and CE) related to unallocated receipts, remapped to debtors + (£0.022m) payroll suspense now recorded as creditors. Net £0.156m movement.

iii) £0.022m payroll suspense correctly coded in oracle as a creditor + (£0.106m) Staff salary overpayment correctly as a debtor.

vi) Re-classification of opening balance of Extra Care Properties (£17.579m) from Other Land and Buildings to Council House Dwellings. Not clear from the presentation of the Balance Sheet as all assets fall within Property Plant and Equipment. But this is visible in Note 15.

Due to a change in reporting segments in 2024/25, numerous prior year comparators have been represented in the Expenditure and Funding Analysis and the CIES. These changes are summarised in the table below and reflected in the restated 2023/24 CIES and EFA.

Reporting Segment	2023/24 Published Accounts			Restatements		2023/24 Re-sated		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Communities, Adults and Health	0	0	0	261,829	(109,062)	261,829	(109,062)	152,768
Adults and Health	227,823	(74,202)	153,621	(227,823)	74,202	0	0	0
Public Health	21,673	(19,995)	1,678	(21,673)	19,995	0	0	0
Assurance and Public Protection	0	0	0	12,901	(1,136)	12,901	(1,136)	11,765
Assurance	12,932	(1,938)	10,994	(12,932)	1,938	0	0	0
Growth	0	0	0	104,804	(58,525)	104,804	(58,525)	46,278
Environment	0	0	0	63,257	(36,515)	63,257	(36,515)	26,741
Customer and Place	199,657	(102,195)	97,462	(199,657)	102,195	0	0	0
Resources	0	0	0	206,560	(184,478)	206,560	(184,478)	22,082
Strategy and Innovation	0	0	0	36,830	(4,497)	36,830	(4,497)	32,333
Strategy and Resources	224,095	(195,883)	28,212	(224,095)	195,883	0	0	0
Children's Family Services	459,760	(367,008)	92,752	1,770	(1,770)	461,530	(368,778)	92,752
Local Authority Housing (HRA)	170,212	(73,029)	97,183	(0)	(0)	170,212	(73,029)	97,183
Cost of Services	1,316,152	(834,250)	481,902			1,317,922	(836,020)	481,902
Other Operating Expenditure	19,667	(10,198)	9,469	(0)	(0)	19,667	(10,198)	9,468
Financing and Investment Income and Expenditure	42,202	(28,848)	13,354	(0)	0	42,202	(28,848)	13,354
Taxation and Non-Specific Grant Income	0	(371,556)	(371,556)	(0)	0	(0)	(371,556)	(371,556)
Subtotal	61,869	(410,602)	(348,733)	(1)	0	61,868	(410,602)	(348,734)
Deficit/(Surplus) on Provision of Services	1,378,021	(1,244,852)	133,169	1,770	(1,770)	1,379,791	(1,246,622)	133,169
				0	0			
Deficit/(Surplus) on revaluation of non-current assets			(369,005)	0	0			(369,005)
Remeasurement of the net defined benefit liability			(51,233)	0	0			(51,233)
Other Comprehensive Income and Expenditure			(420,238)	0	0			(420,238)
Total Comprehensive Income and Expenditure			(287,069)	0	0			(287,069)

- i. Communities, Adults and Health was created by merging Public Health with Adults and Health. This service also obtained a gross income budget for Cems and Crems from Customer and Place, and the Asylum and Refugees service from Strategy and Resources.
- ii. Customer and Place was separated into two separate directorates (Growth and Environment), with some services, including Digital and IT, Registration services and Customer and Support Group, moving under Strategy and Innovation.
- iii. Strategy and Resources was separated into Resources and Strategy and Innovation.
- iv. Strategy and Innovation combined services from Strategy and Resources (including Strategy, Communications), Customer and Place (including Digital, Registrars and Customer and Support Group services) and the Insight and Intelligence Team, formerly reported within Public Health.

Note 7 Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how the council's annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's delivery units. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

The note to the Expenditure and Funding Analysis shows the main adjustments to the Net Expenditure reported to the council's decision makers to arrive at the amounts in the Comprehensive Income and Expenditure Statement.

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.
- For financing and investment income and expenditure – the statutory charges for capital financing i.e., Minimum Revenue Provision 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 that are receivable in the year to those that are receivable 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.

Net Change for the Pensions Adjustments

This column adjusts 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 council 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.

Non-Specific Grants

This column recognises adjustments for non-service-specific grants credited to services which are reported under taxation and non-specific grant income.

Other Differences

This column adjusts for amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For financing and investment income and expenditure the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- 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 NNDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the code. This is a timing difference as any difference will be brought forward in future surpluses or deficits in the Collection Fund.

2023/24							2024/25					
Net Expenditure Chargeable to GF and HRA	Net Capital Adjustments	Net Pensions Adjustments	Non-Specific Grants	Other Differences	Net Expenditure in CIES	Analysis of Adjustments in Expenditure and Funding Analysis:	Net Expenditure Chargeable to GF and HRA	Net Capital Adjustments	Net Pensions Adjustments	Non-Specific Grants	Other Differences	Net Expenditure in CIES
£000						Reporting Segment:	£000					
180,979	3,109	(1,443)	(29,877)	0	152,768	Communities, Adults and Health	180,696	5,934	(402)	(28,850)	0	157,378
11,431	866	(531)	0	0	11,765	Assurance and Public Protection	9,500	2,638	(124)	0	0	12,014
17,766	30,640	(2,578)	0	450	46,278	Growth	10,805	110,671	(252)	0	0	121,224
23,280	5,419	0	0	(1,958)	26,741	Environment	7,482	13,673	(373)	0	(2,126)	18,656
87,505	3,736	(3,975)	0	5,485	92,752	Children's Family Services	93,997	11,376	(1,111)	0	(3,979)	100,283
32,333	0	0	0	0	32,333	ED Strategy and Innovation	29,094	0	0	0	0	29,094
48,723	(10,946)	(689)	0	(15,005)	22,082	Resources	12,576	36,253	(294)	0	1,158	49,694
0	112,961	0	0	(15,778)	97,183	Local Authority Housing (HRA)	4,767	68,350	0	0	(13,575)	59,542
402,017	145,786	(9,216)	(29,877)	(26,807)	481,902	Cost of Services	348,917	248,894	(2,556)	(28,850)	(18,521)	547,885
(363,139)	(68,601)	11,603	29,877	41,527	(348,734)	Other Income and Expenditure	(326,062)	(59,062)	9,553	28,850	26,058	(320,663)
38,877	77,184	2,387	0	14,720	133,169	Total	22,855	189,833	6,997	0	7,537	227,222
(158,745)						Opening GF and HRA Revenue Reserves	(119,867)					
38,877						Net chargeable expenditure to GF and HRA	22,855					
(119,868)						Closing GF and HRA Revenue Reserves	(97,012)					

The council's income and expenditure is broken down as follows:

2023/24 £'000		Analysis of Income and Expenditure by Nature		2024/25 £'000
369,855		Employee benefits expenses		462,644
800,349		Other services expenses		747,674
162,424		Depreciation, amortisation and impairment		258,994
25,727		Interest Payments		48,229
1,257		Precepts and Levies		1,280
18,396		Loss on the disposal of assets		56,955
13		Payments to Housing Capital Receipts Pool		(10)
0		Capital Grants and Contributions unapplied credited to CIES		0
0		Costs relating to investment properties		0
1,378,021		Total Expenditure		1,575,765
		Income		£'000
(270,458)		Fees, charges and other service income		(323,187)
(13,880)		Interest and investment income		(19,256)
(12,597)		Income relating to investment properties		(5,399)
(10,198)		Gain on the disposal of assets		(12,119)
(261,873)		Income from council tax, non-domestic rates, district rate income		(281,315)
(675,845)		Government grants and contributions		(707,267)
(1,244,852)		Total Income		(1,348,543)
133,169		(Surplus)/Deficit on the provision of services		227,222

Note 8 Adjustments between Accounting Basis and Funding Basis under Regulations

	Note	General Fund Balance	School balances	Earmarked Reserves	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Authority Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adjustments relating to the year ended 31 March 2024											
Balance as at 31 March 2023		15,081	12,844	126,701	4,120	43,827	1,998	118,397	322,968	934,222	1,257,190
Movement in reserves during 2023/24									0	0	0
Surplus / (Deficit) on provision of services		(54,055)	(2,264)		(76,850)				(133,169)	0	(133,169)
Other Comprehensive Income and Expenditure									0	420,238	420,238
Total Comprehensive Income and Expenditure		(54,055)	(2,264)	0	(76,850)	0	0	0	(133,169)	420,238	287,069
Adjustments involving the Capital Adjustment Account:											
Reversal of items debited or credited to the CIES											
Charges for depreciation, impairment and revaluation losses		34,600	0	0	0	0	0	160,264	(160,264)	0	0
Movements in the Market value of Investment Properties		4,001	0	0	0	0	0	(12,101)	12,101	0	0
Amortisation of Intangible assets		2,160	0	0	0	0	0	2,160	(2,160)	0	0
Capital Grants and contributions applied		(31,312)	0	0	0	0	0	(40,869)	40,869	0	0
Movement in donated assets account		0	0	0	0	0	0	0	0	0	0
Disposals and Derecognition		12,317	0	0	0	0	0	18,396	(18,396)	0	0
Revenue Expenditure Funded from Capital Under Statute		21,391	0	0	0	0	0	21,391	(21,391)	0	0
Inclusion of items not debited or credited to the CIES:											
Statutory provision for the financing of capital investment		(12,689)	0	0	0	0	0	(12,689)	12,689	0	0
Capital expenditure charged against the General Fund and HRA balances		(14,969)	0	0	0	0	0	(14,969)	14,969	0	0
Adjustments involving the Capital Grants Unapplied Account:											
Capital Grants and Contributions unapplied credited to CIES		(20,981)	0	0	0	0	20,981	0	0	0	0
Application of grants to capital financing transferred to the Capital Adjustment Account		0	0	0	0	0	(36,142)	(36,142)	36,142	0	0
Adjustments involving the Capital Receipts Reserve:											
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES		(184)	0	0	10,199	0	0	0	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure		0	0	0	(27,949)	0	0	(27,949)	27,949	0	0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool		0	0	0	(13)	0	0	0	0	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash		0	0	0	0	0	0	0	0	0	0
Adjustments involving the Deferred Capital Receipts Reserve:											
Deferred sale proceeds credited as part of the gain/loss on disposal to the CIES		0	0	0	325	0	0	325	(325)	0	0
Adjustments involving the Major Repairs Reserve (MRR):											
Reversal of HRA depreciation charged to the Major Repairs Reserve		0	0	0	0	12,703	0	0	0	0	0
Use of the Major Repairs Reserve to finance new capital expenditure		0	0	0	0	(12,703)	0	(12,703)	12,703	0	0
Adjustments involving the Financial Instruments Adjustment Account:											
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements		(4)	0	0	0	0	0	(6)	6	0	0
Adjustments involving the Pension Reserve:											
Reversal of items relating to retirement benefits debited or credited to the CIES		42,011	0	0	0	0	0	42,011	(42,011)	0	0
Employer's pension contributions and direct payments to pensioners payable in the year		(39,624)	0	0	0	0	0	(39,624)	39,624	0	0
Adjustments involving the Collection Fund Adjustment Account:											
Amount by which council tax and NNDR income credited to the CIES is different from council tax and NNDR income calculated for the year in accordance with statutory requirements		10,976	0	0	0	0	0	10,976	(10,976)	0	0
Adjustment involving the Accumulated Absences Account:											
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		3,223	0	0	0	0	0	3,223	(3,223)	0	0
Adjustments between accounting basis and funding basis under regulations		10,916	0	0	(17,438)	0	(15,161)	61,694	(61,694)	0	0
Net increase / (decrease) in year		(43,139)	(2,264)	0	(17,438)	0	(15,161)	(71,475)	358,544	287,069	287,069
Transfer to/(from) earmarked reserves	9	43,139	0	(43,139)	0	0	0	0	0	0	0
(Decrease) / Increase in Year		0	(2,264)	(43,139)	(17,438)	0	(15,161)	(71,475)	358,544	287,069	287,069
Balance as at 31 March 2024		15,081	10,580	83,561	10,645	26,389	1,998	103,236	251,490	1,292,769	1,544,258

Note 8 Adjustments between Accounting Basis and Funding Basis under Regulations

	Note	General Fund Balance	School Balance	Earmarked Reserves	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Authority Reserves
Adjustments relating to the year ended 31 March 2025		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2024		15,081	10,580	83,561	10,645	26,389	1,998	103,236	251,490	1,292,769	1,544,258
Movement in reserves during 2024/25									0		0
Surplus / (Deficit) on provision of services		(163,500)	3,979	0	(67,701)	0	0	0	(227,222)	0	(227,222)
Other Comprehensive Income and Expenditure		0	0	0	0	0	0	0	0	228,951	228,951
Total Comprehensive Income and Expenditure		(163,500)	3,979	0	(67,701)	0	0	0	(227,222)	228,951	1,729
Adjustments involving the Capital Adjustment Account:											0
Reversal of items debited or credited to the CIES											0
Charges for depreciation, impairment and revaluation losses		169,604	0	0	87,198	0	0	0	256,802	(256,802)	0
Movements in the Market value of Investment Properties		(10,328)	0	0	5,383	0	0	0	(4,945)	4,945	0
Amortisation of Intangible assets		2,192	0	0	0	0	0	0	2,192	(2,192)	0
Capital Grants and contributions applied		(41,396)	0	0	(1,452)	0	0	0	(42,848)	42,850	0
Donated assets applied		(19,521)	0	0	0	0	0	0	(19,521)	19,521	0
Disposals and Derecognition		51,708	0	0	5,248	0	0	0	56,956	(56,956)	0
Revenue Expenditure Funded from Capital Under Statute		49,021	0	0	157	0	0	0	49,178	(49,178)	0
Inclusion of items not debited or credited to the CIES											0
Statutory provision for the financing of capital investment		(45,534)	0	0	0	0	0	0	(45,534)	45,534	0
Capital expenditure charged against the General Fund and HRA balances		(16,266)	0	0	0	0	0	0	(16,266)	16,266	0
Adjustments involving the Capital Grants Unapplied Account:											0
Capital Grants and Contributions unapplied credited to CIES		(17,748)	0	0	(2,674)	0	0	20,422	0	0	0
Application of grants to capital financing transferred to the Capital Adjustment Account		0	0	0	0	0	0	(30,184)	(30,184)	30,182	0
Adjustments involving the Capital Receipts Reserve:											0
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES		(248)	0	0	(11,864)	12,113	0	0	1	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure		0	0	0	0	(7,306)	0	0	(7,306)	7,306	0
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool		0	0	0	(11)	11	0	0	0	0	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash		0	0	0	0	0	0	0	0	0	0
Adjustments involving the Deferred Capital Receipts Reserve:											0
Deferred sale proceeds credited as part of the gain/loss on disposal to the CIES		0	0	0	0	313	0	0	313	(313)	0
Adjustments involving the Major Repairs Reserve (MRR):											0
Reversal of HRA depreciation charged to the Major Repairs Reserve		0	0	0	(13,635)	0	13,635	0	0	0	0
Use of the Major Repairs Reserve to finance new capital expenditure		0	0	0	0	0	(13,635)	0	(13,635)	13,635	0
Adjustments involving the Financial Instruments Adjustment Account:											0
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements		0	0	0	0	0	0	0	0	0	0
Adjustments involving the Pension Reserve:											0
Reversal of items relating to retirement benefits debited or credited to the CIES		38,678	0	0	0	0	0	0	38,678	(38,678)	0
Employer's pension contributions and direct payments to pensioners payable in the year		(31,681)	0	0	0	0	0	0	(31,681)	31,681	0
Adjustments involving the Collection Fund Adjustment Account:											0
Amount by which council tax and NNDR income credited to the CIES is different from council tax and NNDR income calculated for the year in accordance with statutory requirements		7,536	0	0	0	0	0	0	7,536	(7,536)	0
Adjustment involving the Accumulated Absences Account:											0
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		0	0	0	0	0	0	0	0	0	0
Adjustments between accounting basis and funding basis under regulations		136,017	0	0	68,350	5,131	0	(9,762)	199,736	(199,735)	0
Net increase / (decrease) in year		(27,481)	3,979	0	649	5,131	0	(9,762)	(27,486)	29,216	1,729
Transfer to/(from) earmarked reserves	9	27,481	0	(27,481)	0	0	0	0	0	0	0
(Decrease) / Increase in Year		0	3,979	(27,481)	649	5,131	0	(9,762)	(27,486)	29,216	1,729
Balance as at 31 March 2025		15,081	14,558	56,081	11,294	31,518	1,998	93,474	224,004	1,321,985	1,545,989

Note 9 Transfers to / from Earmarked Reserves

This note sets out the amounts set aside from the General Fund and SPA balances in Earmarked Reserves to provide financing for future expenditure plans and the amounts posted back from Earmarked Reserves to meet General Fund and SPA expenditure in 2024/25.

		Balance at 31 March 2022	In year Expenditure	Reserve movements	New Reserves Raised	Balance at 31 March 2023	In year Expenditure	Reserve movements	New Reserves Raised	Balance at 31 March 2024
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Capital - Community Infrastructure Levy		24,699	(16,487)	0	8,600	16,812	(17,735)	0	10,336	9,413
Revenue implications of capital	(a)	3,569	0	(3,569)	0	0	0	0	0	0
Total Capital Reserves		28,268	(16,487)	(3,569)	8,600	16,812	(17,735)	0	10,336	9,413
Public Health	(b)	1,603	(785)	0	0	818	(944)	0	466	340
Dedicated Schools Grant		9,711	0	0	1,064	10,775	(3,901)	0	1,431	8,305
Special Parking Account		1,311	0	0	0	1,311	0	0	0	1,311
Earmarked Revenue Grants		5,503	(3,802)	(34)	2,322	3,990	(1,183)	(70)	1,673	4,410
Brent Cross Designated Area S31		13,449	0	(7,449)	0	6,000	0	(6,000)	0	0
Insurance		2,768	0	0	0	2,768	(345)	0	0	2,423
Council tax and NNDR smoothing		2,822	(5,531)	0	3,801	1,091	(1,823)	0	4,340	3,607
Ring-Fenced Service Specific Revenue Reserves		1,961	(91)	0	607	2,477	(53)	0	7,989	10,414
Total Ringfenced Reserves		39,128	(10,208)	(7,483)	7,794	29,231	(8,250)	(6,070)	15,899	30,810
Local Welfare Provision		4,084	(3,411)	320	0	993	(993)	0	0	(0)
Service Specific Revenue Reserves		12,776	(6,666)	(790)	9,337	14,657	(7,399)	(5,674)	2,700	4,284
Climate change		1,543	(724)	0	0	818	(98)	0	0	721
Transformation Reserve	(c)	6,177	(1,609)	6,000	0	10,568	(4,488)	(6,080)	0	0
Residents Support Fund		2,369	(768)	0	0	1,601	(167)	0	0	1,434
Financial Resilience Reserve	(d)	32,356	(29,526)	5,522	530	8,882	(24,431)	17,823	7,144	9,419
Total Committed Reserves		59,304	(42,705)	11,052	9,867	37,519	(37,574)	6,070	9,843	15,858
Total Earmarked Reserves	(f)	126,701	(69,400)	0	26,261	83,561	(63,559)	0	36,078	56,081

(a) Public Health: ringfenced reserve to cover future Public Health expenditure.

(b) Transformation Reserve: to meet the one-off costs of transformation in order to achieve service improvement or MTFS related savings.

(c) Financial Resilience: the purpose of this reserve is to set aside funds which can be drawn down purpose as a short-term mitigation for funding losses, economic shocks etc.

Note 10 Other Operating Income and Expenditure

2023/24	Note 10 Other Operating Income and Expenditure	2024/25
£'000		£'000
1,257	Precepts and Levies	1,280
13	Payments to the Government Housing Capital Receipts Pool	(10)
8,198	(Gains)/Losses in the disposal of non-current assets	44,836
9,468	Total	46,106

Note 11 Financing and Investment Income and Expenditure

2023/24	Note 11 Financing and Investment Income and Expenditure	2024/25
£'000		£'000
25,727	Interest Payable and similar charges	48,229
11,603	Net interest on the net defined benefit liability	9,553
(13,880)	Interest receivable and similar income	(19,256)
(12,597)	Income and expenditure in relation to the investment properties and changes in their fair value	(5,399)
0	(Gain) or Loss on disposal of investment properties	0
530	Impairment allowance	365
1,971	Trading operations	2,125
13,354	Total	35,617

Note 12 Taxation and Non-specific Grant Income

2023/24	Note 12 Taxation and Non-specific Grant Income	2024/25
£'000		£'000
(210,250)	Council Tax income	(223,880)
(51,623)	Non-Domestic Rates income and expenditure	(57,435)
(59,939)	Non-specific Government grants*	(74,398)
0	Donated asset	0
(49,743)	Capital grants and contributions	(46,673)
(371,555)	Total	(402,386)

*Please refer to Note 13 Grant Income for a breakdown of non-specific Government grants

Note 13 Grant Income

2023/24	Analysis of Non-ringfenced grant income included in Note 12 Taxation and Non-Specific Grants	2024/25
£'000		£'000
(17,824)	Business Rates Related	(21,859)
(1,249)	Housing Benefit Admin Grant	(1,254)
(565)	Council tax Administration	0
(1,389)	New Homes Bonus	(2,496)
(4,258)	Homelessness Prevention Grant	(4,258)
(19,460)	Adults Social Care Grant	(27,281)
(2,235)	Private Finance Initiative Grant	(2,235)
(2,375)	Services Grant	(410)
(10,583)	Other Grants Non-Specific	(14,606)
(59,939)	Non-ringfenced government grants	(74,399)
(49,743)	Capital Grants and Contributions	(46,673)
(109,682)	Total Non-Specific Grants	(121,072)

2023/24	Analysis of the grant income that has been credited to services in the CIES.	2024/25
£'000		£'000
(18,915)	Public Health Grant	(19,694)
(9,622)	Improved Better Care Fund	(9,622)
(1,340)	Independent Living Grant	0
(5,602)	Asylum Seekers Grant	(5,747)
(269,653)	Dedicated Schools Grant**	(285,018)
(39,452)	Education Related Grants	(46,855)
0	Elections Funding	(2,367)
(174,150)	Housing Benefit Subsidy	(155,357)
(145)	London Crime Prevention Fund	(209)
(35,177)	Other Grants Specific	(25,209)
(174)	Basic Needs	0
(2,883)	Disabled Facilities Grant	(3,146)
(2,158)	Transport for London	(3,340)
(3,473)	School Conditioning	0
(3,418)	Secure Children's Home Programme	(1,946)
0	SAGE HOUSING	(17,665)
0	EFA - Selective School Expansion	(2,111)
0	ODH 300 Acquisitions - LAHF 3	(6,235)
0	SCA - High Needs	(1,675)
(566,163)	Total Specific Grants	(586,196)

* The council has received a number of capital grants and contributions, which stipulate certain conditions. Once the council is satisfied that those conditions are or will be met, the income is recognised within the Comprehensive Income and Expenditure Statement and either applied to finance capital expenditure or transferred to the Capital Grants Unapplied Account via the Movement in Reserves Statement.

**Please refer to Note 14 Dedicated Schools Grant for a more detailed breakdown

Note 14 Dedicated Schools Grant

The council's expenditure on schools is funded primarily by grant monies provided by the Education Funding Agency. The DSG is ring fenced and can only be applied to meet expenditure properly included in the Schools' Budget, as defined in the School Finance and Early Years (England) Regulations 2018.

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

	Restated 2022/23*			2023/24		
Dedicated Schools Grant (DSG) Breakdown	Central Expenditure	Individual Schools' Budget	Total	Central Expenditure	Individual Schools' Budget	Total
	£'000			£'000		
Final DSG before Academy recoupment			398,894			460,451
Academy figure recouped			(146,377)			(172,636)
Total DSG after academy recoupment			252,517			287,815
						0
Plus: Brought forward from prior year			4,870			10,775
Less: Carry-forward to following year agreed in advance			0			0
Agreed initial budget distribution	68,195	189,192	257,387	80,983	217,607	298,590
						0
In-year adjustments		910	910		(191)	(191)
Final budget distribution	68,195	190,102	258,297	80,983	217,416	298,399
						0
Less: Actual central expenditure	(58,484)		(58,484)	(72,569)		(72,569)
Less: Actual ISB deployed to schools		(190,102)	(190,102)		(217,525)	(217,525)
Plus: Local authority contribution						0
Carry-forward from in year grant received	9,711	0	9,711	8,414	(109)	8,305

Note 15 Movement in Property, Plant and Equipment, Heritage Assets, Investment Properties, and Intangible Assets

Valuations

The Principal Valuation Manager, Robert Braham, of the Estates service at Barnet values the council’s freehold property portfolio in accordance with the statements of asset valuation practice and the guidance notes of the Royal Institute of Chartered Surveyors (RICS). The valuation basis for each of the asset categories included in the council’s Balance Sheet is detailed in the accounting policies.

The valuation date for council dwellings was 31 March 2025. Where applicable the valuation date for all other assets due for revaluation in the year was 31 December 2024. This date was used as directed by the valuer, to allow sufficient time to collect and assess valuation information. Any material changes in the market between 31 December 2024 and 31 March 2025 would be picked up during the valuers review process and factored into the valuation reports.

Council dwellings, schools, libraries, shops and the ten highest value assets are valued annually. The remaining assets in other land and buildings and investment properties are valued on a five year cycle. The assets valued annually represent 90% of the assets that can be valued. The assets were revalued on 1 December 2024 and 31 March 2025 RICS Registered Valuers.

Capital Commitments	
At 31 March 2025, the council had entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2024/25 and future years, budgeted to cost £4.421m (£21.228m in 2024/25). This is broken down in the table below:	
Capital Project	Commitments £'000
BXW - Station Construction	1,037
BXW - Rail Systems & Sidings	3,384
Carry-forward of capital commitments	4,421

"BX" refers to projects relating to the Brent Cross Cricklewood Regeneration Scheme

Rolling Revaluation

The Council carries out a rolling programme that ensures that all property, plant, and equipment required to be measured at current value is revalued at least every five years. The Estates valuation team undertook valuations of operational property and investment property. HRA Stock was valued at 31st March 2025 and all Other Land and Buildings as at 31st December 2024. The valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture, and equipment are based on current prices where there is an active second-hand market or latest list prices adjusted for the condition of the asset.

	Council Dwellings	Land & Buildings	Schools	Plant / Vehicles / Equipment	Infrastructure	Community	Surplus	Assets Under Construction	Intangible	Held for Sale	Heritage	Investment Properties	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Held at Historic Cost and Depreciated Historic Cost	0	12,279	0	19,521	201,555	0	0	74,941	20,227	0	390	0	328,913
Different Valuations are applied to different asset classes													
31st March 2025	882,136	285,364	538,564	0	0	11	46,716	0	0	0	188	134,579	1,888,300
31st March 2024	0	60,709	40	0	0	5	2,040	0	0	0	0	0	62,773
31st March 2023	0	2,183	0	0	0	47	0	0	0	0	37	0	2,267
31st March 2022	0	18,043	0	0	0	324	0	0	0	0	0	0	18,367
31st March 2021	0	4,561	0	0	0	70	0	0	0	3,293	1,114	0	9,038
Net Book Value of Asset at 31 March 2025	882,136	383,139	538,604	19,521	201,555	458	48,756	74,940	20,227	3,293	1,730	134,579	2,308,937

	Council House Dwellings	Other Land and Buildings	Schools	Vehicles Plant and Equipment	Community Assets	Surplus assets	Assets under Construction	Total PPE	Heritage Assets	Investment Properties	Intangible Assets*	Held for Sale	Total Assets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation of Assets at 1 April 2023 including opening balance reclassification	862,926	296,509	172,000	67,030	944	87,714	117,225	1,604,348	1,734	175,422	31,586	7,000	1,820,090
Opening Balance Reclassifications	0	57,077	0	0	0	0	0	57,077	0	(57,077)	0	0	0
Cost or Valuation of Assets at 1 April 2023 including opening balance reclassification	862,926	353,586	172,000	67,030	944	87,714	117,225	1,661,425	1,734	118,345	31,586	7,000	1,820,090
Reclassifications	0	74,905	2,970	100	0	66	(78,748)	(707)	46	12	0	0	(649)
Additions	129,793	7,056	10,896	5,804	0	7,756	85,502	246,807	48	712	218	0	247,785
Revaluation increases/ (Decreases) recognised in the Revaluation Reserve	4,736	7,384	353,135	(101)	264	(5,586)	0	359,832	(21)	0	0	0	359,811
Revaluation increases/ (Decreases) recognised in the Surplus/Deficit on the Provision of Service	(123,064)	(24,622)	(2,056)	(1,023)	(25)	11,281	0	(139,509)	0	12,358	0	0	(127,151)
Derecognition - Disposals	(2,655)	(260)	0	(53)	0	(1,237)	0	(4,205)	0	(112)	0	(1,900)	(6,217)
Derecognition - Other	(313)	(106)	(6,869)	(2,332)	0	(17)	(4,713)	(14,350)	0	(137)	0	0	(14,487)
Gross Value of Assets at 31 March 2024	871,423	417,943	530,076	69,425	1,183	99,977	119,266	2,109,293	1,807	131,178	31,804	5,100	2,279,182
Accumulated Depreciation at 1 April 2023	0	4,588	78	47,047	0	0	0	51,713	0	0	16,762	0	68,475
Reclassifications	0	0	0	0	0	0	0	0	0	0	0	0	0
Writeback of depreciation on revaluation recognised in the Revaluation Reserve	(412)	(3,825)	(4,941)	(14)	0	0	0	(9,192)	0	0	0	0	(9,192)
Writeback of depreciation on revaluation recognised in the Surplus/Deficit on the Provision of Service	(12,254)	(2,839)	(1,546)	(146)	0	0	0	(16,785)	0	0	0	0	(16,785)
Derecognition - Disposals	(36)	0	0	(41)	0	0	0	(77)	0	0	0	0	(77)
Derecognition - Other	(6)	(2)	(433)	(1,540)	0	0	0	(1,981)	0	0	0	0	(1,981)
Depreciation charge	12,709	6,511	6,843	2,798	0	0	0	28,861	0	0	2,160	0	31,021
Accumulated Depreciation 31 March 2024	1	4,433	1	48,104	0	0	0	52,539	0	0	18,922	0	71,461
Net Book Value of Asset at 31 March 2023	862,926	291,921	171,922	19,983	944	87,714	117,225	1,552,635	1,734	175,422	14,824	7,000	1,751,615
Net Book Value of Asset at 31 March 2024	871,422	413,510	530,075	21,321	1,183	99,977	119,266	2,056,754	1,807	131,178	12,882	5,100	2,207,721

*Total Assets are £2,386.173m which includes Infrastructure Assets of £178.447m. Please refer to page 95 reconciliation of PPE

	Council House Dwellings	Other Land and Buildings	Schools	Vehicles Plant and Equipment	Community Assets	Surplus assets	Assets under Construction	Total PPE	Heritage Assets	Investment Properties	Intangible Assets*	Held for Sale	Total Assets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation of Assets at 1 April 2024 including opening balance reclassification	871,423	417,943	530,076	69,425	1,183	99,977	119,266	2,109,293	1,807	131,178	31,804	5,100	2,279,184
Opening Balance Reclassifications	17,579	(17,579)	0	0	0	0	0	0	0	0	0	0	0
Cost or Valuation of Assets at 1 April 2024 including opening balance reclassification	889,002	400,364	530,076	69,425	1,183	99,977	119,266	2,109,293	1,807	131,178	31,804	5,100	2,279,184
Reclassifications	21,627	16,148	0	0	(1,810)	0	(43,418)	(7,453)	0	(2,059)	9,387	0	(125)
Transfers	13,970	(1,576)	521	0	1,449	29	(18,264)	(3,871)	0	(44)	0	0	(3,915)
Additions	43,405	6,173	5,857	1,185	544	11,304	45,379	113,847	0	558	150	0	114,555
Revaluation increases/ (Decreases) recognised in the Revaluation Reserve	2,016	8,013	26,700	0	947	2,782	0	40,458	0	0	0	0	40,458
Revaluation increases/ (Decreases) recognised in the Surplus/Deficit on the Provision of Service	(84,394)	(41,784)	(709)	0	(1,855)	(65,185)	0	(193,927)	(77)	5,400	0	0	(188,604)
Derecognition - Disposals	(3,495)	0	(226)	(46)	0	(153)	0	(3,920)	0	(455)	0	(1,807)	(6,182)
Derecognition - Other	0	(6)	(23,616)	0	0	0	(28,023)	(51,645)	0	0	0	0	(51,645)
Gross Value of Assets at 31 March 2025	882,132	387,332	538,603	70,564	458	48,754	74,940	2,002,782	1,730	134,578	41,341	3,293	2,183,726
Accumulated Depreciation at 1 April 2024	0	4,433	1	48,104	0	0	0	52,538	0	0	18,922	0	71,460
Depreciation charge	13,635	10,018	7,623	2,970	0	0	0	34,246	0	0	2,192	0	36,438
Writeback of depreciation on revaluation recognised in the Revaluation Reserve	(412)	(5,404)	(5,983)	0	0	0	0	(11,799)	0	0	0	0	(11,799)
Writeback of depreciation on revaluation recognised in the Surplus/Deficit on the Provision of Service	(13,473)	(4,552)	(1,310)	0	0	0	0	(19,335)	0	0	0	0	(19,335)
Transfers	304	(304)	0	0	0	0	0	0	0	0	0	0	0
Derecognition - Disposals	(54)	0	0	(32)	0	0	0	(86)	0	0	0	0	(86)
Derecognition - Other	0	0	(330)	0	0	0	0	(330)	0	0	0	0	(330)
Accumulated Depreciation 31 March 2025	0	4,191	0	51,042	0	0	0	55,234	0	0	21,114	0	76,348
Net Book Value of Asset at 31 March 2024	889,001	395,931	530,075	21,321	1,183	99,977	119,266	2,056,754	1,807	131,178	12,882	5,100	2,207,721
Net Book Value of Asset at 31 March 2025	882,131	383,141	538,603	19,521	458	48,757	74,940	1,947,550	1,730	134,579	20,227	3,293	2,107,380

*Total Assets are £2,308.937m which includes Infrastructure Assets of £201.556m. Please refer to page 93 reconciliation of PPE.

**RoU assets totalling £121.791m are not included in the value above and are shown separately on the BS. Total Assets including RoU assets are £2,430.727m. Please refer to Note 31 for RoU assets movement.

Highways Infrastructure Assets

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

The London Borough of Barnet 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.

We have also utilised the provisions granted under The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 SI 1232/2022 which allows for the derecognition of replaced elements of infrastructure assets to be assumed to be at nil value and confirms that prior year adjustments are not required in relation to this matter. This means that the figures presented below represent the spend and depreciation calculated for this asset class, but due the information deficits, may not accurately reflect the true value of these assets.

Movements on balances

	2023/24	2024/25
NBV (modified historical costs)	£'000	£'000
At 1 April	161,095	178,447
Additions	24,853	28,046
Derecognitions	0	0
Reclassifications	648	125
Depreciation	(8,149)	(8,977)
Impairment	0	0
Other movements in cost	0	3,915
NBV At 31 March	178,447	201,556

Reconciliation of Property, Plant and Equipment

The below table reconciles the individual disclosure notes to the total property, plant, and equipment balance on the face of the balance sheet.

	2023/24	2024/25
Infrastructure assets	178,447	201,556
Other PPE assets	2,056,758	1,947,550
Total PPE assets	2,235,205	2,149,106

A breakdown on intangible assets is given in the following table.

Description	Net Book Value as at 31-Mar-25 £'000
Asset Register Project	28
Colindale office EcoPilot	87
Children's Services Care Management Controcc (E Financial)	49
CS Early Intervention System	44
CSG - Project management – Verto work collaboration	98
CSG Estates	59
CSG Software	210
Drupal	827
End point software	444
Exor Asset Management System	760
Info Mngmt Data Software 1920	1,022
Integra Enhancement	21
Mosaic (Adults Care Management System)	4,686
My account - one digital	1,117
Office 365	802
Sharepoint	477
Urban analytics data platform	108
Oracle	9,387
TOTAL Per Note 15	20,227

Note 16 Investment Property

The following items of income and expenses have been accounted for in the CIES under Financing and Investment Income and Expenditure and disclosed in Note 11:

	2023/24	2024/25
Investment Properties	£'000	£'000
Rental income from investment property	(489)	(454)
Direct operating expenses arising from investment property	0	0
Net Gain	(489)	(454)

Investment Property Movements

Investment properties are those that are held solely to earn rental income and/or for capital appreciation. The definition is not met if the Council has any Social, Strategic or Operational interest in the asset of it is held for sale. Movements in the fair value of investment properties are detailed in Note 15 (Movement in Property, Plant and Equipment, Heritage Assets, Investment Properties, and Intangible Assets).

Gains or losses arising from changes in the fair value of investment property are recognised in Surplus or Deficit on the Provision of Services under Financing and Investment Income and Expenditure line and included in Note 11 to the CIES.

All investment properties are valued using level 2 observable inputs.

Highest and Best Use of Investment Properties

The highest and best use of the properties is used in estimating the fair value of the council's investment properties.

Valuation Techniques

There has been no change in the valuation techniques used during the year for investment properties. Valuation techniques used to measure the fair value for Investment properties involve using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

Note 17 Financial Instruments

Income, Expenses, Gains and Losses:

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

	2023/24				2024/25			
	Financial Liabilities measured at amortised cost	Financial Assets measured at amortised cost	Financial Assets measured at fair value through profit or loss	Total	Financial Liabilities measured at amortised cost	Financial Assets measured at amortised cost	Financial Assets measured at fair value through profit or loss	Total
	£'000				£'000			
Interest expense	(25,727)	0	0	(25,727)	(48,229)	0	0	(48,229)
Total expense in Surplus or Deficit on the Provision of Services	(25,727)	0	0	(25,727)	(48,229)	0	0	(48,229)
Interest income	0	8,218	5,662	13,880	0	6,718	12,537	19,256
Total income in Surplus or Deficit on the Provision of Services	0	8,218	5,662	13,880	0	6,718	12,537	19,256
Net (Loss)/Gain for the Year	(25,727)	8,218	5,662	(11,847)	(48,229)	6,718	12,537	(28,973)

The following categories of financial instruments are carried in the Balance Sheet:

	Long-term £'000		Current £'000	
	31-Mar-24	31-Mar-25	31-Mar-24	31-Mar-25
Investments:	£'000	£'000	£'000	£'000
Fair value through profit or loss	0	0	0	0
Amortised costs	17,607	7,137	55,982	10,473
Total Investments	0	7,137	55,982	10,473
Debtors:				
Amortised costs	246,848	300,229	280,909	278,911
Total included in Debtors	246,848	300,229	280,981	278,911
Cash and cash equivalents:				
Fair value through profit or loss	0	0	57,750	41,573
Total cash and cash equivalents*	0	0	57,750	41,573
Borrowing:				
Financial liabilities at amortised cost	1,056,994	1,116,294	2,492	40,621
Total included in Borrowing	1,056,994	1,116,294	2,492	40,621
Other Long-term Liabilities:				
PFI and finance lease liabilities carried at amortised cost	10,904	9,748	1,020	1,156
Total Other Long-term Liabilities	10,904	9,748	1,020	1,156
Creditors:				
Financial liabilities at amortised cost	0	0	219,746	211,389
Total Creditors	0	0	219,746	211,389

Fair Values of Financial Instruments

For each class of financial asset and financial liability carried at amortised cost, the council is required to disclose the fair value of that class of asset and liability in such a way that a comparison with the carrying amount is possible.

The council's loan investments (other than money market funds) are carried in the Balance Sheet at amortised cost or fair value through the comprehensive income and expenditure statement. The short-term element is made up of treasury investments made to help manage cashflow and liquidity while managing risk. These include government bonds (gilts) from the UK government, and money market fund investments under cash and cash equivalents (they can be realised daily at cost) as fair value through profit and loss. The longer-term element comprises of service investments made by the Council, which have the aim of helping to meet service delivery outcomes. These include a loan to a wholly owned subsidiary of the council, and two loans to organisations within the community, the provision of which deliver benefits to Barnet through supporting the borrowers.

The portion of debt and investments due to be settled within 12 months of the Balance Sheet date are presented in the Balance Sheet under short-term liabilities or short-term investments. This also includes accrued interest for long term investments and borrowings, as well as accrued interest for cash and cash equivalents.

The fair value of assets and liabilities held at amortised cost are disclosed for comparison purposes.

The fair value of an instrument 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 valuation basis adopted for assets carried at fair value uses Level 2 inputs – i.e. inputs other than quoted prices that are observable for the financial asset/liability. These have been independently measured and provided by the council's treasury advisor, Link Asset Services. There has been no change in the valuation method used during the year for Financial Instruments.

The following valuation basis has been used:

- Valuation of fixed term deposits (maturity investments): The valuation is made by comparing the fixed term investment with a comparable investment with the same/similar lender for the remaining period of the deposit.
- Valuation of loans receivable: For loans receivable, prevailing benchmark market rates have been used to provide the fair value.
- Valuation of PWLB loans: For loans from the PWLB, fair value estimates using new borrowing (certainty rate) discount rates have been used.
- Valuation of non-PWLB loans payable: For non-PWLB loans, Link Asset Services have provided fair value estimates using prevailing market rates.

The purpose of the fair value disclosure is primarily to provide a comparison with the carrying value in the Balance Sheet. Since this will include accrued interest as at the Balance Sheet date, accrued interest is included in the fair value calculation.

The rates quoted in this valuation were obtained by Link Asset Services from the market on 31 March 2025 (prior year 31 March 2024), using bid prices where applicable.

The fair value of a financial instrument on initial recognition is generally the transaction price. The council's debt outstanding at 31 March 2025 consisted of loans from PWLB, market loans and interest free loans for specific environmental projects. The council has a continuing ability to borrow at concessionary rates from the PWLB. A supplementary measure of the additional interest that the council will pay as a result of its PWLB commitments for fixed rate loans is to compare the terms of these loans with the new borrowing rates available from the PWLB. If a value is calculated on this basis, the carrying amount of £1.155 million would be valued at £915.975 million, as recognised in the table below as part of 'Borrowing held at amortised cost'.

The council can repay PWLB loans early if it chooses to but this is subject to being charged premia on the loans. Given, there is a significant proportion of new borrowing that makes up the portfolio and that this is at relatively similar rates to those available at 31 March 2025, these loans will be charged a premium on early redemption. Older loans taken when rates were significantly lower attract a discount to repay sooner, however if the council were to seek to repay these loans to the PWLB because of this discount, it would also need to factor in the cost of refinancing at higher rates into the decision. The fair value of the PWLB loans using the premature redemption rate method of calculation is £993.687m.

The council also has long-term market loans totalling £22.500m as at 31 March 2025. Using a similar methodology as PWLB loans the fair values are £16.285m using new borrowing rates (the basis used in the table below) or £23.734m based on premature repayment. As the council does not intend to repay debt prior to maturity, it will not incur penalty costs associated with premature repayment.

The council's investment portfolio at the Balance Sheet date consisted entirely of UK government issued gilts and Money Market Fund (MMF) investments. In the case of short-term instruments, the council deems the carrying amount to be a reasonable approximation of the fair value.

Financial Liabilities				
	31-Mar-24		31-Mar-25	
	Carrying amount	Fair value	Carrying amount	Fair value
	£'000		£'000	
Borrowing held at amortised cost	1,056,358	846,652	1,155,700	915,975
PFI lease liabilities	11,925	11,925	10,905	10,905
Trade creditors	103,370	103,370	(31,978)	(31,978)
Total	1,171,653	961,947	1,134,627	894,902

Financial Assets				
	31-Mar-24		31-Mar-25	
	Carrying amount	Fair value	Carrying amount	Fair value
	£'000		£'000	
Long term debtors	247,378	238,461	300,229	296,838
Cash and cash equivalents	57,594	57,614	41,575	41,575
Short term investments	55,982	56,023	10,473	10,473
Long term investments	17,607	17,645	7,137	7,137
Trade debtors	117,515	117,515	106,066	106,066
Total	496,076	487,258	465,480	462,088

Except for the council's service investments, the fair values of financial assets are identical to the carrying values as the maturities are mainly short-term and interest rates are low. The service investments include a loan relating to the development of residential properties, for which a 0.62% provision has been made, and a loan to a community organisation, for which a 0.05% provision has been made. A second loan agreed in 2023/24 to a property developer to build within Barnet has also had an expected credit loss provision made at 4.67%.

The fair value for financial assets and financial liabilities in the table above is measured as Level 2 inputs (other significant observable inputs).

Notes Relating to the Balance Sheet

Note 18 Debtors

	31-Mar-24	31-Mar-25
	£'000	£'000
Trade receivables Outstanding	127,387	117,923
Less impairment allowance	(9,944)	(11,856)
Net Trade receivables	117,443	106,066
Local Taxation receivables Outstanding	59,907	60,358
Less impairment allowance	(32,683)	(31,810)
Net Local Taxation receivables	27,223	28,548
Other receivables amount Outstanding	90,866	110,435
Less impairments	(40,159)	(31,692)
Net Other receivables amount	50,707	78,743
Central Government Receivables	57,665	39,504
Prepayments	27,871	26,049
TOTAL	280,909	278,911

Breakdown of non-impaired Local Taxation Debtors		
2023/24		2024/25
3,807	Due in less than three months	6,198
1,314	Three to six months	4,263
1,834	Six months to one year	8,281
20,269	More than one year	9,805
27,223		28,548

Note 19 Cash and Cash Equivalents

Cash and Cash Equivalents	31-Mar-24	31-Mar-25
	£'000	
Cash	(2,192)	(6,213)
Short-term deposits - money market funds	45,410	47,790
Short-term deposits – term deposits	14,533	0
Total	57,750	41,573

*Restated - see Balance sheet restated Note 6.

Note 20 Creditors

	31-Mar-24	31-Mar-25
	£'000	£'000
Trade Payables	(103,370)	(31,978)
Other Payables	(116,377)	(179,411)
Total	(219,746)	(211,389)

Creditors	31-Mar-24	31-Mar-25
	£'000	£'000
Public Sector		
HMRC-PAYE	(2,840)	(2,690)
Central Government Bodies	(10,542)	(19,971)
Other Public Sector Creditor	(23,016)	(47,265)
NHS	(13,575)	(8,428)
LBB Pension Fund	(4,457)	(6,830)
Sub-Total Public Sector	(54,430)	(85,184)
Non-Public Sector		
Other Non-Public sector Creditor	(94,818)	(73,914)
HRA	(23,298)	(9,271)
Council Tax	(15,725)	(16,977)
NNDR	0	(788)
Receipts in Advances	(31,476)	(25,263)
Sub-Total Non-Public Sector	(165,317)	(126,204)
Total	(219,746)	(211,389)

Note 21 Provisions

	Note	As at 31 March 2023	In year related payments	Written back in year	In year increase	New provisions raised	As at 31 March 2024	In year related payments	Written back in year	In year increase	New provisions raised	As at 31 March 2025
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Insurance	i)	6,297	0	0	0	0	6,297	0	0	0	0	6,297
Service Related	ii)	6,149	0	(6,149)	0	0	0	0	0	0	2,970	2,970
Business Rates Appeals	iii)	2,912	0	0	1,718	0	4,631	(1,491)	0	0	0	3,140
Total		15,358	0	(6,149)	1,718	0	10,928	(1,491)	0	0	2,970	12,407
	Short Term	6,149				Short Term	0				Short Term	725
	Long term	9,209				Long term	10,928				Long term	11,681

Insurance Provision

This provision is for liabilities that have occurred but where the timing of the payment is dependent upon the claim settlement process. The Provision reflects 100% of the council's ultimate projected liabilities.

It covers all historic legal liability claims including personal accident, risk to employees whilst carrying out their duties, public and other liability claims, the losses from the inability of contractors to fulfil obligations, fire and all other past claims under the policy excess which have not been settled to date.

The council's insurance provision is based on an assessment as at 31 March 2023 of the potential financial impact of outstanding insurance claims, by independent actuaries, Arthur J. Gallagher Insurance Brokers Limited (an Insurance, Risk Management & Consulting Company); in line with national actuarial guidelines. The next assessment will occur in 2025/26.

Service Related

These are made up of provisions for estimated staff redundancy costs, highways licenses section 38 deposits and estates rents deposits.

Business Rates Appeals

The Business Rates Provision relates to backdated and future Business Rate appeals. The total business rates appeals provision is based on the success rate of settled appeals and withdrawn appeals for income generated up to 31 March 2025. The table above is the council's share of the total appeals provision.

Note 22 Unusable Reserves

Revaluation Reserve

The Revaluation Reserve contains the gains made by the council arising from increases in the value of its Property, Plant and Equipment and Heritage Assets. The reserve was created on 1 April 2007. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost;
- Used in the provision of services and the gains are consumed through depreciation; or
- Disposed of and the gains are realised.

Pension Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in the Comprehensive Income and Expenditure Statement. This will include the benefits earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. The debit balance on the Pensions Reserve shows a substantial shortfall in the benefits earned by past and current employees and the resources the council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction, or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The account is credited with the amounts set aside by the council as financing for the costs of acquisition, construction, and enhancement. The account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the council.

	Revaluation Reserve	Capital Adjustment Account	Financial Instruments Adjustment Account	Collection Fund Adjustment Account	Pension Reserve	Accumulating Absences Adjustment Account	Deferred Capital Receipts	Total Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2023	179,226	952,492	(510)	4,692	(248,832)	(7,052)	54,207	934,223	1,257,191
Movement in unusable reserves during 2023/24									
Surplus / (Deficit) on provision of services	0	0	0	0	0	0	0	0	(133,169)
Other Comprehensive Income and Expenditure	369,005	0	0	0	51,233	0	0	420,238	420,238
Total Comprehensive Income and Expenditure	369,005	0	0	0	51,233	0	0	420,238	287,069
Adjustments involving the Capital Adjustment Account:									
Reversal of items debited or credited to the CIES									
Charges for depreciation, impairment, and revaluation losses	(4,663)	(155,601)	0	0	0	0	0	(160,264)	0
Movements in the Market value of Investment Properties	0	12,101	0	0	0	0	0	12,101	0
Amortisation of Intangible assets	0	(2,160)	0	0	0	0	0	(2,160)	0
Capital Grants and contributions applied	0	40,869	0	0	0	0	0	40,869	0
Disposals and Derecognition	(1,610)	(16,786)	0	0	0	0	0	(18,396)	0
Revenue Expenditure Funded from Capital Under Statute	0	(21,391)	0	0	0	0	0	(21,391)	0
Inclusion of items not debited or credited to the CIES									
Statutory provision for the financing of capital investment	0	12,689	0	0	0	0	0	12,689	0
Capital expenditure charged against the General Fund and HRA balances	0	14,969	0	0	0	0	0	14,969	0
Adjustments involving the Capital Grants Unapplied Account:									
Application of grants to capital financing transferred to the Capital Adjustment Account	0	36,142	0	0	0	0	0	36,142	0
Adjustments involving the Capital Receipts Reserve:									
Use of the Capital Receipts Reserve to finance new capital expenditure	0	27,949	0	0	0	0	0	27,949	0
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0	0	0	0	0	0
Adjustments involving the Deferred Capital Receipts Reserve:									
Deferred sale proceeds credited as part of the gain/loss on disposal to the CIES	0	0	0	0	0	0	(325)	(325)	0
Adjustments involving the Major Repairs Reserve (MRR):									
Use of the Major Repairs Reserve to finance new capital expenditure	0	12,703	0	0	0	0	0	12,703	0
Adjustments involving the Financial Instruments Adjustment Account:									
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	0	0	6	0	0	0	0	6	0
Adjustments involving the Pension Reserve:									0
Reversal of items relating to retirement benefits debited or credited to the CIES	0	0	0	0	(42,011)	0	0	(42,011)	0
Employer's pension contributions and direct payments to pensioners payable in the year	0	0	0	0	39,624	0	0	39,624	0
Adjustments involving the Collection Fund Adjustment Account:									
Amount by which council tax and NNDR income credited to the CIES is different from council tax and NNDR income calculated for the year in accordance with statutory requirements	0	0	0	(10,976)	0	0	0	(10,976)	0
Adjustment involving the Accumulated Absences Account:									
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	0	0	0	0	0	(3,223)	0	(3,223)	0
Adjustments between accounting basis and funding basis under regulations	(6,273)	(38,514)	6	(10,976)	(2,387)	(3,223)	(325)	(61,964)	0
Net increase / (decrease) in year	362,732	(38,514)	6	(10,976)	48,847	(3,223)	(325)	358,548	287,068
Transfer to/(from) earmarked reserves									
(Decrease) /Increase in Year	362,732	(38,514)	6	(10,976)	48,847	(3,223)	(325)	358,548	287,068
Balance as at 31 March 2024	541,958	913,978	(504)	(6,284)	(199,986)	(10,275)	53,882	1,292,769	1,544,258

	Revaluation Reserve	Capital Adjustment Account	Financial Instruments Adjustment Account	Collection Fund Adjustment Account	Pension Reserve	Accumulating Absences Adjustment Account	Deferred Capital Receipts	Total Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2024	541,958	913,978	(504)	(6,284)	(199,986)	(10,275)	53,882	1,292,769	1,544,258
Movement in unusable reserves during 2023/24									
Surplus / (Deficit) on provision of services	0	0	0	0	0	0	0	0	(227,222)
Other Comprehensive Income and Expenditure	52,258	0	0	0	176,693	0	0	228,951	228,951
Total Comprehensive Income and Expenditure	52,258	0	0	0	176,693	0	0	228,951	1,729
Adjustments involving the Capital Adjustment Account:								0	0
Reversal of items debited or credited to the CIES									
Charges for depreciation, impairment and revaluation losses	(4,917)	(251,885)	0	0	0	0	0	(256,802)	0
Movements in the Market value of Investment Properties	0	4,945	0	0	0	0	0	4,945	0
Amortisation of Intangible assets	0	(2,192)	0	0	0	0	0	(2,192)	0
Capital Grants and contributions applied	0	42,850	0	0	0	0	0	42,850	0
Movement in donated assets account	0	19,521	0	0	0	0	0	19,521	0
Disposals and Derecognition	(47,305)	(9,651)	0	0	0	0	0	(56,956)	0
Revenue Expenditure Funded From Capital Under Statute	0	(49,178)	0	0	0	0	0	(49,178)	0
Inclusion of items not debited or credited to the CIES									
Statutory provision for the financing of capital investment	0	45,534	0	0	0	0	0	45,534	0
Capital expenditure charged against the General Fund and HRA balances	0	16,266	0	0	0	0	0	16,266	0
Adjustments involving the Capital Grants Unapplied Account:									
Application of grants to capital financing transferred to the Capital Adjustment Account	0	30,182	0	0	0	0	0	30,182	0
Adjustments involving the Capital Receipts Reserve:									0
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES	0	0	0	0	0	0	0	0	0
Use of the Capital Receipts Reserve to finance new capital expenditure	0	7,306	0	0	0	0	0	7,306	0
Adjustments involving the Deferred Capital Receipts Reserve:									
Deferred sale proceeds credited as part of the gain/loss on disposal to the CIES	0	0	0	0	0	0	(313)	(313)	0
Adjustments involving the Major Repairs Reserve (MRR):									
Reversal of HRA depreciation charged to the Major Repairs Reserve	0	0	0	0	0	0	0	0	0
Use of the Major Repairs Reserve to finance new capital expenditure	0	13,635	0	0	0	0	0	13,635	0
Adjustments involving the Financial Instruments Adjustment Account:									
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	0	0	0	0	0	0	0	0	0
Adjustments involving the Pension Reserve:									
Reversal of items relating to retirement benefits debited or credited to the CIES	0	0	0	0	(38,678)	0	0	(38,678)	0
Employer's pension contributions and direct payments to pensioners payable in the year	0	0	0	0	31,681	0	0	31,681	0
Adjustments involving the Collection Fund Adjustment Account:									
Amount by which council tax and NNDR income credited to the CIES is different from council tax and NNDR income calculated for the year in accordance with statutory requirements	0	0	0	(7,536)	0	0	0	(7,536)	0
Adjustment involving the Accumulated Absences Account:									
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	0	0	0	0	0	0	0	0	0
Adjustments between accounting basis and funding basis under regulations	(52,222)	(132,667)	0	(7,536)	(6,997)	0	(313)	(199,735)	0
Net increase / (decrease) in year	36	(132,667)	0	(7,536)	169,696	0	(313)	29,216	1,730
Transfer to/(from) earmarked reserves	0	0	0	0	0	0	0	0	0
(Decrease) /Increase in Year	36	(132,667)	0	(7,536)	169,696	0	(313)	29,216	1,730
Balance as at 31 March 2025	541,992	781,314	(505)	(13,820)	(30,290)	(10,275)	53,569	1,321,985	1,545,989

Notes Relating to the Cash Flow Statement

Note 23 Operating Activities

2023/24	Operating activities within the cash flow statement include the following cash flows relating to interest	2024/25
£'000		£'000
(13,880)	Interest received	(19,256)
25,727	Interest paid	48,229
11,847	Net Interest	28,973

	Net Cash Flows from Operating Activities	
2023/24	Adjust net Deficit on the Provision of Services for non-cash movements	2024/25
£'000		£'000
37,010	Depreciation	81,769
107,407	Impairment and downward valuations	175,034
2,066	Amortisation	2,192
5,255	Increase/decrease in Creditors	(6,580)
(71,656)	Increase/decrease in Debtors	15,464
9	Increase/decrease in Inventories	6
2,387	Movement in Pension Liability	6,997
(42,339)	Value of non-current assets disposed or derecognised	(44,873)
(19,721)	Other non-cash items charged to the net Surplus or Deficit on the Provision of Services	7,206
20,418	Net Cash Flows from Operating Activities	237,214

2023/24	Adjustment for items included in the net (Surplus)/Deficit on the Provision of Services that are investing or financing activities	2024/25
0	Proceeds from short and long-term investments	0
(10,198)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(12,113)
(59,800)	Capital Grants & Contributions	(46,673)
(129)	Capital Receipts	(10)
0	Any other item of which the cash effects are investing or financing cashflow (capital grants)	0
(70,126)	Sub-Total	(58,796)

Note 24 Financing and Investing Activities

2023/24	Cash Flows Arising from Financing Activities	2024/25
£'000		£'000
368,479	Cash receipts of short and long-term borrowing	97,429
900	Cash payments for the reduction of outstanding liabilities relating to finance leases and on Balance Sheet PFI Contracts	(4,989)
(1,218)	Repayment of short and long-term borrowing	(1,178)
(20,981)	Other payments for financing activities	(5,341)
347,180	Net Cash Flows from Financing Activities	85,921

2023/24	Cash Flows Arising from Investing Activities	2024/25
£'000		£'000
(272,638)	Property, Plant and Equipment, intangible and investment properties purchased	(114,555)
12,607	Purchase of short term and long-term investments	10,470
(20,000)	Loans to Saracens & Open Door Homes	(8,004)
0	Other payments for Investing Activities	0
10,198	Proceeds from sale of Property Plant and Equipment, Investment Property and Intangible Assets	12,113
59,800	Capital Grants & Contributions	46,673
129	Capital Receipts	10
0	Other Receipts from Investing Activities	0
(209,905)	Total Cash Flows from Investing Activities	(53,294)

Note 24a Reconciliation of Liabilities Arising from Financing Activities

	31-Mar-23	Financing Cash Flows	Non Cash Changes	31-Mar-24
	£'000	£'000	£'000	£'000
Long Term Borrowings	688,437	368,556	0	1,056,994
Short Term Borrowings	2,570	(78)	0	2,492
Lease Liabilities	17,581	(3,618)	0	13,963
On Balance sheet PFI liabilities	12,824	(900)	0	11,924
Banks Overdrafts	0	0	0	0
TOTAL	721,412	363,960	0	1,085,373

	31-Mar-24	Financing Cash Flows	Non Cash Changes	31-Mar-25
	£'000	£'000	£'000	£'000
Long Term Borrowings	1,056,994	59,300	0	1,116,294
Short Term Borrowings	2,492	38,129	0	40,621
Lease Liabilities	13,963	(6,009)	0	7,954
On Balance sheet PFI liabilities	11,924	(1,020)	0	10,905
Banks Overdrafts	0	0	0	0
TOTAL	1,085,373	90,400	0	1,175,774

Other Notes

Note 25 Pooled Budgets

The council has aligned and pooled budget arrangements with NCL Integrated Care Board (ICB). The arrangements are for the provision of the following:

- Community equipment services.
- Learning disability services.
- To support people with learning disabilities who have been living in long stay NHS accommodation to be re-settled to live within the local community.
- To develop an approach to commissioning preventative services to reduce duplication, maximise outcomes and improve health and social care outcomes for service users.
- To reduce duplication, maximise outcomes and improve health and social care outcomes for service users of speech and language therapy, occupational therapy and looked after children.
- Continued delivery of services in the Better Care Fund plan under the existing integrated health and social care section 75 agreement.

Where funding and expenditure are not shown separately in the following tables it is because all funding has been expensed. Surpluses or deficits are absorbed by the party to which they are attributable.

2023/24	Pooled Budgets	2024/25
£'000		£'000
(30,508)	London Borough of Barnet	(34,767)
(24,193)	NCL Integrated Care Board	(26,510)
(54,701)	Total Funding	(61,277)
30,894	London Borough of Barnet	33,303
25,680	NCL Integrated Care Board	26,037
56,574	Total Expenditure	59,341
1,873	Net deficit arising on pooled budget in year	(1,937)
461	Council share of (surplus)/ deficit on the pooled budget	(1,649)

Section 75 Agreement for in respect of the Better Care Fund

From April 1st 2015 the council entered into an aligned budget arrangement with the ICB for the Better Care Fund. The fund is used for the continued delivery of services in the Better Care Fund plan under existing integrated health and social care section 75 agreement. A summary of the BCF is as follows:

2023/24	Total Better Care Funding and Spend	2024/25
£'000		£'000
26,125	London Borough of Barnet	28,757
17,386	NCL Integrated Care Board	16,437
43,511	Total Funding	45,194

Note 26 Member's Allowances

2023/24	Member's Allowance	2024/25
£'000		£'000
969	Members' Allowances	1,001
969	Total	1,001

Note 27 Officer's Remuneration

The number of employees who received taxable remuneration in excess of £50,000, excluding employer's pension contributions for the year and excluding employees in senior employee table (including teachers) was:

2023/24 Total Number of employees	Remuneration band	2024/25 Total Number of employees
280	£50,000 - £54,999	444
240	£55,000 - £59,999	285
170	£60,000 - £64,999	195
124	£65,000 - £69,999	155
41	£70,000 - £74,999	60
39	£75,000 - £79,999	58
39	£80,000 - £84,999	42
21	£85,000 - £89,999	38
34	£90,000 - £94,999	23
13	£95,000 - £99,999	31
10	£100,000 - £104,999	15
10	£105,000 - £109,999	5
6	£110,000 - £114,999	8
7	£115,000 - £119,999	8
2	£120,000 - £124,999	7
1	£125,000 - £129,999	3
3	£130,000 - £134,999	4
1	£135,000 - £139,999	1
2	£140,000 - £144,999	1
1	£145,000 - £149,999	1
2	>£150,000	0
1,046		1,384

Senior officers are defined as all those whose remuneration (including employer's pension contributions) is £150,000 or above and includes the following statutory posts:

- Head of Paid Service
- Director of Children's Services
- Director of Adult Social Services,
- Chief Education Officer
- Monitoring Officer and Section 151 Officer, and
- Any officer who reports directly to the Head of Paid Service whose salary is more than £150,000.

The following table includes the names of individuals whose annual equivalent salary exceeds £150,000:

2024/25 Post Title and Name	Note	Salary	Expenses / Allowances	Compensation for loss of office	Pension Contributions	Total Remuneration
		£	£		£	£
Chief Executive (Head of Paid Service) - John Hooton	i, x	53,171	0	0	12,034	65,205
Chief Executive (Head of Paid Service) - Cath Shaw	ii, x	171,418	0	0	34,969	206,388
Deputy Chief Executive - Cath Shaw	ii	29,992	0	0	6,118	36,110
Executive Director of Children and Young People - Chris Munday	iii	131,158	5,111	98,497	27,799	262,564
Executive Director of Communities, Adults and Health - Dawn Wakeling	iv	172,405	6,718	0	36,541	215,664
Executive Director Strategy & Innovation - Deborah Hinde	iv	147,376	15,084	0	33,142	195,601
Executive Director Growth - Naisha Polaine	v	39,570	0	0	8,072	47,642
Executive Director Environment - Craig Miller	vi	123,835	215	0	25,262	149,312
Executive Director of Strategy & Resources (S151) - Anisa Darr	vii, x	72,341	0	0	14,758	87,099
Interim Executive Director of Strategy & Resources (S151) - Kevin Bartle	viii, x	154,349	0	0	0	154,349
Executive Director of Assurance - Clair Green		162,450	0	0	33,140	195,589
Chief Legal Advisor and Monitoring Officer- Jessica Farmer	ix	87,000	0	0	0	87,000
Director of Highways and Transportation – Ian Edser		130,836	41,698	0	31,548	204,082

(i) & (ii) John Hooton left his role at the council in June 2024 and Cath Shaw took up the post of Chief Executive.

(iii) Chris Munday left his role at the council in January 2025.

(iv) Deborah Hinde moved from Transformation Director to Executive Director Strategy & Innovation in June 2024.

(v) Naisha Polaine took up the role of Executive Director of Growth in January 2025.

(vi) Craig Miller took up the role of Executive Director of Environment in June 2024.

(vii) & (viii) Kevin Bartle left his role as the Interim Executive Director of Strategy & Resources (S151) in January 2025, and the role was resumed by Anisa Darr. Ms Darr was on maternity leave for part of 2024/25.

(ix) Jessica Farmer has been the Monitoring Officer from 1st January 2020. She provides services to Barnet via a secondment agreement with London Borough of Harrow.

(x) The net costs to the council for John Hooton, Cath Shaw, Kevin Bartle and Anisa Darr are offset by a total £55,471.27 recharge to the Pension Fund.

2023/24 Post Title and Name	Note	Salary	Expenses / Allowances	Compensation for loss of office	Pension Contributions	Total Remuneration
		£	£		£	£
Chief Executive (Head of Paid Service) - John Hooton	iv	212,685	-	-	60,403	273,088
Deputy Chief Executive - Cath Shaw		179,951	-	-	51,106	231,057
Executive Director of Children and Young People - Chris Munday		168,200	6,554	-	49,630	224,385
Executive Director of Communities, Adults and Health - Dawn Wakeling		168,200	6,554	-	49,630	224,385
Executive Director of Strategy & Resources (S151) - Anisa Darr	ii, v	143,690	5,473	-	42,362	191,524
Interim Executive Director of Resources (S151) - Kevin Bartle	iii	23,361	-	-	-	23,361
Director of Public Health & Prevention - Tamara Djuretic		127,793	-	64,419	32,664	224,877
Executive Director of Assurance - Clair Green		147,212	-	-	41,808	189,020
Chief Legal Advisor and Monitoring Officer- Jessica Farmer	i	87,000	-	-	-	87,000
Director of Transformation - Deborah Hinde		130,018	26,004	-	44,310	200,332
Director of Highways and Transportation – Ian Edser		127,718	40,804	-	42,849	211,371

(i) Jessica Farmer has been the Monitoring Officer from 1st January 2020. She provides services to Barnet via a secondment agreement with London Borough of Harrow.

(ii) Anisa Darr is the substantive post holder for the Executive Director of Strategy & Resources post and is the Section 151 Officer. Ms Darr was on maternity leave for part of 2023/24.

(iii) Kevin Bartle is the Interim Executive Director of Resources (S151) covering Anisa Darr's absence.

(iv) The net cost to the council for John Hooton is £258,028 due to a recharge to the Pension Fund for oversight and administration.

(v) The net cost to the council for Anisa Darr is £159,465 due to a recharge to the Pension Fund for oversight and administration.

The number of exit packages, with total cost per band, is set out in the table below:

Pay Band	*Exit Packages by:			
	2023/24		2022/23	
	Number	£'000	Number	£'000
£nil to £20,000	58	503	30	207
£20,001 - £40,000	9	285	6	173
£40,001 - £60,000	9	483	4	206
£60,001 - £80,000	1	62	4	265
£80,001 - £100,000	5	532	2	205
More than £150,000	0	0	0	0
Total	82	1,865	46	1,055

*These include "pension strain" costs which are payable to the Pension Fund.

All exit packages included in the table above are compulsory and include pension fund strain costs. The total number of exit packages agreed in 2024/25 has increased by 36 compared to 2023/24.

Note 28 External Audit Fees

Grant Thornton LLP are the council's external auditors, appointed by the Public Sector Audit Appointments Ltd (PSAA). The amounts payable by the council to Grant Thornton for external audit services are as follows:

2023/24	Audit Fee Breakdown	2024/25
£'000		£'000
459	Fees payable for external audit services for the year*	512
10	Fees payable for certification of grant claims and returns and other services provided	0
469	Total*	512

*2024/25 audit fees are subject to change for any additional fees agreed with external auditors. The fee for 2024/25 is £512k.

** BDO were the auditors up until 31/3/2023. The audits of prior years may not be completed by BDO in which case fee adjustments are likely to be made.

Note 29 Related Parties

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 council.

Central Government

Central government has significant influence over the general operations of the council, it is responsible for providing the statutory framework within which the council operates, provides most 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 etc). Grant income received during 2024/25 is shown in note 13.

Other Local Authorities

The council has a number of significant transactions with other local authorities and local health authorities, and these include:

- Pooled Budgets with Clinical Commissioning Group (CCG) are disclosed in note 25.
- Barnet children being placed in schools in neighbouring authorities.

The council is the administering authority for the pension fund. In 2024/25 the council's employer's contributions were £24.8m (£23.9m in 2023/24) and the council charged £0.891m for its administration (£0.924m in 2023/24).

Member Allowances and Interest in Voluntary Organisations

Members of the council have direct control over the council's financial and operating policies. The total of members' allowances paid in 2023/24 is shown in note 26. In addition, members may participate in other public bodies and community groups. The council has well established mechanisms and procedures for preventing undue influence which includes the register of members' interests.

Every year members complete a declaration of their related party transactions. In 2024/25 £0.164m was paid to voluntary groups/charities and academy schools where 27 members were on the governing bodies. In 2023/24 the council paid a total of £3.8m to voluntary groups/charities and academy schools in which 25 members held a position on their governing bodies.

Senior Officers and Member's Interests in Companies

Senior Officers also declare their related party transactions. During the financial year 2023/24, five officers were company directors or board members (five in 2024/25) and three members acted as a company director on behalf of the council. In addition, one Senior Officer is a board member of the Peabody Housing Trust. The council has nomination rights for housing within this organisation. One Senior Officer is a trustee of YouthZone.

The council requires all Members and Senior Officers to complete a related party declaration form. In 2024/25, returns were received for 9 out of 14 Senior Officers (3 officers left in 2024/25) and 58 out of 62 Members.

Interests in Companies and Group Relationships

The London Borough of Barnet has six subsidiaries:

- The Barnet Group Ltd
- Barnet (Holdings) Ltd
- BX Holdings Ltd
- Hill Green Homes Ltd
- Cricklewood Regeneration Ltd
- Barnet Education and Learning Services Ltd

The council also has interest and partnerships in the following organisations:

- BXS Limited Partnership
- Inglis Consortium

The Barnet Group

The London Borough of Barnet owns 100% of the share capital of The Barnet Group Ltd. Two Members of the council are on the board. The Barnet Group has five subsidiaries, Barnet Homes Limited, Your Choice (Barnet), TBG Flex Limited, TBG Open Door Limited and Bumblebee Lettings Ltd. The Barnet Group Ltd is the sole member and guarantor of Barnet Homes Ltd, a company limited by guarantee. 100% of the shares of the other four subsidiaries are held by the Barnet Group.

The London Borough of Barnet contracts with The Barnet Group Ltd for Adult Social Care Services, Housing Management Services and Homelessness Services. The Barnet Group Ltd then contracts with Your Choice Barnet for Adult Social Care and with Barnet Homes for Housing Management Services and Homelessness Services. As a result, the Barnet Group receives a management fee from the council. The Barnet Group

also invoices the council for ad hoc services and capital works carried out on behalf of the council by Barnet Homes Ltd. The following transactions happened between the council and The Barnet Group (TBG):

	2023/24	2024/25
	£'000	£'000
Expenditure by the council paid to TBG*	259,924	247,533
Income received from TBG	(25,902)	20,417
Amount owed to TBG	(11,375)	(38,365)
Amount TBG owes the council excluding loans to Open Door Ltd detailed below.	2,743	31,790

Open Door Ltd and the council have agreed a loan arrangement of £72m to be drawn down over several years, which had previously been £65m but the facility has been extended. There has been £5m drawn down in-year, with a total of £66.64m drawn down so far, including £2.3m of interest that was accrued as at 31st March 25. In 2024/25, there is a total of £87.5m drawn down against the £170m loan facility to finance the 500 acquisitions programme and £3m which was drawn down in-year for the 300 acquisitions programme. In 2024/25 the council did not transfer any Right to Buy receipts and other grants to Open Door Ltd.

In addition, there is also a £45m financing facility that relates to the transfer of properties from the council to Open Door limited. Of this, the full £45m was owed prior to 2024/25.

Expected credit loss applied on the loan to Open Door Ltd is based on 12-month historical default probabilities of similar loans for BB rated entities in the year to 31 December 2024 as provided by Link, the council's treasury advisors, considering circumstances specific to the loan and the arrangements. A total Expected Credit Loss of £3.391m has been made in 2024/25 (£1.685m in 2023/24).

Barnet (Holdings) LTD

The London Borough of Barnet owns 100% of the share capital of Barnet (Holdings) Ltd, which owned 49% of the share capital in Regional Enterprise Ltd (RE Ltd) with Capita plc. In October 2023, Capita bought Barnet Holdings Ltd shares in RE thereby ending the joint venture.

BX Holdings LTD and Hill Green Homes

The council owns 100% of the shares of BX Holdings and Hill Green Homes Ltd. One Senior Officer is a director of BX Holdings Ltd. Neither subsidiary traded in 2024/25. In 2018/19 the council advanced £5.0m to BX Holding Ltd to facilitate the purchase Cricklewood Regeneration Ltd. at 31st March 2019 and this remains repayable to the council as at 31 March 2025.

Cricklewood Regeneration LTD

In 2019/20, the council and BX Holding Ltd jointly acquired Cricklewood Regeneration Ltd. The Council and BX Holding Ltd each own 50% of the equity Shares in Cricklewood Regeneration Ltd. Accordingly as the Parent body, the council has full control over Cricklewood Regeneration Ltd.

BXS Limited Partnership

The Council own 50% of the Brent Cross South Limited Partnership.

Inglis Consortium

The council has a 13.9% share in the Inglis Consortium which is a joint venture with VSM Estated Ltd and Annington Property Ltd. No members or senior officers were on the board during 2024/25. There were no receipts received in 24/25 from Inglis Consortium.

Note 30 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the council that has yet to be financed.

Capital Expenditure and Funding Sources	2023/24	2024/25
	£'000	£'000
Opening Capital Financing Requirement	927,002	1,106,918
IFRS 16 Right of Use Assets	0	160,336
Capital Investment		
Property plant and equipment	271,660	141,893
Investment properties	712	558
Intangible assets	218	150
Heritage assets	48	0
Revenue expenditure funded from capital under statute	21,391	49,178
Long term debtor treated as capital	31,211	54,197
Source of finance		
Capital receipts	(27,949)	(7,306)
Government grants and other contributions	(77,012)	(73,032)
Sums set aside from reserves	(27,672)	(29,901)
MRP	(12,689)	(14,223)
MRP RoU Assets	0	(38,386)
Donated assets applied RoU Assets	0	(19,521)
VRP (Voluntary Revenue Provision) drawdown	0	7,074
Closing Capital Financing Requirement	1,106,918	1,337,936
Explanation of movement in year		
Increase in underlying need to borrow (unsupported by government financial assistance)	195,277	230,402
Assets acquired under PFI contracts	615	637
Increase in Capital Financing Requirement	195,892	231,039

Note 31 Leases

The council does not own all the property, vehicles, and other equipment that it uses. The items it does not own are held under operating leases. In 2024/25 the council applied the new IFRS 16 accounting standard, which resulted in some property that the council leases in to be recognised as an asset on the balance sheet and outstanding lease payments to be recognised as liabilities.

Value of RoU assets held under leases by the authority	2024/25
	£'000
Balance at 1 April 2024	115,920
Additions	44,416
Depreciation and amortisation	(38,545)
Balance at 31 March 2025	121,791

The authority incurred the following expenses and cash flows in relation to leases:

Expenses and cash flows in relation to leases	2024/25
	£'000
Comprehensive income and expenditure statement	
Interest expense on lease liabilities	6,009
Expense relating to short-term leases	0
Expense relating to exempt leases of low-value items	0
Cashflow statement	
Total cash outflow for leases	6,009

Maturity Analysis

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments):

Value of RoU assets held under leases by the authority	31-Mar-25
	£'000
Less than one year	0
One to five years	100,363
More than five years	12,396
Total undiscounted liabilities	112,759

This table shows the income related to assets leased out by the council over the follow time bands.

	Property leased out
	£'000
Future Operating Lease Payments 31 March 2024:	
less than one year	(3,429)
one to five years	(10,856)
greater than five years*	(34,509)
Total	(48,794)
Future Operating Lease Payments 31 March 2025:	
less than one year	(3,598)
one to five years	(11,010)
greater than five years	(35,592)
Total	(50,200)

Note 32 Private Finance Initiatives (PFI) and Similar Contracts

In April 2006 the council entered into a PFI contract to provide street lighting. This consisted of a Core Investment Programme (CIP) for five years followed by a post CIP operating period of 20 years. The 25-year contract will expire in 2031.

	31-Mar-24	In-Year	31-Mar-25
	£'000	£'000	£'000
PFI Street Lights			
Gross book value	30,306	637	30,943
Accumulated depreciation	(19,875)	(1,594)	(21,470)
Net	10,431	(957)	9,474

Below is the movement in the lease liability for the PFI arrangement:

	31-Mar-23	In-Year	31-Mar-24	In-Year	31-Mar-25
	£'000	£'000	£'000	£'000	£'000
PFI Street Lights:					
Total lease liability	12,825	(900)	11,925	(1,020)	10,905
Breakdown of Liability in:					
Short-Term Creditors	900		1,020		1,156
Long-Term Leases	11,925		10,905		9,749

	Repayment of Liability	Interest	Service Charges	Other Charges	Total
	£'000	£'000	£'000	£'000	£'000
2024/25	1,156	1,466	2,160	3,090	7,872
2025/26 -2027/28	2,751	2,448	7,117	6,924	19,240
2028/29-2030/31	6,797	2,055	7,792	7,667	24,311
2031/2032	201	27	226	117	571
Total Commitments	10,905	5,996	17,295	17,798	51,994

If the assumptions around inflation were to vary by 2% it would result in a c£1.0m increase/decrease in payments over the life of the arrangement.

Note 33 Termination Benefits

The council terminated the contracts of a number of employees in 2024/25, incurring unreduced early retirement benefits of £0.242m (2023/24: £0.044m), of which £0.242m (2023/24: £0.044m) was payable to the employees and there was no effect on the pension strain. All other termination payments are included in note 27 [Officers' Remuneration].

Note 34 Pension Schemes Accounted for as Defined Contribution Schemes

Teachers employed by the council are members of the Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE). 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.

The scheme is a multi-employer defined benefit scheme. The scheme is unfunded, and the Department for Education uses a notional fund as the basis for calculating the employer's contribution rate paid by local authorities. Valuations of the notional fund are undertaken every four years.

The scheme has in excess of 3,700 participating employers and consequently the council is not able to identify its share of the underlying financial position and performance of the scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2024/25, the council paid £33,111m to Teachers' Pensions in respect of teachers' retirement benefits, representing 28.68% of pensionable pay. The amount paid in 2023/24 was £26,652m, representing 23.68% of pensionable pay. Estimated Employer Contributions for 2025/26 are £33,662m, representing 28.68% includes employer contribution increase of 3%.

Note 35 Pension Schemes Accounted for as Defined Benefit Schemes

Participation in Pension Schemes

As part of the terms and conditions of officer employment, 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 payments (for those benefits) and disclose them at the time that employees earn their future entitlement.

Transactions relating to Post-Employment Benefits

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

Breakdown of Transactions in Core Financial Statements	2023/24	2024/25
Transactions Included in the CIES	£'000	£'000
Cost of services:		
Current service cost	30,359	30,180
Past service cost	49	510
Settlements & Curtailments	0	(1,565)
Financing and Investment Income and Expenditure:		
Net interest expense	11,603	9,553
Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services	42,011	38,678
Post-employment Benefits charged to Other Comprehensive Income and Expenditure Statement		
Remeasurement of the net defined liability comprising:		
Return on plan assets (excluding the amount included in the net interest expense)	34,880	1,502
Actuarial (gains) / losses arising from changes in demographic assumptions	5,644	1,874
Actuarial (gains) / losses arising from changes in financial assumptions or other experience	10,709	173,317
Total Post-Employment Benefits Charged to Other Comprehensive Income and Expenditure	51,233	176,693
Total charged to the CIES	93,244	215,371
Transactions Includes in the MIRS		
Adjustments between accounting basis and funding basis under regulations:		
Reversal of net charges made to the Surplus or Deficit on the Provision of Services	42,011	38,678
Actual amount charged against the General Fund Balance for pensions:		
Employers' contributions payable to the scheme	(39,264)	(31,681)
Pension Assets and Liabilities recognised in the Balance Sheet		
Present value of the defined benefit obligation	(1,051,916)	(917,783)
Fair value of plan assets	870,941	904,046
Net Liability	(180,975)	(13,737)
Present value of the unfunded obligation	(19,011)	(16,553)
Net Liability in Balance Sheet	(199,986)	(30,290)

The net liability shows the long-term underlying commitments the council has to pay retirement benefits. The total net deficit of £30,290m (2023/24: £199,986m) including the liability for the LGPS unfunded scheme substantially impacts the council's net worth, as recorded in the Balance Sheet.

However, the financial position remains healthy, with arrangements for funding the net pension liabilities, governed by statute as follows:

- The required contribution from the council, taking into consideration projected investment returns, are re-assessed by the scheme actuary on a prudent funding basis every three years.
- The liability on the unfunded LGPS scheme will be paid by the council as pensions are paid.

The net liability calculated on an 'ongoing funding basis that take into account the prudently estimated future investment returns is considerably lower at £175.519m (excluding unfunded obligations) as at 31 March 2019, the most recent triennial actuarial valuation. This is because of the different actuarial assumptions used to determine the council's required contribution rates.

Reconciliation of Scheme Assets and Benefit Obligations

	2023/24	2024/25
	£'000	£'000
Opening Fair Value of Scheme Assets	798,837	870,941
Interest income	37,928	41,527
Return on assets, excluding the amount included in the net interest expense	34,880	1,502
Contributions by the council including in respect of unfunded benefits	38,093	30,108
Contributions by scheme participants	9,141	9,962
Effects of settlement	0	(2,881)
Estimated benefit paid including unfunded benefits	(47,938)	(47,113)
Effects of business combinations and disposals	0	0
Closing Fair Value of Scheme Assets	870,941	904,046

Reconciliation of the Present Value of the Scheme Liabilities (Defined Benefit Obligation)

	2023/24	2024/25
	£'000	£'000
Opening Defined Benefit Obligation	(1,047,669)	(1,070,927)
Current service cost	(30,359)	(30,180)
Interest cost	(49,531)	(51,080)
Effects of settlement	0	0
Remeasurement gains and losses:		
Actuarial gains and losses arising from changes in Demographic assumptions	5,644	1,874
Actuarial gains and losses arising from changes in financial assumptions	10,709	173,317
Other Experience gains and losses	0	0
Estimated funded benefit paid	47,938	47,113
Past service costs, including curtailments	(49)	(510)
Contributions by scheme participants	(9,141)	(9,962)
Unfunded pension payments	1,531	1,573
Effects of business combinations and disposals	0	4,446
Closing Defined Benefit Obligation	(1,070,927)	(934,336)

Scheme Asset

The Local Government Pension Scheme invests in a wide range of funds managed by external investment managers. The details of all mandates as at 31st March 2025 and 2024 are shown in the table below. Further details are contained in the pension fund's annual report and accounts:

Asset Class / Investment Manager	Holdings as at 31 March 2024		Holdings as at 31 March 2025	
	%	£'000	%	£'000
Equity	31.3%	272,862	32.3%	292,021
LGIM - Global equities on basis of fundamental factors (sales, cashflow, book value, dividends)	6.7%	58,461	7.0%	63,018
LGIM ESG tilted global market	14.3%	124,299	8.9%	80,050
Adam Street - Private Equity	3.5%	30,173	3.5%	31,896
Adam Street – Secondaries	1.3%	11,585	2.1%	19,396
LCIV Sustainable Equity Exclusion	2.8%	24,388	2.8%	25,362
LCIV Emerging market equities	2.8%	23,956	2.7%	24,185
LCIV PEPPA	0.0%	0	5.3%	48,115
Corporate Bonds	28.7%	250,112	27.7%	250,825
Schroders All Maturities Corporate Bond Fund	0.0%	0	0.0%	0
LCIV Global Bond Fund	14.5%	126,258	14.7%	132,473
LCIV Long Duration Buy and Maintain Credit Fund	14.2%	123,854	13.1%	118,353
Liquid Multi-Asset Credit	12.9%	112,741	13.4%	120,920
Alcentra - Clareant Global Multi Credit	0.0%	0	0.0%	0
Baring Global High Yield Credit Strategies	2.6%	23,043	2.7%	24,626
Insight - IIFIG Secured Finance	6.2%	54,013	6.4%	58,053
LCIV MAC	4.1%	35,685	4.2%	38,241
Illiquid Alternatives	15.3%	133,112	15.3%	138,332
Partners Multi Asset Credit 2015	0.2%	1,475	0.0%	37
Partners Multi Asset Credit 2017	0.4%	3,709	0.2%	1,798
Partners Multi Asset Credit 2019	1.4%	12,444	0.9%	7,768
Partners Group Multi-Asset Credit	0.6%	5,054	0.0%	0
Alcentra - Clareant Direct European Lending	6.3%	54,464	0.4%	3,791
IFM Global Infrastructure	1.4%	12,041	6.3%	56,705
LCIV Renewables Infrastructure	2.9%	24,911	1.6%	14,780
LCIV Private debt	2.2%	19,014	2.9%	26,549
Barings Special Situation Credit	0.0%	0	2.1%	19,055
LCIV Nature Based Solutions Fund	0.0%	0	0.9%	7,849
Property	4.9%	42,701	5.0%	44,932
Aberdeen Long Lease Property	1.5%	12,924	1.5%	13,405
CBRE Property	1.8%	15,926	1.7%	15,685
Fiera Real Estate	1.6%	13,850	1.8%	15,842
Long Term Cash	3.4%	29,302	2.6%	23,314
Allianz Trade Finance	1.7%	14,630	1.1%	10,255
Pemberton Trade Finance	1.7%	14,672	1.4%	13,060
Cash	3.5%	30,111	3.7%	33,700
Total	100%	870,941	100%	904,046

Basis for Estimating Assets and Liabilities

To assess the value of the employer's liability at 31 March 2025, the council's actuary (Hymans Robertson LLP) rolled forward the value of the employer's liabilities calculated for the funding valuation as at 31 March 2024, using the financial assumptions that comply with IAS 19.

Mortality Assumptions

The significant assumptions used by the actuary in its calculation for the Local Government Pension Scheme are summarised below:

Assumed Life Expectancy	Gender	2023/24	2024/25
		Years	Years
Retiring Today	Male	21.3	21.3
	Female	24.1	24.1
Retiring in 20 Years	Male	22.4	22.2
	Female	25.7	25.7

Financial Assumptions

Assumptions	2023/24	2024/25
	% p.a.	% p.a.
Rate of increase in salaries	3.8	3.8
Rate of increase in pensions	2.8	2.8
Rate for discounting scheme liabilities	4.80	5.80

As at the date of the most recent valuation, the duration of the Employer's funded liabilities is 16 years.

Sensitivity Analysis

The estimate of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. Sensitivity analysis has been undertaken, based on reasonably possible changes of assumptions occurring at the end of the reporting period. This assumes, for each change, that the assumption analysed changes, whilst all other assumptions remain constant. In practice changes in some of the assumptions may be inter-related. The estimation in the sensitivity analysis has followed the accounting policies for the scheme. The method and types of assumption used in preparing the sensitivity analysis below have not changed from those reported in the prior financial year.

Impact on the Defined Benefit Obligation in the Scheme (£'000)	Increase in Assumption	Decrease in Assumption
Longevity (increase or decrease of 1 year)	28,030 to 46,717	(28,030) to (46,717)
Rate of inflation in salaries (increase or decrease by 0.5%)	373	(373)
Rate of inflation in pensions (increase or decrease by 0.5%)	14,799	(14,799)
Rate for discounting scheme liabilities (increase or decrease by 0.5%)	(14,672)	14,672

The variable whose sensitivity has the greatest impact is changes in the discount rate. Long term interest rates have declined over the last decade (and longer) and are the major cause of the significant net liabilities.

The Barnet Pension Fund Committee models the range of future outcomes when setting investment strategy and seeks the lowest volatility consistent with the required future investment return. There is no explicit liability hedging in place.

Impact on the Council's Cashflows

Contributions payable by the council are assessed by the scheme actuary every three years. The Actuary is required to emphasise solvency and cost-efficiency but also seeks to ensure stability of contributions by limiting the extend of changes from year to year for employers. A Triennial valuation was undertaken in March 2019 with the aim of setting employer pension contribution rates for the period 1 April 2020 to 31 March 2023 with the aim of restoring full funding within 20 years.

The total amount of employer contributions expected to be paid to the LGPS in financial year 2025/26 is £29.9m.

Note 36 Contingent Liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events that are not wholly within the council's control.

- North London Business Park- Dilapidations - The council successfully agreed to break its lease on North London Business Park in 20/21. There is a possibility that Middlesex University (MU) (our former landlord) will claim dilapidations from the council. Building 2 at NLBP has a potential new tenant taking majority of the space and this letting does have a positive impact for the council on the dilapidations. The landlord can claim void period and the claim can be minimised if they are going to be letting the space without any works taking place. Charges could be levied by the head landlord (Comer) on Middlesex Uni (our landlord) and then potentially passed through to us. Currently the claim is at £3m down from £3.6m and could potentially reduce. The likelihood that this risk will materialise is reducing but currently we can't be sure when (as well as if) the liability will arise. Negotiations are still on going and MU's surveyors are waiting to hear back from Comer's surveyors, and we are a long way from having to deal with a claim.

Note 36b Contingent Assets

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the council's control.

- Colindale Office defects - Commercial claim for the reimbursement of survey, consultancy and legal costs related to the identification and management of latent defects in the Colindale Office. Financial impact c.£1.5m. The claim is robust, and likelihood of recovery is high. However, mediation, arbitration or court action may require a compromise to reach a settlement.
- Oakleigh Road Depot - A legal dispute with Willmott Dixon as a result of defective works at Oakleigh Depot. The claim seeks compensation for any associated losses incurred / unrealised savings during the remediation process. Initial claim was £1.872m, but likely this will be reduced after mediation, and the impact of legal fees. Expected asset is currently in the region of £1.5m. The outcome may be impacted by the contractor's financial ability to pay the agreed value.

Note 37 Nature and Extent of Risks Arising from Financial Instruments

Financial Instruments Risk

The council has adopted CIPFA's Code of Practice on Treasury Management (and subsequent amendments) and complies with The Prudential Code for Capital Finance in Local Government.

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

The Treasury Management Strategy Statement (TMSS) includes an Annual Investment Strategy in compliance with the DLUHC guidance on local government investments. This guidance emphasises that priority is to be given, in order, to security, liquidity then yield. The council's Treasury Management Strategy, together with its Treasury Management Practices are based on seeking the highest rate of return consistent with the proper levels of security while maintaining liquidity. The Council's activities expose it to a variety of financial risks:

- Credit Risk: The possibility that other parties might fail to pay amounts due to the authority.
- Liquidity Risk: The possibility that the council might not have the funds available to meet its commitments to make payments.
- Market Risk: The possibility that financial loss might arise for the authority as a result of changes in such measures as interest rates and stock market movements.

Risk management is carried out by the Treasury team in accordance with policies that are regularly updated covering the risk areas mentioned above.

Credit Risk

Credit risk arises from deposits and loans with banks, financial institutions, corporate borrowers as well as credit exposure to the authority's customers. The Council manages credit risk for short-term deposits that fall into the 'specified' investment category of the TMSS by ensuring that investments are placed with counterparties (banks, other local authorities and AAA-rated money market funds) of sufficiently high credit quality as set out in the Treasury Management Strategy. A limit of £25m is placed on the amount of money that can be invested with a single counterparty (unless otherwise defined in the TMSS, for example there is no limit for investments with the UK government's debt management office) and a minimum long-term credit rating of A- (apart from part nationalised UK banks). The council also sets a total group investment limit for institutions that are part of the same banking group and limits the geographical exposures to the UK and countries whose government debt is rated AA or higher.

In addition to short-term treasury investments (maximum 12 months duration), the council can enter into service investments. Service investments do not have the same treasury management aims of ensuring security of capital, managing liquidity and achieving yield. Service investments are intended to support the achievement of the council's objectives and help meet service outcomes and the risk management framework for these investments is developed and captured within the council's capital strategy.

Outside of the short-term treasury management investment activity, the treasury team has the option to invest in slightly long duration deposits to counterparties described as 'non-specified' within the TMSS. The council's 2024/25 TMSS determines time limits for classes of investments and states a maximum £100m total in non-specified investments.

In 2024/25, all investments except for loans to Saracens (maximum 30 years), TBG Open Door (ODH) (maximum 49 years) and RA BX Plot 1 (maximum 5 years) were placed for less than 365 days. The loans to Saracens, ODH and RA BX Plot 1 are service investments and are not defined within the terms of the TMSS.

Customers for goods and services are assessed, considering their financial position, past experience and other factors. Services are responsible for controlling the issue of credit in line with pre-determined arrangements and adhering to the arrangements for blocked customers.

It must also be noted that although credit ratings remain a key source of information, the council recognises that they have limitations and investment decisions are based on a range of credit indicators. All investments have been made in line with the Council's Treasury Management Strategy for 2023/24, approved by Council on 6 February 2024.

The two tables below summarise the nominal value and credit ratings of the council's investment portfolio at 31 March 2025, and confirms that all investments were made in line with the council's approved credit rating criteria at the time of placing the investment:

Counterparty	Credit Rating Criteria Met When Investment Placed	Credit Rating Criteria Met on 31 March 2024	Balance Invested as at 31 March 2025					
			£'000					
	Yes/No	Yes/No	<=3 months	>3 months and <6 months	>6 months and <12 months	>12 months and <24 months	>24 months	Total
UK Government Bonds (Gilts)	Yes	Yes	6,174	2,185	2,116	2,137	-	12,612
Cash	N/A	N/A	(6,215)	-	-	-	-	(6,215)
Money Market Funds	Yes	Yes	47,790	0	0	0	0	47,790
Total Cash and Cash Equivalents			41,575	0	0	0	0	41,575
Loans to community organisations*	N/A	N/A	0	0	0	0	22,081	22,081
Other Service Investment loans*	N/A	N/A	0	0	0	0	57,403	57,403
Loans to council subsidiary*	N/A	N/A	0	0	0	0	206,492	206,492
Total Corporate Loans			0	0	0	0	285,976	285,976

*Loans to community repaid over 30yrs, Other Service Investment loans repaid over 5yrs, and Loans to Council Subsidiary repaid over 49yrs

The above analysis shows that all deposits outstanding as at 31st March 2025 met the council's credit rating criteria. No investment limits were exceeded during the year, and the council does not anticipate any defaults on its treasury investments. Also included in the table are non-treasury service investments arising from the Council's service delivery activities.

		31-Mar-23		31-Mar-24	
		Current	Non- Current	Current	Non- Current
	Credit Ratings	£'000	£'000	£'000	£'000
Treasury Investments	AAAmf (funds)	45,410	0	47,790	
Treasury Investments	AA-	83,124	0	10,476	2,136
Treasury Investments	AA+	0	0		
Treasury Investments	A	0	0		
Treasury Investments	A-	0	0		
Treasury Investments	BBB+	0	0		
Service Investments	Unrated community organisation	0	21,696		22,081
Service Investments	Unrated corporates	0	11,211		57,403
Service Investments	Wholly owned Subsidiary	0	199,274		206,492
	Total	128,534	232,181	58,266	288,112

The credit ratings in the above table are the lowest of the long-term debt ratings from the three main rating agencies using the Fitch designations.

Statutory Debt

The following analysis summarises the council's balances and transactions arising from statutory functions and shows balances and provisions for bad debts in relation to Council tax and Business Rates:

Council Tax Debtors	Gross Debt £'000	Bad and Doubtful Debts Provision £'000
2023/24 Council Tax Debtors	53,413	(29,307)
2024/25 Council Tax Debtors	54,459	(28,203)

NNDR Debtors	Gross Debt £'000	Bad and Doubtful Debts Provision £'000
2023/24 NNDR Debtors	6,494	(3,376)
2024/25 NNDR Debtors	5,899	(3,608)

Liquidity Risk

The council has a comprehensive cashflow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the council has access to borrowing facilities including the Public Works Loan Board, commercial banks, bond issues, and other local authorities. There is no perceived risk that the council will be unable to raise finance to meet its commitments. The council also must manage the risk that it will not be exposed to replenishing a significant proportion of its borrowing at a time of unfavourable interest rates by setting limits on the proportion of total debt expiring in any five-year period.

The council would only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

The Council manages its investment portfolio to ensure cash is available to meet all liabilities as they fall due for payment. At 31st March 2025, of the £60.402m treasury investments, 96% had a callable maturity of less than 12 months, of which £47.790m was immediately available through redemption from money market funds. The remainder was gilts which are highly liquid due to the active secondary gilt market. The duration of all service and treasury investments is shown in the table above.

The Council undertakes long term projection of its capital programme to ensure that funding is undertaken as efficiently as possible using forecasts of future interest rates.

The maturity analysis of the nominal value of the council's debt including future debt interest payments as at 31 March 2025 was as follows:

Maturity Analysis of Borrowing:	31 March 2025 £'000	% of total debt portfolio	31 March 2024 £'000	% of total debt portfolio
Less than 12 months	40,621	3.51%	96,789	9.18%
Over 1 but not over 5 years	375,031	32.41%	242,116	22.96%
Over 5 but not over 10 years	181,517	15.69%	115,491	10.95%
Over 10 but not over 15 years	73,467	6.35%	73,467	6.97%
Over 15 but not over 20 years	68,794	5.95%	68,794	6.53%
Over 20 but not over 25 years	4,164	0.36%	4,164	0.39%
Over 25 but not over 30 years	34,791	3.01%	34,791	3.30%
Over 30 but not over 35 years	6,723	0.58%	6,723	0.64%
Over 35 but not over 40 years	8,543	0.74%	8,543	0.81%
Over 40 but not over 45 years	100,855	8.72%	100,855	9.57%
Over 45 years	262,554	22.69%	302,554	28.70%
Total Borrowing	1,157,060	100.00%	1,054,287	100.00%

Note: The maturities of PFI borrowing are shown in Note 32

Market Risk

Interest rate risk – the Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise;
- Borrowings at fixed rates – the fair value of the borrowing will fall (no impact on revenue balances);
- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in the Other Comprehensive Income and Expenditure Statement.

The Council has several strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy, a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The treasury team will monitor markets and forecast interest rates within the year to adjust exposures appropriately. For instance, during periods of falling interest rates and where economic

circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long-term returns, similarly the drawing of longer-term fixed rate borrowing would be postponed where possible or replaced with interim short-term borrowing as in 2024-25.

As at 31 March 2025, the debt portfolio (nominal value) consisted of fixed rate PWLB debt of £1.133b, market loans of £22.5m and interest free loans of £1.360m for environmental projects. The market debt includes options that allow the lender to change the rate of interest (and the council to repay with no penalty if an option is exercised), such that these borrowings could be considered variable. Based on prevailing interest rates, it is unlikely that any options will be exercised in the next twelve months. The replacement of short-term debt is also subject to changes in market pricing. The Treasury Management Strategy aims to mitigate interest rate risks by setting an upper limit of 30% 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, of which 36% mature in the next five years. In addition, the debt balances with interest rate options represent 5.92% of the debt portfolio.

Price Risk

The council does not invest in equity shares and therefore is not subject to any price risk (i.e. the risk that the council will suffer loss as a result of adverse movements in the price of financial instruments).

Foreign Exchange Risk

The council has no financial assets or liabilities denominated in foreign currencies and thus had no exposure to loss arising from movements in exchange rates.

Note 38 Group Pension Reserve

The London Borough of Barnet is required to prepare Group Accounts consolidating its subsidiaries where they have a material interest in the subsidiaries. The interest in the subsidiaries is considered material due to the respective pension scheme/reserve of the subsidiaries. As such, the respective single entity Pension Fund position and the consolidated group Pension Fund are highlighted below:

Group Pension Reserve	31 March 2024 £'000	31 March 2025 £'000
London Borough of Barnet	199,986	30,290
The Barnet Group Ltd	4,671	7,543
Total	204,657	37,833

The assumptions used and the detailed breakdown of the London Borough of Barnet Pension Liability of £30,290 can be seen in Note 35.

The Barnet Group Pension Liability

Net Pension Fund Liability as at	31 March 2024 £'000	31 March 2025 £'000
Present Value of Funded Obligation	(101,554)	(89,145)
Fair Value of Scheme Assets	97,359	102,034
Net Liability	(4,195)	12,889
Present Value of Unfunded Obligation	(476)	(441)
Asset Ceiling		(20,005)
Net Liability in Statement of Financial Position	(4,671)	(7,543)

The Barnet Group Pension Assets

Reconciliation of the Movement in Fair Value of Scheme Assets	31 March 2024 £'000	31 March 2025 £'000
Opening Fair Value of Scheme Assets	89,936	97,359
Interest Income	4,255	4,715
Return on Assets	3,912	118
Administration expenses	29	0
Effect of business combination	0	0
Other Actuarial gains/(losses)	0	31
Contributions by employer	2,491	2,533
Contributions by scheme participants	636	656
Estimated benefits paid including unfunded benefits	(3,900)	(3,378)
Fair value of scheme assets at end of period	97,359	102,034

Reconciliation of Present Value of Scheme Liabilities (Defined Benefit Obligation)	31 March 2024 £'000	31 March 2025 £'000
Opening Defined Benefit Obligation	(101,571)	(102,030)
Current service cost	(2,222)	(2,104)
Interest Cost	(4,802)	(4,931)
Remeasurement Gains & Losses:		0
Actuarial gains and losses arising from changes in financial assumptions	5,940	15,708
Actuarial gains and losses arising from changes in demographic assumptions	561	180
Other Experience gains and losses	(3,129)	904
Liabilities extinguished on settlements	0	0
Estimated funded benefit paid	3,871	3,347
Past Service Cost	(71)	(21)
Effect of business combinations	0	0
Contributions by scheme participants	(636)	(656)
Unfunded pension payments	29	31
Closing Defined Benefit Obligation	(102,030)	(89,572)

Note 39 Group Disclosures

This note provides details of the material movements between the Council's accounts and the consolidated Group accounts.

39.1 Property plant and equipment (PPE)

2023/24		2024/25
£'000		£'000
2,235,205	Council PPE	2,149,107
235,802	The Barnet Group PPE	249,055
8,503	Assets transferred to The Barnet Group for £1 in 2018/19	8,503
(172,076)	Write down cost to expected use value of social housing on new dwellings @ 75%	(181,792)
(5,105)	Accounting standard IFRS16 - implemented by TBG; due to be implemented by the council in 2024/25	(5,667)
2,302,330	Consolidated Group	2,219,206

39.2 Intangible Assets

2023/24		2024/25
£'000		£'000
12,882	Council Intangible Assets (Licenses and certificates)	20,227
424	The Barnet Group Intangible Assets (Licenses and certificates)	395
10,000	Land option	10,000
23,306	Consolidated Group	30,622

39.3 Long Term Debtors

2023/24		2024/25
£'000		£'000
246,848	Council Long Term Debtors	300,229
(163,919)	Elimination debtor for loans to ODH	(171,527)
(45,000)	Transfer of properties to ODH for deferred capital Receipts	(45,000)
5,000	£5m long term debtor in Cricklewood	5,000
42,929	Consolidated Group	88,702

39.4 Short Term Debtors

2023/24		2024/25
£'000		£'000
280,981	Council Short Term Debtors	278,911
42,011	The Barnet Group Short Term Debtors	26,798
2,061	BELS Short Term Debtors	3,978
(32,220)	Amount due to parent undertaking by TBG	(1,322)
(1,911)	Amount due to parent undertaking by BELS	(2,856)
(38,365)	Amounts due from parent undertaking by TBG	(12,087)
(1,881)	Amounts due from parent undertaking by BELS	(3,667)
250,675	Consolidated Group	289,756

39.5 Cash and Cash Equivalents

2023/24		2024/25
£'000		£'000
57,594	Council Cash and cash equivalents	41,573
31,499	The Barnet Group Cash and cash equivalents	25,639
3,238	BELS Cash and cash equivalents	2,036
92,331	Consolidated Group	69,248

39.6 Short Term Creditors

2023/24		2024/25
£'000		£'000
(219,746)	Council Short Term Creditors	(211,389)
(68,805)	The Barnet Group Short Term Creditors	(43,293)
(4,804)	BELS Short Term Creditors	(5,603)
38,365	Amount due to parent undertaking by TBG	12,087
1,881	Amount due to parent undertaking by BELS	3,667
35,366	Amounts due from parent undertaking by TBG	1,322
1,911	Amounts due from parent undertaking by BELS	2,856
0	Accounting standard IFRS16 – Finance leases payable in less than one year	0
(215,831)	Consolidated Group	(240,352)

39.7 Pension Scheme

2023/24		2024/25
£'000		£'000
(199,986)	Council Pension Scheme	(30,290)
(4,671)	The Barnet Group Pension Scheme	(7,543)
0	Increase in pension liability in pension assets	0
(204,657)	Consolidated Group	(37,833)

Supplementary Statements and Notes

Housing Revenue Account (HRA)

Income and Expenditure Statement

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with the Code, rather than the amount to be funded from rents and grants. The council charges rents to cover expenditure in accordance with regulations; however, these may be different from the accounting cost. The increase or decrease in the year, on the basis on which rents are raised, is shown in the Movement on the HRA Statement.

2023/24	Income and Expenditure Statement	2024/25
£'000	Expenditure	£'000
10,941	Repairs & Maintenance	15,388
31,377	Supervision & Management	36,882
1,560	Rents, Rates, Taxes, and other charges	736
125,664	Depreciation, impairment, and revaluation losses of non-current assets	87,198
(4)	Debt Management Costs	0
667	Increase/(Decrease) in allowance for bad or doubtful debts	973
170,205	Total Expenditure	141,178
	Income	
(56,279)	Dwelling rents	(64,269)
(1,424)	Non-dwelling rents	(1,310)
(9,703)	Charges for services and facilities	(10,472)
(5,617)	Other	(5,585)
(73,023)	Total Income	(81,636)
97,182	Net Expenditure or Income of HRA Services as included in the whole authority Comprehensive Income and Expenditure Statement	59,541
(3,922)	(Gains)/loss on sale of HRA Fixed Assets	(6,628)
14,078	Interest Payable and Similar Charges	15,145
(4,803)	HRA Interest and Investment Income	(1,593)
(26)	Investment property income	(22)
(16,102)	Movement in Investment Property valuation	5,383
(9,557)	Capital Grants and Contributions	(4,126)
76,850	Deficit for the year on HRA Services	67,701

Movement on HRA Statement

2023/24	Movement on HRA Statement	2024/25
4,120	HRA Balance as at 31 March 2024	10,647
76,850	Surplus/(Deficit) for the Year on HRA Services	67,701
	Adjustments Between Accounting and Funding Basis under Statute:	
(2)	Financial Instrument Adjustment	-
(12,703)	Transfer to Major Repairs Reserve	(13,635)
(3,922)	Gain/(loss) on sale of HRA non-current assets	(6,617)
100,004	Transfer to Capital Adjustment Account	91,286
-	Transfer to/from Capital Receipts Reserve	(11)
-	Transfer to Capital Grants Unapplied Reserve	(2,674)
83,377	Total Adjustments	68,350
6,527	Net increase / (decrease) in year	649
10,647	HRA Balance as at 31 March 2025	11,296

Note 1 Analysis of Housing Stock

Note 1 Analysis of Housing Stock		
At 31st March 2025, the council was responsible for managing a housing stock of 9,797 dwellings, comprising the following types:		
31-Mar-24	Asset Type	31-Mar-25
3,517	Houses	3,564
6,240	Flats	6,233
9,757	Total Stock	9,797

Note 2 Arrears and Bad Debt Provision

Note 2 Arrears and Bad Debt Provision		
31-Mar-24	Category	31-Mar-25
£'000		£'000
5,276	Council House Tenants	6,052
12,956	Leaseholders	13,219
737	Commercial Tenants	548
18,969	Total Arrears	19,819
(2,913)	Bad Debt Provision	(3,361)

Note 3 Balance Sheet Value of HRA Operational Assets

Note 3 Balance Sheet Value of HRA Operational Assets		
31-Mar-24	Asset Type	31-Mar-25
£'000		£'000
943,928	Council Dwellings	882,136
48,179	Other Land and Buildings	27,645
181	Heritage Assets	0
0	Community Assets	5,774
9,396	Investment properties	78,341
10,630	Surplus Assets not held for sale	5,774
1,012,314	Total Value	1,987,792
31-Mar-24		31-Mar-25
£'000		£'000
3,481,631	Value of Vacant Possession	3,358,438

*Vacant Possession value reflects the value in an open market. The Council stock is shown at 25% of MV, as rents are restricted and used for social housing.

Note 4 Impairment Charges and Revaluation Losses

Note 4 Impairment Changes and Revaluation Losses		
2023/234	Asset Type	2024/25
£'000		£'000
112,240	Council Dwellings	72,600
(16,102)	Other Land and Buildings and Investment Properties	5,383
96,138	Total	77,983

Note 5 Depreciation

Note 5 Depreciation		
2023/234	Asset Type	2024/25
£'000		£'000
12,703	Council Dwellings	13,635
722	Other Land and Buildings	963
13,425	Total	14,598

Note 6 Capital Expenditure and Financing

Note 6 Capital Expenditure and Financing		
2023/24	Breakdown	2024/25
£'000		£'000
156,745	Capital Expenditure	78,289
	Sources of Funding	
(12,703)	Major Repairs Reserve (MRR)	(13,635)
(27,620)	Capital Receipts	(1,868)
(116,422)	Other Contributions	(62,786)
(156,745)	Total	(78,289)

Note 7 Capital Receipts from Disposals

Note 7 Capital Receipts from Disposals		
2023/24	Asset Type	2024/25
£'000		£'000
6,052	Council Dwellings	7,447
3,950	Other Land and Buildings	4,428
10,002	Total	11,875

Note 8 Accounting for Pensions in the HRA

As day-to-day housing management is carried out by Barnet Homes Limited, the HRA employs very few staff directly. Therefore, although the HRA is reported in an IFRS basis, no attempt has been made to apportion the pension liability between the General Fund and the HRA.

Collection Fund

Collection Fund Statement

The Collection Fund Account is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the council as billing authority in relation to the collection from taxpayers and distribution to precepting bodies and the Government of Council Tax and Non-Domestic Rates (NDR).

2023/24			Collection Fund Statement	2024/25		
NDR	Council Tax	Total		NDR	Council Tax	Total
£'000			Income	£'000		
0	282,537	282,537	Council Tax	0	300,613	300,613
91,089	0	91,089	Business Rates Receivable	98,119	0	98,119
2,247	0	2,247	Business Rates Supplement	2,421	0	2,421
			Contributions to prior year's deficit			
0	0	0	Central Government	0	0	0
0	2,328	2,328	London Borough of Barnet	0	377	377
0	633	633	Greater London Authority	0	117	117
93,336	285,498	378,835	Sub-Total	100,541	301,107	401,647
			Expenditure			
			Disbursement of prior year's surplus			
7,840	0	7,840	Central Government	2,384	0	2,384
7,128	0	7,128	London Borough of Barnet	2,167	0	2,167
8,791	0	8,791	Greater London Authority	2,673	0	2,673
23,759	0	23,759	Sub-Total	7,223	0	7,223
			Precepts and demands			
31,395	0	31,395	Central Government	34,124	0	34,124
28,541	214,612	243,153	London Borough of Barnet	31,022	229,355	260,377
35,201	66,455	101,656	Greater London Authority	38,261	73,458	111,719
2,241	0	2,241	Crossrail (GLA)	2,415	0	2,415
97,378	281,068	378,445	Sub-Total	105,822	302,813	408,635
			Charges to Collection Fund			
372	0	372	Cost of collection allowance	369	0	369
6	0	6	BRS collection allowance	6	0	6
141	0	141	Interest	121	0	121
804	7,253	8,057	Increase/(decrease) in allowance for bad or doubtful debts	2,206	5,016	7,222
5728	0	5,728	Movement in provision for appeals	(4,971)	0	(4,971)
(5,014)	0	(5,014)	Transitional Protection Payments (received)/payable	(2,111)	0	(2,111)
2,036	7,253	9,292	Sub-Total	(4,381)	5,016	635
29,837	2,823	32,659	(Surplus)/deficit for the year	8,124	6,722	14,846

Surplus on the Collection Fund

The (surplus)/deficit on the collection fund is attributable to the council, Central Government, and the Greater London Authority as follows:

31-Mar-24			(Surplus)/Deficit on the Collection Fund	31-Mar-25		
NDR	Council Tax	Total		NDR	Council Tax	Total
£'000				£'000		
(727)	7,009	6,282		London Borough of Barnet	1,711	12,108
(896)	2,241	1,345	Greater London Authority	2,110	3,865	5,975
(799)	0	(799)	Central Government	1,882	0	1,882
(2,422)	9,250	6,828	Total	5,703	15,973	21,676

Note 1 General

The council is required to maintain a separate agency Collection Fund Account. The Collection Fund account includes all transactions relating to the collection of business rates and council tax from taxpayers and their distribution to other local authorities and central government. This is a separate account from the General Fund account.

Note 2 Council Tax

Council tax derives from charges raised according to the value of residential properties, which are classified into eight valuation bands (A to H). Individual charges are calculated by taking the total income required to be taken from the Collection Fund by the various precepting authorities and dividing this by the council tax base (the equivalent numbers of band D properties).

The council tax at Band D is £1,943.24 for 2024/25. The tax base in Barnet has increased from 153,073 to 155,829.

		2023/24	2024/25
Band	Ratio	Band D Equivalent	Band D Equivalent
A	6/9	1,703	1,704
B	7/9	4,561	4,578
C	8/9	19,953	20,279
D	9/9	33,982	36,017
E	11/9	34,075	34,370
F	13/9	25,753	25,756
G	15/9	24,991	25,054
H	18/9	8,051	8,067
MOD Contribution		4	4
Tax Base		153,073	155,829

Note 3 Business Rates

The council collects business rates for its area on local rateable commercial property values provided by the Valuation Office Agency (VOA), multiplied by the uniform business rates multiplier set nationally by central government.

2023/24	Business Rates	2024/25
299,484,239	Non-domestic rateable value at 31 March	296,098,396
54.6	Business rate multiplier - standard rate	54.6
49.9	Business rate multiplier - small businesses	49.9

Note 4 Collection Fund Surplus/Deficit

The billing authority and preceptors share any council tax and NNDR surpluses or deficits in proportion to the precept requirement or regulatory shares.

Note 5 Business Rates Supplement

A Business Rates Supplement (BRS) is levied by the Greater London Authority on non-domestic properties with a rateable value of £75,000 or more and is subject to certain allowances and exemptions.

The aggregate rateable value of properties liable for the BRS at 31st March 2025 was £165.2m (the equivalent figure at 31st March 2024 being £168.3m). The multiplier has remained at 2.0p / £ since the BRS was introduced.

Pension Fund

Statement of Accounts

2024/25

Auditor's Statement – Pension Fund (to follow)

Main Statements

FUND ACCOUNT

	Notes	2024/25 £000	2023/24 £000
Dealings with members, employers and others directly involved in the fund			
Contributions	6	(72,042)	(81,906)
Transfers in from other pension funds	7	(11,635)	(9,965)
		(83,677)	(91,871)
Benefits	8	77,988	70,929
Payments to and on account of leavers	9	8,184	4,712
		86,172	75,641
Net (additions) from dealings with members		2,495	(16,230)
Management expenses	10	18,405	20,202
Net (additions) / withdrawals including fund management expenses		20,900	3,971
Returns on investments			
Investment income	11	(8,248)	(6,460)
Profit and losses on disposal of investments and changes in the value of investments	13	(85,639)	(166,718)
Net return on investments		(93,887)	(173,178)
Net (increase) / decrease in the net assets available for benefits during the year		(72,987)	(169,207)
Opening net assets of the scheme		1,634,755	1,465,548
Closing net assets of the scheme		1,707,742	1,634,755

Net Assets Statement

		31 March 2025	31 March 2024
	Notes	£000	£000
Investment assets		1,695,807	1,621,810
Long term investments		150	150
Total net investments	13	1,695,957	1,621,960
Current assets	18	23,852	24,928
Current liabilities	19	(12,067)	(12,133)
Net assets of the fund available to fund benefits at the end of the reporting period		1,707,742	1,634,755

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 17.

Notes to the Pension Fund Accounts

1. Description of the Fund

The London Borough of Barnet Pension Fund (the Fund) is part of the Local Government Pension Scheme (LGPS). The Fund is administered by the London Borough of Barnet (LBB) and the Council is the reporting entity for the Fund.

The day-to-day administration of the Fund and the operation of the management arrangements and investment portfolio are delegated to the Executive Director of Strategy and Resources (Section 151 Officer) of the Council.

The following description of the Fund is a summary only. For more detail, reference should be made to the *London Borough of Barnet Pension Fund Annual Report 2024/25* and the underlying statutory powers underpinning the Fund.- [Local Government Pension Scheme | Barnet Council](#)

General

The Fund 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 the LBB Council to provide pensions and other benefits for pensionable employees of the Council and a range of other scheduled and admitted bodies.

A government scheme supplies teachers' pensions and as such they are not provided for under these arrangements.

The Fund's accounts provide information on the financial position, investment performance and risk showing the results of the Council's stewardship in managing the resources entrusted to it. The Fund is overseen by the Pension Fund Committee which is specifically set up as a committee of the London Borough of Barnet Council and has authority under the Council's constitution to approve the Pension Fund Annual Report and Pension Fund Statement of Accounts.

Membership

Membership of the LGPS is, for most employees, compulsory under the auto-enrolment regulations. However, employees, including non-teaching staff in schools, are free to choose whether to remain in the Fund or make their own personal arrangements (except teachers, who have a separate scheme). Organisations participating in the Fund are classed as admitted and scheduled bodies:

- Admitted Bodies – organisations that participate in the Fund under an admission agreement between the Fund and the organisation. Admitted bodies can include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector

- Scheduled Bodies – local authorities, academies, colleges and similar bodies whose staff are automatically entitled to be members of the

Fund

The numbers of members have been extracted from the underlying membership records in the live system as at 31 March 2025, including the comparative figures. An analysis of membership movement in the year is provided in the note below.

The number of employees contributing to the Fund decreased during the year from 9,464 to 9,227 at 31 March 2025. During the same period, the number of pensioners increased from 9,002 to 9,470 and the number of deferred pensioners decreased from 9,903 to 9,785.

	31 March 2025	31 March 2024
Number of employers with active members	103	66
Number of employees in scheme		
London Borough of Barnet	4,032	4,158
Other employers	5,195	5,306
Total	9,227	9,464
Number of pensioners		
London Borough of Barnet	5,914	5,699
Other employers	3,556	3,303
Total	9,470	9,002
Deferred pensioners		
London Borough of Barnet	5,593	5,772
Other employers	4,192	4,131
Total	9,785	9,903
Total number of members in pension scheme	28,482	28,369

NB: Fund members with multiple roles will be included more than once in the table as will contractors with more than one contract.

Funding

The Fund is financed by contributions from employers, employees and the income from the Fund's investments. The funding policy aims to ensure that the assets held by the Fund in the future are adequate to meet accrued liabilities, allowing for future increases in pay and pensions.

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 ended 31 March 2025. Employers also pay contributions, and their rates are set based on triennial actuarial funding valuations. Further details of the last actuarial valuation are given in Note 16.

Benefits

The Fund is operated as a funded, defined benefit occupational pension scheme which provides for the payment of benefits to former employees of LBB and those bodies required to participate or otherwise admitted to the Fund referred to as “members”. The benefits include not only retirement pensions, but also widows’ pensions, death grants and lump sum payments.

2. Basis of preparation

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

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The accounts have been prepared on a going concern basis.

3. Summary of Significant Accounting Policies

3.1 Fund account – revenue recognition

Contribution income

Normal contributions, from the employers, are accounted for on an accruals basis at the percentage rate recommended by the Fund actuary in the payroll period to which they relate. Normal contributions, from the members, is set in accordance with LGPS regulations.

Employer deficit funding contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the Fund actuary or on receipt if earlier than the due date. Where the Actuary has agreed to a pre-payment of deficit contributions, the amount paid is allocated to the year in which it was paid and not apportioned between financial years.

Augmentation contributions are accounted for when the contributions are receivable, which is mainly when the relevant benefits are paid.

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.

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

Investment income

- **Distributions from pooled funds** are recognised at the date of payment. Should there be a timing delay between the date the net asset value is reduced to reflect the distribution and the date of receipt, the income is disclosed in the net assets statement as a current financial asset.
- **Movement in the net market value of investments** are recognised as income and comprise all realised and unrealised profits/losses during the year.

3.2 Fund account – expense items

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.

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. As the London Borough of Barnet is the administering authority of the Fund, VAT input tax is recoverable on all Fund activities.

Members are entitled to request the Pension Fund pays their tax liabilities due in respect of annual allowance in exchange for a reduction in pension. Where the Fund pays members tax liabilities direct to HMRC it is treated as an expense in the year in which the payment occurs.

Management expenses

The Fund discloses its pension fund management expenses in accordance with CIPFA's Accounting for Local Government Pension Scheme Management Expenses (2016).

- All **administrative expenses** are accounted for on an accruals basis. Associated management, accommodation and other overheads are apportioned to this activity, based on estimated time spent, and charged as expenses to the Fund. A proportion of the Council's costs representing management time spent by officers on investment management is also charged to the Fund.
- All **oversight and governance expenses** are accounted for on an accruals basis. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.
- 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. These expenses also include performance fees and expenses incurred by the investee funds.

3.3 Net assets statement

Financial assets

Investment assets are included in the net assets statement on a fair value or cost basis as at the reporting date. Cash held by fund managers, long-term investments, receivables and own cash are at amortised cost. Cash held by money market funds are at fair value through profit and loss. 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. 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). Further details are provided by note 13.

Purchases and sales of investments in foreign currencies have been accounted for at the spot market rate at the date of the transaction. End of year spot market exchange rates are used to value non-sterling denominated investments.

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.

Financial liabilities

The Fund recognises financial liabilities at amortised cost 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.

Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the Fund actuary in accordance with the requirements of IAS 26 and relevant actuarial standards.

Additional voluntary contributions

The Fund provides an additional voluntary contribution (AVC) scheme for its members, the assets of which are invested separately from those of the pension Fund. The Fund has appointed Prudential and Aviva as its AVC providers. 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 20).

3.4 Post Balance Sheet Events

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

3.5 Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Pension Fund a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Net Asset Statement but, if material, are disclosed in a note to the accounts.

4. Critical Judgement

There were no critical judgements made in respect of applying accounting policies in 2023/24.

5. Assumptions made about the Future and Other Major Sources of Estimation Uncertainty

The net pension Fund liability, which is disclosed within note 17 but excluded from the Net Assets Statement, is recalculated every three years by the appointed actuary, with annual updates in the intervening years. The methodology used is in line with accepted guidelines.

This estimate is subject to significant variances based on changes to the underlying assumptions which are agreed with the actuary and have been summarised in Note 16.

These actuarial revaluations are used to set future contribution rates and underpin the Fund's most significant investment management policies, for example in terms of the balance struck between longer term investment growth and short-term yield/return.

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 date and the amounts reported for the revenues and expenses 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 outcomes could differ from the assumptions and estimates.

There is a significant risk of material adjustment in the forthcoming financial year is as follows.

Actuarial present value of promised retirement benefits

Estimation of the net liability to pay pensions, which is disclosed within note 17 but excluded from the Net Assets Statement, 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 expert advice about the assumptions to be applied. Sensitivity analysis and the effects of changes in individual assumptions on the net pension liability are shown in Note 15.

Fair Value of Unquoted Investments

The valuation of unquoted investments in infrastructure, property, private equity and distressed debt are made by the relevant fund manager based on net asset values, in most cases derived from valuations provided by the underlying investee companies. Full details of the valuations of these investments is provided in note 13D. These valuations are based on estimates and judgements that cannot be verified. There may be a timing difference between the date of the valuation information and the date of the Fund's financial statements during which the underlying investment values may have increased or decreased by a material amount. Furthermore, because there is no liquid market for these investments, their values may differ from the values that might be achieved had such a market existed. These differences could be material. Sensitivity analysis is also provided in note 13D. The valuation techniques used by fund managers is reviewed for reasonableness using audited accounts and internal controls reporting when available.

6. Contributions Receivable

By category

	2024/25	2023/24
	£000	£000
Employees' contributions:	(16,047)	(15,427)
Employers' contributions:		
Normal contributions	(50,936)	(59,403)
Deficit recovery contributions	(2,892)	(3,440)
Augmentation contributions	(2,167)	(3,636)
Total employers' contributions	(55,995)	(66,479)
Total contributions receivable	(72,042)	(81,906)

By authority

	2024/25	2023/24
	£000	£000
London Borough of Barnet	(40,970)	(55,460)
Scheduled bodies	(28,795)	(24,336)
Admitted bodies	(2,277)	(2,110)
Total contributions receivable	(72,042)	(81,906)

The contributions shown in the table above for the London Borough of Barnet, included the following employer contributions from wholly owned subsidiaries of the Council:

Barnet Homes	£2.077 million (2023/24: £2.084 million)
Your Choice	£0.155 million (2023/24: £0.396 million)
Barnet Education & Learning Services	£0.640 million (2023/24: £0.516 million)

7. Transfers in from other Pension Funds

	2024/25	2023/24
	£000	£000
Group transfers	-	-
Individual transfers	(11,635)	(9,965)
Total transfers in from other Pension Funds	(11,635)	(9,965)

8. Benefits Payable
By category

	2024/25	2023/24
	£000	£000
Pensions	63,891	59,199
Commutation and lump sum retirement benefits	11,705	10,376
Lump sum death benefits	2,392	1,354
Total benefits payable	77,988	70,929

By authority

	2024/25	2023/24
	£000	£000
London Borough of Barnet	46,683	50,383
Scheduled bodies	23,478	15,498
Admitted bodies	7,827	5,048
Total benefits payable	77,988	70,929

9. *Payments to and on Account of Leavers*

	2024/25	2023/24
	£000	£000
Refunds to members leaving service	294	342
Individual transfers	7,891	4,370
Total payments to and on account of leavers	8,184	4,712

10. *Management Expenses*

	2024/25	2023/24
	£000	£000
Administrative costs	1,881	906
Investment management expenses	15,153	18,422
Oversight and governance costs	1,371	874
Total management expenses	18,405	20,202

Administration costs represent charges from the third-party pension administrator and LBB staff costs relating to pension administration. Oversight and governance costs include staff cost recharges from LB Barnet, actuarial fees, investment advisory fees and audit fees. A more detailed discussion of investment costs is provided in the annual report, including details of savings achieved through pooling. Other than for LGIM and Schroders Funds, all fees are deducted within the amounts invested. The 'Change in Market Value' within Note 13 is therefore expressed gross of Investment Fees.

10A. Investment Management Expense

	2024/25	2023/24
	£000	£000
Management fees	7,669	7,447
Performance related fees	2,863	6,131
Custody fees	-	-
Transaction costs	4,621	4,844
Total investment management expenses	15,153	18,422

Fees per asset class are shown overleaf.

2024/25		Management Fee	Performance Related Fees	Transaction Costs
		£000	£000	£000
	Equity	743	-	523
	Infrastructure	1,231	1,764	442
	Private Debt	985	218	288
	Private Equity	741	603	1,005
	Corporate Bonds	813	-	552
	Property	1,397	318	1,083
+	Multi Asset Credit	1,313	(40)	630
	Trade Finance	282	-	98
	Money market	-	-	-
	Pool	164	-	-
	Total	7,669	2,863	4,621

2023/24		Management Fee	Performance Related Fees	Transaction Costs
		£000	£000	£000
	Equity	1,179	0	552
	Infrastructure	1,115	1,910	438
	Private Debt	996	228	454
	Private Equity	1,270	3,698	1,957
	Corporate Bonds*	755	0	47
	Property	911	154	1,047
	Multi Asset Credit	900	141	233
	Trade Finance	286	-	116
	Money market	35	-	-
	Total	7,447	6,131	4,844

*Custody fees for Schrodgers Corporate Bonds included as management fee

NOTE: Management Fees are estimated at the time of producing these draft accounts as not all Investment Managers have provided their fees over the period.

11. Investment Income

	2024/25	2023/24
	£000	£000
Pooled investments – unit trusts and other managed funds	(7,250)	(4,965)
Interest on cash deposits	(998)	(1,495)
Total investment income	(8,248)	(6,460)

12. Audit Costs

	2024/25	2023/24
	£000	£000
Payable in respect of external audit	92	105
Total external audit costs	92	105

These expenses are included as part of Oversight and Governance costs in note 10.

13. Investments

2024/25					
	Market value	Purchases	Sales during	Change in	Market value
	1 April 2024	during the	the year	market value	31 March 2025
	£000	£000	£000	£000	£000
Investment assets:					
Pooled investments					
Equity	434,875	99,000	(107,136)	29,105	455,844
Infrastructure	125,145	7,064	(3,389)	6,543	135,363
Natural Capital	-	27,872	(11,559)	(1,450)	14,863
Private Debt	92,165	-	(5,735)	7,105	93,535
Private Equity	78,579	13,337	(6,355)	11,623	97,184
Corporate Bonds	470,645	-	(1,275)	5,591	474,961
Property	80,352	-	(3,597)	7,956	84,711
Multi Asset Credit	245,320	-	(14,700)	16,538	247,158
Trade Finance	55,139	16,762	(30,381)	2,628	44,148
	1,582,220	164,035	(184,127)	85,639	1,647,767
Money market funds	39,570	90,000	(81,550)	-	48,020
Long term investments	150				150
	1,621,940	254,035	(265,677)	85,639	1,695,937
Other investment balances:					
Cash deposits	20				20
Net investment assets	1,621,960				1,695,957

2023/24

	Market value 1 April 2023	Purchases during the year	Sales during the year	Change in market value during the year (gross)	Market value 31 March 2024
	£000	£000	£000	£000	£000
Investment assets:					
Pooled investments					
Equity	694,655	-	(350,448)	90,668	434,875
Infrastructure	115,897	5,301	(3,463)	7,410	125,145
Private Debt	90,546	2,510	(5,038)	4,147	92,165
Private Equity	63,754	13,071	(6,925)	8,679	78,578
Corporate Bonds	117,087	562,000	(241,127)	32,685	470,645
Property	86,202	316	(3,015)	(3,151)	80,352
Multi Asset Credit	237,560	-	(14,980)	22,740	245,320
Trade Finance	37,000	15,000	(402)	3,541	55,139
	1,442,701	598,198	(625,398)	166,719	1,582,220
Money market funds	38,500	1,070			39,570
Long term investments	150				150
	1,481,351	599,268	(625,398)	166,719	1,621,940
Other investment balances:					
Cash deposits	20				20
Net investment assets	1,481,371				1,621,960

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year and any income attributed to the unitised funds that has been retained by the funds and reinvested. Transaction costs are included in investment management expenses (note 10A). Pooled funds include property, private equity and infrastructure and movements in these investments are disclosed with note 13D.

13A. Analysis of Investments

	31 March 2025	31 March 2024
	£000	£000
Pooled funds – additional analysis		
UK		
Unit trusts	151,582	343,906
UK managed funds	1,369,672	1,129,766
Money market funds	48,020	39,570
Non-UK		
Overseas Managed Fund	126,513	108,548
	1,695,787	1,621,790
Long term investments	150	150
Cash deposits	20	20
Total investment assets	1,695,957	1,621,960

All investments are held through managed pooled entities and comprise underlying investments that are domiciled in both the UK and overseas.

13B. Investments Analysed by Fund Manager

The investments of the Pension Fund are wholly invested within pooled vehicles with year-end valuations provided by the fund operator. Some of the underlying investments in these pools are highly illiquid and valuations are not verifiable to identical transactions at the year-end and are therefore estimated by the fund operator based on established models and guidelines. In particular, holdings in property, infrastructure and private equity with a year-end valuation of £412.5 million (31.3.24: £369.9 million) are particularly difficult to verify and rely on the fund operator adopting prudent valuation techniques. Valuations are monitored both internally and by the external investment advisor.

Pooling

The Fund became a shareholder in the London LGPS CIV Ltd (the organisation set up to run pooled LGPS investments in London) in 2015 and holds £150,000 of regulatory capital in the form of unlisted UK equity shares. The Fund invests around 48.7% of assets with the London CIV (an increase from 43.1% at 31 March 2024). The Fund's investments with Legal & General (21.1% of investments) are monitored by LCIV. The tables below provides further analysis of the investments as at 31 March 2025 by both asset class and geographical exposure, breaking down pooled funds into their underlying exposures. Additional details of each fund can be found by reviewing the Fund's Pension Fund Committee papers.

	Market value	31 March 2025	Market value	31 March 2024
	£000	%	£000	%
Legal and General	270,912	15.9	343,906	21.2
Schroder Investment Management	20	0.0	19	0.0
LCIV	825,429	48.7	698,448	43.1
Alcentra	7,179	0.4	9,510	0.6
Partners Group	18,184	1.1	33,172	2.0
Barings	82,715	4.9	79,140	4.9
Insight Investments	109,929	6.5	101,639	6.3
IFM Investors	107,377	6.3	102,487	6.3
Aberdeen Long Lease Property	25,383	1.5	24,321	1.5
CBRE	29,329	1.7	29,969	1.8
Adams Street	97,184	5.7	78,578	4.8
Fiera Real Estate	29,998	1.8	26,063	1.6
Allianz	19,418	1.1	27,529	1.7
Pemberton	24,730	1.5	27,609	1.7
Legal and General Liquidity Fund	16,035	0.9	20,285	1.3
Aberdeen	31,985	1.9	19,285	1.2
	1,695,807	100.0	1,621,960	100.0

INVESTMENTS ANALYSED BY ASSET CLASS

	Market value	31-Mar-25
	£000	%
UK Equities	17,811	1.1
UK Corporate Bonds	114,473	6.7
Overseas Equities	438,032	25.8
Overseas Bonds	360,489	21.3
Private Equity	97,184	5.7
Property	84,710	5.0
Cash	48,040	2.8
Infrastructure	135,364	8.0
Natural Capital	14,863	0.9
Private Debt	93,535	5.5
Multi Asset Credit	247,158	14.6
Trade Finance	44,148	2.6
	1,695,807	100.0

Note: Proportion of UK equity and Bonds estimated from underlying allocation of LGIM equity and London CIV Bond funds. The following investments represent more than 5% of the net assets of the Fund. These funds are registered in the UK.

	31 March 2025		31 March 2024	
	£000	as % of investment assets	£000	as % of investment assets
Legal and General Future Worlds Fund	151,582	8.9	233,897	13.8
Legal and General RAFI	119,330	7.0	110,009	6.5
LCIV Passive Equity Paris Aligned	91,110	5.4	0	0.0
LCIV Buy & Maintain Bonds	224,112	13.2	237,585	14.0
LCIV Global Bonds	250,850	14.8	237,585	14.0
IFM Global Infrastructure	107,377	6.3	102,487	6.0
Insight IIFIG	109,929	6.5	101,638	6.0

13C. Fair Value – Basis of Valuation

Financial assets are shown in the Net Asset Statement at Fair Value. Fair Value has been determined as:

Description of Asset	Basis of Valuation	Observable and Unobservable Inputs	Key Sensitivities Affecting the Valuations
Level 1			
Cash and Cash Equivalents	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments	N/A	N/A
Level 2			
Unquoted Pooled Fund Investments	Average of broker prices	Evaluated Price Feeds	N/A
Level 3			
Pooled Property Funds	Valued by investment managers on a fair value basis each year using PRAG guidance	NAV-based pricing set on a forward pricing basis	Valuations are affected by any changes to the value of the financial instrument being hedged against
Pooled Infrastructure Funds	Valued by investment managers on a fair value basis each year using PRAG guidance	NAV-based pricing set on a forward	Valuations are affected by any changes to the value of the financial

		pricing basis	instrument being hedged against
Private Equities	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines 2018 and the IPEV Board's Special Valuation Guidance (March 2020)	<ul style="list-style-type: none"> • EBITDA multiple • Revenue multiple • Discount for lack of marketability • Control premium 	Valuations could be affected by changes to expected cashflows or by differences between audited and unaudited accounts
Private Debt Funds	Valued with an at cost at initial recognition date and mark-to-model or mark-to-market subsequently maximizing the use of observable input parameters.	Mark-to-model approach is based on discounted cash flow using comparable market data for estimation of credit and interest risk.	Valuation approach has little impact in non-volatile periods, it may become more volatile in periods of high volatility implying the current market environment

13D. Fair Value - Hierarchy

The valuation of financial instruments has been classified into three levels, according to the quality and reliability of information used to determine fair values. Transfers between levels are recognised in the year in which they occur.

Level 1

Assets and liabilities at level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprise quoted equities, quoted fixed securities, quoted index linked securities and exchange traded quoted unit trusts.

Level 2

Assets and liabilities at level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value. This included unit trusts priced by the fund managers that are not held as exchange traded funds.

Level 3

Assets and liabilities 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.

Transfers between Level 1 and 2

Transfers into each level shall be disclosed and discussed separately from transfers out of each level. There were no transfers between level 1 and 2 investments in year.

The following table provides an analysis of the financial assets and liabilities of the pension fund grouped into levels 1 to 3, based on the level at which the fair value is observable.

31 March 2025	Quoted Market Price Level 1 £000	Using Observable Inputs Level 2 £000	With Significant Unobservable Inputs Level 3 £000	Amortised Cost £000
Financial Assets				
Fair value through profit and loss	48,040	1,235,255	412,512	-
Amortised cost				
Total financial assets	48,040	1,235,255	412,512	-
Grand Total:				1,695,807
31 March 2024	Quoted Market Price Level 1 £000	Using Observable Inputs Level 2 £000	With Significant Unobservable Inputs Level 3 £000	Amortised Cost £000
Financial Assets				
Fair value through profit and loss	39,570	1,212,450	369,940	-
Amortised cost				
Total financial assets	39,570	1,212,450	369,940	-
Grand Total:				1,621,960

All investments are classified as Level 2 with the exception of most property, infrastructure and private equity, which are classified as Level 3. The Aberdeen Money Market Fund and LGIM Sterling Liquidity Fund are the only investment classed as Level 1. These disclosures take into consideration the classifications used in the underlying funds' own financial statements. Level 3 investments as at 31 March 2025 comprise:

IFM Infrastructure	£107.377m (31 March 2024: £102.487m)
CBRE Global Property	£29.329m (31 March 2024: £29.969m)
Adams Street Private Equity	£97.183m (31 March 2024: £78.578m)
LCIV Renewables Infrastructure	£27.987m (31 March 2024: £22.658m)
Fiera Real Estate Fund	£28.998m (31 March 2024: £26.063m)
Barings Special Situations	£36.082m (31 March 2024: £35.780m)
LCIV Private Debt	£50.273m (31 March 2024: £46.876m)
Allianz ALWOCA	£19.418m (31 March 2024: £27.529m)

13E. Fair Value Measurements using Significant Unobservable Inputs (Level 3)

IFM Investors (Infrastructure) – valuation 31 March 2025 £107.377 million

The significant unobservable inputs used in the fair value measurement of the fund's equity and debt instruments are cashflow forecasts and discount rates. The fund manager determines the fair value for these securities by engaging external valuation services. These external valuation services utilise cash flow forecasts obtained from investee company management and other sources. Significant increases or decreases in either of these inputs in isolation would result in a significant change in fair value measurement.

CBRE (Pooled Global Property) – valuation 31 March 2025 £29.329 million

Level 3 investments include (1) open-ended investee funds are classified as level 3 when subject to lock-up provisions or redemption notice periods which do not qualify as near-term, or which are exposed to a low level of trading or significant liquidity issues, and (2) close-ended investee funds that cannot be redeemed at the option of the fund manager.

The fair value of the investee funds classified in level 3 is based on their published NAV from the respective administrators or fund managers adjusted where deemed necessary by the Pricing Committee of CBRE.

The significant unobservable inputs used in the fair value measurement are related to the fair value of the underlying property assets of the investee funds. Based on the current investee funds' portfolios, these underlying assets comprise a mixture of office, retail and industrial properties mainly located in developed countries within Americas, Europe and Asia Pacific. To value these assets, investee funds use recognized valuation techniques (including discounted cash flow and income capitalization methods) for which the significant unobservable inputs include discount rate, capitalization rate, estimated rental value and long-term vacancy rate.

Adams Street (Private Equity) – valuation 31 March 2025 £97.183 million

Level 3 investments held by the fund typically consist of other investments that are not measured at net asset value. When observable prices are not available management uses valuation techniques for which sufficient and reliable data is available. The valuation of non-marketable privately held investments requires significant judgment by management due to the absence of quoted market values, inherent lack of liquidity, changes in market conditions and the long-term nature of such assets. Such investments are valued initially based upon the transaction price. Valuations are reviewed quarterly utilizing available market data and additional factors to determine if the carrying value of these investments should be adjusted. Market data includes observations of the trading multiples of public companies considered comparable to the private companies being valued. Valuations are adjusted to account for company-specific issues, the lack of liquidity inherent in a non-public investment and the fact that comparable public companies are not identical to the companies being valued. In addition, a variety of additional factors are reviewed by Adams Street's management, including, but not limited to, estimates of liquidation value, prices of recent transactions in the same or similar issuer, current operating performance and future expectations of the particular investment, changes in market outlook and the financing environment. In determining valuation adjustments, emphasis is placed on market participants' assumptions and market-based information over entity specific information.

LCIV Renewables Infrastructure (Infrastructure) – valuation 31 March 2025 £27.987 million

The significant unobservable inputs used in the fair value measurement of the fund's equity and debt instruments are cashflow forecasts and discount rates. The fund manager determines the fair value for these securities by engaging external valuation services. These external valuation services utilise cash flow forecasts obtained from investee company management and other sources. Significant increases or decreases in either of these inputs in isolation would result in a significant change in fair value measurement.

Fiera Real Estate Fund (Property) – valuation 31 March 2025 £28.998 million

The fair value of property is based on valuations provided by property valuation experts.

Barings Special Situations Fund (Private Debt)- valuation 31 March 2025 £36.082 million

Individual assets are on a quarterly basis either by IHS Markit, or via third party valuation service when a quote from HIS Markit is unavailable. The Investment Manager will employ a third party to value the loans, therefore any changes to pricing of the loans will flow into the NAV of the Fund, thus impacting the LP's value. The Fund also has FX exposure, therefore movement in currency rates will also impact the NAV of the Fund.

LCIV Private Debt Fund (Private Debt)- Valuation 31 March 2025 £50.273 million

Individual assets are valued on a quarterly basis via third party valuation service. The Investment Manager will employ a third party to value the loans, therefore any changes to pricing of the loans will flow into the NAV of the Fund, thus impacting the LP's value. The Fund also has FX exposure, therefore movement in currency rates will also impact the NAV of the Fund.

Allianz ALWOCA Fund (Private Debt)- Valuation 31 March 2025 £19.418 million

The significant unobservable inputs used in the fair value measurement are discounted cashflow rates. These are used for the Receivables, Payables, Letters of Credit, Trade Loans and Loans portion of the fund.

13F. Reconciliation of Level 3 Investments

2024/25	Market Value 1 April 2024	Purchases during the year	Sales during the year	Change in Market Value	Market Value 31 March 2025
	£000	£000	£000	£000	£000
Infrastructure	125,145	7,065	(3,389)	6,543	135,364
Natural Capital	-	27,872	(11,559)	(1,450)	14,863
Pooled UK Long Lease Property	26,063	-	(1,685)	5,620	29,998
Pooled Property (global)	29,969	-	(1,757)	1,117	29,329
Private equity	78,578	13,338	(6,355)	11,623	97,184
Private debt	110,185	6,762	(19,548)	8,375	105,774
Total	369,940	55,037	(44,293)	31,828	412,512

2023/24	Market Value 1 April 2023	Purchases during the year	Sales during the year	Change in Market Value	Market Value 31 March 2024
	£000	£000	£000	£000	£000
Infrastructure	115,897	5,301	-	3,946	125,144
Pooled UK Long Lease Property	27,577	-	(776)	(737)	26,064
Pooled Property (global)	31,873	316	(128)	(2,092)	29,969
Private equity	63,754	13,071	0	1,753	78,578
Private Debt	95,882	10,010	0	4,293	110,185
Total	334,983	28,698	(904)	7,163	369,940

13G. Sensitivity of Assets Valued at Level 3

Assets type	Assessed valuation range (+ / -) £000	Value as at 31 March 2025 £000	Value on increase £000	Value on decrease £000
Infrastructure	5.6%	135,364	142,944	127,783
Natural Capital	5.6%	14,863	15,696	14,031
Pooled UK Long Lease Property	5.6%	29,998	31,678	28,318
Pooled Property (global)	5.6%	29,329	30,972	27,687
Private equity	11.3%	97,184	108,165	86,202
Private debt	5.6%	105,774	111,697	99,850
Total		412,512	441,152	383,871

Assets type	Assessed valuation range (+ / -) £000	Value as at 31 March 2024 £000	Value on increase £000	Value on decrease £000
Infrastructure	5.6%	125,145	132,153	118,137
Pooled UK Long Lease Property	5.6%	26,063	27,522	24,603
Pooled Property (global)	5.6%	29,969	31,648	28,291
Private equity	13.5%	78,578	89,186	67,970
Private Debt	5.6%	110,185	116,355	104,015
Total		369,940	396,864	343,016

14. Classification of Financial Instruments

The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading.

	Fair value through profit and loss	31 March 2025 Financial Assets at Amortised Cost	Financial liabilities at amortised cost	Fair value through profit and loss	31 March 2024 Amortised cost	Financial liabilities at amortised cost
	£000	£000	£000	£000	£000	£000
Financial assets						
Pooled investments	1,647,767			1,582,220		
Cash and cash equivalents	48,040	17,216		39,570	16,752	
Other investment balances		150			150	
Receivables		916			144	
Total financial assets	1,695,807	18,282	-	1,621,790	17,046	-
Financial liabilities						
Creditors			(3,912)			(2,360)
Total financial liabilities	-	-	(3,912)	-	-	(2,360)
Total	1,695,807	18,282	(3,912)	1,621,790	17,046	(2,360)
Grand Total			1,710,177			1,636,476

Management judge that there is no material difference between financial assets and liabilities held at amortised cost compared to their fair value, as the amortised cost is a fair approximation for the fair value.

Unrealised Gains / Losses

The pension fund's assets are measured at fair value, with all assets recorded at their current market value as of the reporting date. As a result, there are no unrealised gains or losses to report in these accounts. In terms of assessing market value, assets are classified within a fair value hierarchy that reflects the level of transparency and reliability in the valuation inputs:

Level 1: Assets valued using quoted prices in active markets.

Level 2: Assets valued using observable inputs other than quoted prices, such as market data for similar assets.

Level 3: Assets valued using unobservable inputs, relying on internal models where market data is limited.

15. Nature and Extent of Risks Arising from Financial Instruments

Risk and risk management

The Fund's primary long-term risk is that its assets will fall short of its liabilities (i.e. promised benefits payable to members). Therefore, the aim of investment risk management is to have a reasonable probability of achieving in the long-term returns at least in line with the 'prudent' return set by the Fund Actuary when calculating the required employers' contributions. The Fund achieves this through selection of appropriate returning asset classes, asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the fund's forecast cash flows.

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.

The principal powers to invest are contained in the Local Government Pension Scheme (Management and Investment of Funds) regulations 2016, which require an administering authority to invest any pension fund money that is not needed immediately to make payments from the Pension Fund in accordance with its Investment Strategy Statement. The administering authority's overall risk management procedures focus on the unpredictability of the financial markets and implementing restrictions to minimise these risks.

The Pension Fund Committee has prepared an Investment Strategy Statement which sets out the Pension Fund's policy on matters such as the type of investments to be held, the balance between types of investments, investment restrictions and the way risk is managed. Investment performance by external investment managers is reported to the Pension Fund Committee quarterly. Performance of Pension Fund investments managed by external Investment managers is compared to benchmark returns.

15A. Market risk

Market risk is the risk of loss from fluctuations in equity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk across all its investment activities.

The Pension Fund is exposed to the risk of financial loss from a change in the value of its investments and the risk that the Pension Fund's assets fail to deliver returns in line with the anticipated returns underpinning the valuation of its liabilities over the long term. In order to manage the market value risk, the Pension Fund has set restrictions on the type of investments it can hold, in accordance with the Local Government Pension Scheme (Management and Investment of Funds) regulations 2016. Details of the (Management and Investment of Funds) regulations 2016 can be found in the Investment Strategy Statement adopted by Pension Fund Committee on 2 November 2023.

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.

Accounting standards require that potential changes in the valuation of investments in the next 12 months are provided, described as sensitivity analysis. The valuation ranges below are calculated using the volatility of the actual fund returns over the last three years by the Fund's investment performance measurer, PIRC. Had the market price of the fund's investments increased/decreased in line with the above, the change in the net assets would have been as follows.

Assets type	Assessed valuation range (+ / -) £000	Value as at 31 March 2025 £000	Value on increase £000	Value on decrease £000
Equity	13.1%	455,843	515,559	396,128
Bonds	5.8%	474,962	502,509	447,414
Property	5.6%	84,711	89,455	79,967
Alternatives	5.6%	632,251	667,657	596,845
Cash	0.9%	48,040	48,473	47,608
Total		1,695,807	1,823,653	1,567,962

Assets type	Assessed valuation range (+ / -) £000	Value as at 31 March 2024 £000	Value on increase £000	Value on decrease £000
Equity	13.1%	434,875	491,844	377,906
Bonds	5.8%	470,645	497,942	443,348
Property	5.6%	80,352	84,852	75,852
Alternatives	5.6%	596,348	629,743	562,953
Cash	0.9%	39,590	39,946	39,234
Total		1,621,810	1,744,327	1,499,293

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 exposure to interest rate movements as of 31 March 2025 is included within the tables immediately above.

The Pension Fund holds financial assets and liabilities in overseas financial markets and therefore could be exposed to the risk of loss from exchange rate movements of foreign currencies against sterling. Many of the overseas investments are hedged into sterling by the investment managers. Specifically, at 31 March 2025 the Fund held £97.2m in Adam Street Funds, which are US Dollar dominated, £29.3m in a pooled CBRE Property Fund, which is US Dollar dominated, £107.4m in an IFM Global Infrastructure Fund, which is US Dollar dominated and £36.1m in a Barings Special situation Credit Fund, which is Euro dominated.

15B. Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the fund's financial assets and liabilities.

In essence, the Fund's entire investment portfolio is exposed to some form of credit risk. However, the Pension Fund Committee reviews its exposure to credit and counterparty risk through its external investment managers by review of the managers' annual internal control reports to ensure that managers exercise reasonable care and due diligence in their activities for the Pension Fund.

As at 31 March 2025 working capital was held in the Pension Fund bank accounts with NatWest, in a money market fund with Aberdeen Investments, and a Sterling Liquidity fund with Legal & General Investment Management, in accordance with the credit rating criteria within the Council's Treasury Management Strategy. Pension administration working capital was held in a bank account at HSBC operated by West Yorkshire Pension Fund on behalf of the Pension Fund.

Summary	Rating	Source	Balances as at	Balances as at
			31 March 2025	31 March 2024
			£000	£000
Aberdeen MMF Cash	AAAmmf	Fitch	31,985	19,285
Legal and General Standard Liquidity Fund Cash	AAAmmf	Fitch	16,035	20,285
National Westminster Bank	A+	Fitch	15,914	14,517
HSBC	AA-	Fitch	(127)	2,235
Cash held by Fund Managers			20	20
Total			63,827	56,342

15C. Liquidity risk

Liquidity risk is the risk that the fund will not be able to meet its financial obligations as they fall due.

The main risk in this regard is for the Pension Fund is not having the funds available to meet its commitments to make pension payments to its members. The Pension Fund is currently cash flow positive (contributions exceed pension payments) and has high cash balances to service Private Capital calls and so does not anticipate any liquidity issues over the forthcoming 12-months. The Pension Fund also has a comprehensive cash flow management system that seeks to ensure that the cash is available when needed. The Pension Fund also manages its liquidity risk by having access to money market funds and call accounts where funds are repayable without penalty and on notice of not more than 24 hours. The Fund is also able to sell units in its Pooled Investment Vehicles if required, most of which can be realised within one month.

The key refinancing 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.

15D. Interest Rate risk

Overview

This section provides an updated assessment of interest rate risk exposure. We use the following assumptions as reasonable estimates:

- Liability Duration: 15-20 years
- Bond Duration: 5-10 years
- Multi-Asset Credit / Private Debt Duration: 2-5 years

Asset Portfolio Breakdown

The following table summarises the pension fund's asset classes, their market values, percentages of total assets, and their estimated interest rate risk sensitivity.

Asset Analysis (2024-2025)

Asset Class	Market Value (£000)	% of Total Assets	Duration (Years)	Impact of 1% Increase in Interest Rates
UK Corporate Bonds	114,473	6.7%	5-10	-7.5%
Overseas Bonds	360,489	21.3%	5-10	-7.5%

Multi-Asset Credit	247,158	14.6%	2-5	-3.5%
Private Debt	93,534	5.5%	2-5	-3.5%
Cash	48,040	2.8%	Near-zero	Minimal impact

Non-Bond Fund Analysis (2024-2025)

Asset Class	Market Value (£000)	% of Total Assets	Interest Rate Sensitivity
UK Equities	17,961	1.1%	Low direct sensitivity, indirect impact
Overseas Equities	438,032	25.8%	Low direct sensitivity, indirect impact
Property	84,711	5.0%	Sensitive to borrowing costs and property values
Private Equity	97,184	5.7%	Affected by broader economic conditions
Infrastructure	135,363	8.0%	Relatively stable long-term cash flows
Trade Finance	44,148	2.6%	Low sensitivity due to short-term nature

Overall Impact and Risk Mitigation (2024)

1. Diversification: The portfolio is highly diversified, with significant allocations in non-bond assets such as equities, property, private equity, and infrastructure, which are generally less sensitive to interest rate changes compared to fixed-income assets, however, the Fund's liabilities are sensitive to interest rates so there is a mismatch between these assets and the Fund's liabilities.
2. Interest Rate Sensitivity: Approximately £863.69 million, or 50.9% of total assets, are exposed to interest rate risk. A 1% parallel shift in the yield curve would significantly affect bond portfolios, particularly UK corporate and overseas bonds, however, this provides a broad match to the Fund's liabilities. We also note that liability duration is around 15-20 years and our bond duration is around 5-10 years, and so the fund faces a duration mismatch, leading to potential reinvestment risk if interest rates decrease. It is not possible for the Fund to invest in bonds with a duration which match liabilities unless the Fund were to invest in government bonds, as the market for long-duration government bonds is too shallow.

15E. Currency risk

Pension Fund has currency risk exposure, with around 33% of listed equities, all private equity, and a large portion of private debt unhedged against GBP.

Currency Hedging Impact:

In the short term, hedging reduces volatility by protecting against sharp currency fluctuations, critical for a fund paying UK benefits. Over the long term, however, hedging costs may drag on returns, particularly if currencies stabilise or if inflation differentials drive currency adjustments.

Currency & Inflation:

Currencies often shift in line with inflation. Higher inflation weakens a currency, meaning unhedged overseas investments could become more expensive over time.

Currency	Assessed valuation range (+ / -) £000	Value as at 31 March 2025 £000	Value on increase £000	Value on decrease £000
US Dollars	8.3%	233,890	253,303	214,477
Euro	4.3%	36,083	37,634	34,532
Other	5.6%	172,132	181,771	162,492
Total		442,105	472,708	411,501

Currency	Assessed valuation range (+ / -) £000	Value as at 31 March 2024 £000	Value on increase £000	Value on decrease £000
US Dollars	8.3%	211,035	228,551	193,519
Euro	4.3%	35,780	37,318	34,241
Other	5.6%	164,621	173,840	155,403
Total		411,435	439,709	383,163

16. Actuarial Valuation

Hymans Robertson LLP were appointed as fund actuary in 2016 and undertook a formal triennial actuarial valuation of the fund as at 31 March 2022 in accordance with the Local Government Pension Scheme Regulations 2013. The actuarial valuation calculates the contribution rate payable by the employers, including the LBB Council, to meet the administering authority's funding objectives.

The funding level at 31 March 2022 was 95% (2019: 86%). This corresponded to a shortfall on the funding target of £72 million (2019: £190 million). Under the three-year schedule of contributions effective from 1 April 2023 the aggregate primary rate is 20.0% and the secondary contribution for 2024/25 is £7.487 million.

This is the average required employer contribution to restore the funding position to 100% over the next 17 years. For the main employer, the London Borough of Barnet, the employer's contribution rate for 2024/25 is 20.4% (2023/24: 28.4%).

For the period 24/25 and 25/26 the Pension Committee agreed to change the Council's contribution rate from 28.4% to 20.4%, increasing to 28.9% from 26/27. Details and rationale around this decision are set out in the 1 February 2024 Pension Fund Committee papers. The Actuary confirmed that this employer contribution profile would restore the funding position to 100% over the next 17 years (based on the actuarial position at 31 March 2022).

The assumptions used for the triennial valuation were:

Financial assumptions

	31 March 2022	31 March 2019
	%	%
Assumed future investment return (Discount rate)	4.6	4.4
CPI	2.7	2.3
Pension increases rate	2.7	2.3
Salary increases rate	3.7	3.0

The assumed future return is based on an economic scenario generator that utilises a range of future economic outcomes, each with an associated asset class return highlighted in the table below. The table ranks outcomes from 1st percentile (worst case) to 100th percentile (most favourable). At the 2022 triennial valuation, the Actuary determined that there is a 71% likelihood of the Fund's investments achieving at least an annual return of 4.9% p.a. over the next 20 years.

Further details of detailed actuarial assumptions can be found in the Fund's Actuarial Valuation Report [linked](#)

Demographic assumptions

	31 March 2022	31 March 2019
Life expectancy from age 65		
Retiring today:		
Males	21.9	21.7
Females	24.7	24.0
Retiring in 20 years:		
Males	23.1	22.9
Females	26.2	25.7
Other demographic assumptions		
Commutation	50%	50%
50:50 option	1%	1%

The 2022 triennial valuation has been presented to and approved by the Pension Fund Committee. The next actuarial valuation will be based on the value of the fund as at 31 March 2025.

17. Actuarial Present Value of Promised Retirement Benefits

The Statement of Accounts are required to include the value of promised retirement benefits as at the year-end. These are discussed in the statement below, which has 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.

Pension Fund Accounts Reporting Requirement

Introduction

CIPFA's Code of Practice on Local Authority Accounting 2024/25 requires Administering Authorities of LGPS funds that prepare pension fund accounts to disclose what IAS26 refers to as the actuarial present value of promised retirement benefits. I have been instructed by the Administering Authority to provide the necessary information for the London Borough of Barnet Pension Fund ("the Fund").

The actuarial present value of promised retirement benefits is to be calculated similarly to the Defined Benefit Obligation under IAS19. There are three options for its disclosure in the pension fund accounts:

- showing the figure in the Net Assets Statement, in which case it requires the statement to disclose the resulting surplus or deficit;
- as a note to the accounts; or
- by reference to this information in an accompanying actuarial report.

If an actuarial valuation has not been prepared at the date of the financial statements, IAS26 requires the most recent valuation to be used as a base and the date of the valuation disclosed. The valuation should be carried out using assumptions in line with IAS19 and not the Fund's funding assumptions.

Present value of promised retirement benefits

Year ended	31 March 2025	31 March 2024
Active members (£m)	545	608
Deferred members (£m)	372	451
Pensioners (£m)	636	733
Total (£m)	1,553	1,792

The promised retirement benefits at 31 March 2025 have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2022. The approximation involved in the roll forward model means that the split of benefits between the three classes of member may not be reliable. However, I am 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, I have not made any allowance for unfunded benefits.

It should be noted the above figures are appropriate for the Administering Authority only for preparation of the pension fund accounts. They should not be used for any other purpose (i.e. comparing against liability measures on a funding basis or a cessation basis).

Assumptions

The assumptions used are those adopted for the Administering Authority's IAS19 report and are different as at 31 March 2025 and 31 March 2024. I estimate that the impact of the change in financial assumptions to 31 March 2025 is to decrease the actuarial present value by £286m. I estimate that the impact of the change in demographic assumptions is to decrease the actuarial present value by £4m.

Financial assumptions

Year ended	31 March 2025	31 March 2024
	% p.a.	% p.a.
Pension Increase Rate (CPI)	2.80%	2.80%
Salary Increase Rate	3.80%	3.80%
Discount Rate	5.80%	4.80%

Demographic assumptions

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

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

	Males	Females
Current pensioners	21.4 years	24.2 years
Future pensioners (assumed to be aged 45 at the latest valuation date)	22.5 years	25.7 years

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

Sensitivity Analysis

CIPFA guidance requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the obligations are set out below:

Change in assumption at 31 March 2025	Approximate % increase to promised retirement benefits	Approximate monetary amount (£m)
0.1% p.a. decrease in the Discount Rate	2%	26
1 year increase in member life expectancy	4%	62
0.1% p.a. increase in the Salary Increase Rate	0%	1
0.1% p.a. increase in the Rate of CPI Inflation	2%	25

Professional notes

This paper accompanies the 'Accounting Covering Report – 31 March 2025' which identifies the appropriate reliances and limitations for the use of the figures in this paper, together with further details regarding the professional requirements and assumptions.

Prepared by:-

Jamie Baxter FFA C.Act

6 May 2025

For and on behalf of Hymans Robertson LLP

18. Current Assets

	31 March 2025	31 March 2024
	£000	£000
Contributions due – employees	1,326	1,788
Contributions due – employers	4,394	6,244
Sundry debtors	916	144
Cash balances	17,216	16,752
Total current assets	23,852	24,928

19. Current Liabilities

	31 March 2025	31 March 2024
	£000	£000
Sundry creditors	(11,721)	(10,164)
Benefits payable	(346)	(1,969)
Total current liabilities	(12,067)	(12,133)

Sundry creditors at 31 March 2025 includes £7.8 million as a potential refund to the employer due to an overpayment of contribution relative to the Rates and Adjustment certificate over the period 1 April 2022 to 31 March 2023. Note that this Sundry creditor was also included at 31 March 2024.

20. Additional Voluntary Contributions

	Market value 31 March 2025	Market value 31 March 2024
	£000	£000
Aviva	245	245
Prudential	3,563	3,461
Total AVC	3,808	3,705

	Contributions Received 31 March 2025 £000	Contributions Received 31 March 2024 £000
Aviva	15	15
Prudential	539	539
Total AVC	554	554

21. Related Party Transactions

The London Borough of Barnet Pension Fund is administered by the London Borough of Barnet. Consequently, there is a strong relationship between the Council and the Pension Fund. During the reporting period, the Council incurred costs of £0.891m (2023/24: £0.966m) in relation to the administration of the Fund and was subsequently reimbursed by the Fund for these expenses. The Council is also the single largest employer of members of the Pension Fund and contributed £40.970 million to the Fund in 2024/25 (2023/24: £55.575 million). These amounts include employee contributions of £10.049 million (2024/25) and £10.200 million (2023/24), and also contributions from companies wholly owned by the Council see note 6).

The London CIV is not treated as a related party as neither party is able to exercise control or significant influence over the other.

Governance

One member of the Pension Fund Committee as at 31 March 2025 & 31 March 2024 is a deferred member of the Barnet Pension Fund. There are no active members of the Fund that are members of the Pension Fund Committee. Each member of the Pension Fund Committee is required to declare their interests at each meeting.

21A. Key Management Personnel

The key management personnel of the Fund are the Chief Executive, the s.151 officer and the Head of Pensions & Treasury. The proportion of the total remuneration payable to key management personnel that is charged to the Pension Fund is set out below.

	2024/25 £000	2023/24 £000
Short-term benefits	106	103
Post-employment benefits	22	28
Total remuneration	128	131

Post-employment benefits are employers pension contributions.

22. Contractual Commitment

The Fund has the following outstanding investment commitments as at 31 March 2025:

Fund	Outstanding Commitment 2024/25	Outstanding Commitment 2023/24
Adams Street 2019 Global Private Equity	\$10.8m (£8.4m)	\$11.3m (£8.9m)
Adams Street Global Secondaries Fund 7	\$17.9m (£13.9m)	\$34.4m (£27.2m)
LCIV Private Debt	£19.7m	£19.5m
LCIV Renewables Infrastructure	£13.9m	£21.2m
LCIV Nature Based Solutions	£58.7m	N/A
Barings Special Situations Credit	€3m (£2.5m)	€3m (£2.6m)

The outstanding commitments are expected to be substantially invested within two years.

23. Contingent Assets and Liabilities

Background

On 31 October 2011, Barnet College and Southgate College merged. Prior to the merger, Barnet College participated in the Barnet Pension Fund, and Southgate College participated in the Enfield Pension Fund. Following the merger, all Southgate staff transferred to Barnet College and were admitted to the Barnet Pension Fund. However, no transfer payment has been received from the Enfield Pension Fund for the past service liabilities of these members. Southgate College's deferred and pensioner members remained in the Enfield Pension Fund, and no exit debt was triggered under the LGPS regulations at that time.

Developments Since the Merger

Since 2011, Barnet and Enfield have been negotiating the transfer value to compensate Barnet for taking on the past service liabilities of active members transferred to the Barnet Fund. Initially, Enfield proposed that Barnet pay £4.2 million to cover a shortfall in the Enfield Fund, including missed investment returns. However, a formal agreement was never signed, and disputes arose due to delays and changes in personnel.

In July 2021, Hymans Robertson analysed the potential transfer, indicating a significant improvement in Barnet & Southgate College's funding position, from 85% in March 2019 to 98% in July 2021, with further improvement expected. Barnet and Southgate College has since requested that Enfield transfer all Southgate College assets and liabilities to the Barnet Fund, pending a Direction Order from the Secretary of State. Barnet Officers agreed to take this proposal to Barnet's Pension Fund Committee for approval.

Current Position

At a Pension Fund Committee meeting on 18 April 2024, following a recommendation from Barnet Officers, the Pension Fund Committee agreed to apply for the Direction Order and gave approval for the transfer of assets from the Enfield Pension Fund, contingent on Actuary confirmation that there is no adverse impact on Barnet & Southgate College's funding position. No adverse outcome is expected.

Legal advice has confirmed this approach is acceptable.

The asset transfer will be based on Southgate College's notional share of Enfield Pension Fund assets, adjusted for investment returns, benefit payments, and intra-fund movements. The transferring asset share was £9,252,000 at 31 October 2011 and was estimated to be c£13m at 31 March 2019. The transfer date is yet to be determined.

Prior year accounts recorded this situation as a contingent liability, reflecting the uncertainty at the time.

24. Events after the reporting Period

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