Ealing Council

Draft Statement of Accounts

2025/26

London Borough of Ealing

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1. Narrative Report and Written Statements

INTRODUCTION BY THE STRATEGIC DIRECTOR OF RESOURCES

The Statement of Accounts sets out the council’s financial results for 2025/26 and the position at 31 March 2026.

It is intended that these accounts provide a useful and important source of financial information for residents, stakeholders, council members and other interested parties.

The Narrative Report provides some background and context to the council’s financial position in 2025/26; I hope that readers of the council’s accounts find this helpful.

I would like to thank my staff and colleagues throughout the council for their hard work and support in producing the accounts for 2025/26.

Emily Hill, CPFA
Strategic Director, Resources
Date: 30 June 2026

NARRATIVE REPORT

The Narrative Report provides information on Ealing Council (The council), its main objectives and strategies and the principal risks that it faces, as well as providing a commentary on how the council has used its resources to achieve its desired outcomes in line with its objectives and strategies.

The local government sector is navigating a complex landscape of challenges and opportunities. Councils are increasingly focusing on sustainability, digital transformation, and community engagement to enhance service delivery and ensure resilience. However, councils are also grappling with budget constraints, the impact of demographic change on the demand for and complexity of need for social care, the impact of the cost of living on residents, pressures leading to demand for housing, infrastructure and support services, while continuing to address social inequalities.

The council has, like many other authorities during the financial year, faced the on-going increase in demand led services resulting in pressures on the general fund where funding has not kept pace, in addition to the on-going impact of social care demand and complexity, there has been a substantial rise in the need for temporary accommodation adding further strain to the general fund.

Although external factors on demand led services have made the process of setting a balanced budget extremely difficult, the council has continued to ensure that both existing service demands are appropriately funded and where new demand is forecast, proportionate growth has been allocated. The council will continue to explore new ways of working and delivering services that are efficient, effective, and inclusive.

ABOUT EALING

Ealing is London’s third largest borough with around 375,000 residents based in the heart of West London and is an attractive area to live in, being home to several landmarks and attractions, such as Ealing Studios, the oldest film studio in the world, Walpole Park, a Grade II listed park with a historic house and museum, and Southall, a vibrant area known as the "Little India" of London.

The borough is also celebrated for its annual Ealing Jazz Festival, attracting music enthusiasts from all over. The borough's diverse architectural landscape includes beautiful Victorian and Edwardian houses, adding to its charm. Notably, Ealing is one of the greenest boroughs in London, with numerous parks and open spaces like Walpole Park and Gunnersbury Park, offering residents and visitors a peaceful retreat from the bustling city life. Furthermore, the borough is extremely well-connected, with 14 tube stations (including 5 Elizabeth Line stations), 2 Overground stations and over 700 bus stops, making it a desirable location for commuters. This combination explains why so many have chosen to build their lives here.

The borough is also hugely diverse, with people from across the world coming to make the borough their home. The borough is home to the largest Punjab and Sikh communities in London, and that diversity is one of its great strengths and contributes to the unique identities of our seven towns – Ealing, Acton, Hanwell, Greenford, Northolt, Perivale, Southall as well as our 24 wards.

ABOUT THE COUNCIL

The council is responsible for providing a range of services to the residents, businesses and visitors such as housing, education, social care, waste management, planning, environmental protection, libraries, parks and leisure.

The council's operational structure reflects the above responsibilities and were reported in 2025/26 under six directorates:

- Children's Services
- Adults and Public Health
- Economy and Sustainability
- Housing and Environment
- Resources
- Strategy and Change

OUR WORKFORCE

The council employed 2,954 people of which the full-time equivalent was 2,756 at 31 March 2026. A breakdown of the make-up of the workforce is detailed below:

	2024/25	2025/26
Gender		
Male	34.1%	34.0%
Female	65.9%	66.0%
Declared Disability		
Yes	6%	6.2%
Age		
Under 25	2.4%	1.9%
25-39	24.2%	25.5%
40-49	24.8%	24.8%
50-64	42.2%	40.3%
65+	6.5%	7.5%
Ethnicity		
Black and Multi-Ethnic	50.3%	50.4%
White	34.4%	33.4%
Unknown	15.3%	16.2%

POLITICAL STRUCTURE

The council has 24 wards and has 70 councillors and is Labour controlled. The election on 7 May 2026 returned a Labour administration with councillors being elected for a term of up to 4 years. The political make-up of the council is 46 Labour, 13 Liberal Democrat, 5 Conservative, 5 Green, 1 Independent.

The Cabinet provides the strategic direction and priorities for the council, as well as making key decisions. Cabinet members are drawn from the membership of the majority political group on the council, which is currently the Labour Party.

The cabinet has ten members each having a specific area of responsibility (known as a portfolio) and is accountable for council decision-making. The portfolios are based around the nine priority areas identified in the council plan 2022-26.

THE COUNCIL PLAN 2022-26

The council Plan along with the Medium-Term Financial Strategy (MTFS) comprise the council's key strategic planning framework. The plan will continue to map out an ambitious vision for the borough while managing the challenges faced.

The plan follows the three priorities of:

To meet the cross-cutting objectives the plan sets out the nine priority areas which are overseen by members of the council's cabinet focussing on delivery of the things that matter to residents. One additional promise is set to make sure the council is well-run and works with communities.

Tackling inequality and crime	Relentlessly focusing on reducing poverty and inequality for those that most need support and promoting wellbeing and safety for all.	Inclusive economy	Building wealth within the community by ensuring everything the council does increases social value and contributes to making Ealing a fairer place to live and work.
Climate Action	Greening and keeping Ealing clean, achieving net zero carbon, and ensuring our parks, open spaces and nature are protected and enhanced.	Genuinely affordable homes	Delivering our radical programme of social rent council house building, affordable homes and ensuring our tenants are empowered and have ownership of their communities.
Healthy lives	Protecting and enhancing the physical and mental health of all, supporting our older residents to enable them to remain independent and resilient and dealing with the ongoing impact of COVID-19.	Good growth	Making sure the growth that takes place in Ealing enhances its character, conserves its future and makes a great place, where people want to live.
A fairer start	Ensuring all our children and young people get the best start in life, from their earliest years through to a great education.	Thriving communities	Bringing people together to build strong neighbourhoods, empowering volunteers, encouraging community activism, engaging civic and faith leaders, and delivering well-loved community facilities and services.
Decent living incomes	Bringing new and well-paid jobs back to Ealing and ensuring good businesses can thrive.	Organisational priorities	Focusing relentlessly on getting the basics right, ensuring we are well run and make best use of resources. We will also drive change to deliver a new culture of public service where we engage and work in partnership with our communities.

GOVERNANCE

The council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

The council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA / SOLACE Framework Delivering Good Governance in Local Government 2016. The framework provides a structure to assist authorities in their governance approach, ensuring accountability, transparency and effective decision-making.

The Annual Governance Statement explains how the council has complied with the code and meets the requirements of regulation 6(2) Accounts and Audit Regulations 2015.

The council's Internal Audit service carries out a comprehensive programme of review activity consistent with the Audit Strategy and the Public Sector Internal Audit Standards. The work is based around the core risks faced by the council and includes significant work on the main financial and information management systems, corporate programmes and partnerships. Based upon the programme of work for 2025/26, the Assistant Director of Audit and Investigation's concludes that the council's governance, risk management, and internal control arrangements are effective and support the delivery of statutory duties and strategic priorities.

Further details on this can be found in the Annual Governance Statements (AGS) in Section 8 of the accounts.

PERFORMANCE

COUNCIL

This section presents key highlights of the council's 2025/26 delivery plan. The deliverables are designed to contribute towards the achievement of the overall 4-year goals contained within the council Plan 2022-26. The latest performance update was reported in February 2026 to Cabinet with specific reference to the year-end performance and delivery highlights, Key performance indicators are reported at Q2 due to the timings of reporting.

KEY PERFORMANCE INDICATORS (KPI'S) Q2

A summary of progress towards the 4-year council plan commitments are illustrated below. No annual targets have been set for these commitments, but regular tracking helps ensure that all commitments are delivered over the life of the administration. Cumulative progress since the start of the council plan in 2022/23 is provided, and it is worth noting that most of the 43 four-year goals have been achieved by the fourth year of the council plan.

Where reporting data is not available until Q4, this is shown as N/A in the table. Of the 60 indicators available at the reporting date 33% did not meet their target, while 67% had either met their target or were within tolerance.

	Q2 Rating 2025/26				
Outcome area	**Red**	**Amber**	**Green**	**N/A at Quarter 2**	**Total**
Tackling inequality and Crime	-	-	4	-	4
Climate Action	2	3	1	2	8
Healthy, Equal Lives	6	-	5	-	11
Fairer start	4	4	6	1	15
Decent living incomes	1	-	2	1	4
Inclusive economy	3	2	2	8	15
Safe and Genuinely Affordable Homes	3	3	2	1	9
Good Growth and New Housing	-	-	4	-	4
Thriving communities	1	1	1	1	4
	20	**13**	**27**	**14**	**74**

Highlights are presented against the nine council priorities and outlining what has been achieved during 2025/26. The highlights are covered in the Impact Report.

The full performance report can be found in the cabinet agenda papers dated 11 February 2026.

For the indicators that did not meet their targets, the following commentary outlines the reasons and actions to be taken to support achieving the targets.

Fly tips cleared within target time

The second quarter of 2025/26 saw a slight dip in performance on the previous quarter in fly tips that were cleared within the target time (81% in Q2 compared to 84% in Q1), below the target figure of 90%. Fly tipping incidents have increased by around 50% year on year since 2022/23, reflecting trends across London and nationally. The council has adjusted its response target time from 24 hours (2024/25) to 48 hours (2025/26) to reflect the increased demand on council resources. Street services have allocated additional funding and implemented several strategies to tackle fly-tipping in the borough. Four additional teams have been deployed to remove reported and unreported (and therefore unrecorded) fly tips with one of these dedicated to investigating evidence and stepping up enforcement.

A behaviour change pilot is currently underway in priority hot-spot locations where fly tips are being stickered and left for 24 hours to highlight the problem to local communities. The pilot is being carried out in partnership with environmental enforcement contractor APCOA and Greener Ealing waste collections. Furthermore, we have purchased 8 CCTV cameras to be used across the borough to capture evidence and bolster 'This is our home, not a tip' campaign. It explains the impacts of fly tipping and ways residents can help dispose of waste, along with how to report people who are fly tipping. Driven by CCTV footage and enforcement messaging, the campaign saw an exceptional reach on the social media, and has also achieved national and regional media coverage, including TV and radio. Resources allocated to run the campaign and prioritise enforcement have led to a short-term decline in performance, however the intention is to drive a longer-term change in behaviour and reduce the number of fly tipping incidents.

Levels of cleanliness (streets free of graffiti)

88% of the borough’s streets were free of graffiti in Q2 2025/26, a slight improvement on Q1 (87%), but below the target of 92%. Underperformance is linked to an increase in graffiti reports, and a proportion of clean-up jobs requiring follow up visits due to scale or specialist requirements, for example matching paint colour, which extends the completion time of removal. The contractors prioritise removal of offensive graffiti and continue working towards the service level agreement where possible. The council is looking at ways of targeting graffiti hotspots across the borough using existing resources.

Adult survey indicators

Among adult social care users who were surveyed, 52.6% of the respondents were satisfied with their care and support and 59.7% felt they had control over their daily life. These results showed a dip in satisfaction when compared to the previous years and were below targets set at 60.0% and 67.5%, respectively. The council is fully committed to deliver its vision of "Connected Communities, Better Lives" and has high aspirations for the people who use social care services. The team are continuing to strengthen and enhance the council’s core social care offer and are encouraged by progress made since the 2024/25 survey. The updated continuous improvement plan for 2026/27 includes a dedicated workstream focused on resident experience. This plan aims to deepen the council’s connection with residents and respond to the feedback received, with a particular emphasis on equity of access and outcomes. There are also many factors that influence wellbeing, beyond the care services the council provides. The social care team will work closely with other parts of the council and its partners, in particular with the NHS, to support the wider determinants of health and wellbeing. The council is committed to increase social connection in the borough, giving everyone as much choice and power in their lives as possible – so that people can live happier and healthier lives and get more of what they need from each other. The renewed focus on power and choice should create a more responsive care system, reflect the unique needs of the borough's communities, and improve the experience of users and carers going forward.

Admissions into permanent residential and nursing care (population aged 18-64)

As of Q2 2025/26, there were 17 admissions into permanent residential and nursing care for residents aged between 18 and 64 years old, slightly above the target of 14. Similarly, the rate of admissions was 6.7 per 100,000 population, slightly exceeding the target of 6.1. Placement activity for working age adults has been noted as an area of growing demand and cost, with admissions to residential and nursing care homes for service users rising across England. To address this challenge, complex cases remain in scope for review through the service transformation programme and strengthened review panels.

The proportion of people who use services who receive direct payments

In the second quarter of the year, 9.4% of adult social care service users were receiving direct payments (DPs), below the target of 12.4%. Residents eligible for the direct payments scheme receive money from the council to help pay for their care needs, allowing more control and flexibility to personalise their support. Following extensive training and rebranding of promotional materials, levels of awareness amongst residents about the DP scheme in the borough have increased, resulting in a growing number of referrals. 337 people who use adult social care services were in receipt of direct payments as of Q2 2025/26, an increase from 324 in Q1 2025/26. The council aims to increase the take up numbers during 2025/26 and has developed a comprehensive action plan with additional resources and capacity within the Ealing Direct Team to respond to the growing demand. It is projected that 400 DPs could be delivered by March 2026. Phase 1 of the DP programme is complete and the target for carers has been exceeded, with over 200 one-off carer DPs offered to date. The service is also exploring ways to broaden its DP offer to support social inclusion and extend the community-based support.

The proportion of concluded s42 enquiries where a risk was identified that had the risk removed or reduced

In Q2 2025/26, 83.6% of adult safeguarding enquiries (s42 enquiries) were concluded with the identified risk of abuse or neglect removed or reduced. Whilst the target of 90% has not yet been reached, the service has seen a steady month on month improvement in performance from 80.3% in Q1, following a focused review underpinned by the new safeguarding pathway. It is expected that the target is reached by the year end.

Percentage of EHC plans issued within 20 weeks (excluding exceptions)

Demand in relation to Education, Health and Care (EHC) plan needs assessments continues to rise in line with regional and national trends, leading to backlog pressures across the service. The council has also faced challenges due to national shortages of educational psychologists and delays in receiving health information from NHS partners. Additional targeted investment has been mobilised to address the backlog which has led to improved timeliness of EHC plans being issued. In Q2, 43% of EHC plans were issued within 20 weeks, a significant improvement on Q1 performance (32%), although below the target of 46%. With multiple measures in place and a tight oversight, including efficient case tracking systems, additional decision-making panels and collaboration with educational psychologists, the council aims to reach the target of 46% by March 2026 which would bring the borough in line with the average national performance.

Percentage of pupils achieving Levels 5 and above in English and Maths at Key Stage 4

Key stage 4 (KS4) refers to pupils aged between 14 and 16 years old in Year 10 and Year 11. KS4 educational outcomes for the pupils in the borough achieving Levels 5 and above in English and Maths have fluctuated since 2021 (between 56.9% and 61.4%) but are consistently above the national average. Data for summer 2025 indicates that the KS4 attainment rate for the borough's pupils is 56.5%, over 11 percentage points above the national average of 45.2%. This performance indicator is 'Red' due to the service setting an ambitious target despite the national trends.

Percentage of Black Caribbean pupils achieving the expected standard in Reading, Writing and Maths at Key Stage 2

The definition of Black Caribbean pupils has been updated and includes both Black Caribbean & Mixed White Black Caribbean groups. Data for summer 2025 showed that 51% of Black Caribbean pupils achieved the expected standard in Reading, Writing and Maths at KS2, below the target of 57%. The ambitious attainment targets for Black Caribbean pupils were set following in depth consultation with parents and primary school leaders. Council teams have been working with experts and stakeholders to develop data and analysis tools to monitor progress, and we continue to provide challenge to schools in relation to attainment of Black Caribbean pupils.

Percentage of Black Caribbean pupils achieving Levels 5 and above in English and Maths at Key Stage 4

In summer 2025, 32.2% of Black Caribbean pupils achieved levels 5 and above in English and Maths at KS4, below the target of 36.0%. This is a small cohort of pupils and any fluctuations in performance significantly affect the outturn. Nationally, KS4 measures continue to fall slightly (or maintain their level) due to grading revisions. Given this trend, the target set by the council was ambitious. Nevertheless, most secondary schools in the borough have a Race Equality Lead who will focus on outcomes, attendance and mental health of this cohort, and this area is also an integral part of the headteacher performance management. A link officer from the council visits high schools to investigate support available for this group of children and young people, and network meetings are also held with senior staff to share good practice and collaborate on how to close academic gaps between Black Caribbean pupils and their peers.

Number of people completing employability and professional courses

338 residents were supported to complete employability and professional this quarter, with year-to-date performance of 547 against the target of 571. Based on the current number of learners on the programme, there is confidence that the overall annual target of 1,078 will be achieved by March 2026.

FOIs responded to within 20 days

In Q2 2025/26, 78.4% of Freedom of Information requests (FOIs) were responded to within 20 days, below the target of 100%. The drop in performance is reflective of a continuous quarter on quarter increase in the number of FOI requests received, affecting the council's capacity to respond on time. An FOI database portal has been implemented to reduce duplicate requests, and a further deep dive is conducted to understand the drive in the number of requests. Compliance in 'Mixed' category where a request involves multiple directorates, and within housing & environment remains below average, and the Strategic Leadership Team are reviewing these more closely to support targeted improvements.

Customer satisfaction

In April 2025, we automated the survey process to send SMS reminders to all our customers, prompting them to leave their feedback. This change means that the survey no longer relies on advisors reminding customers at the end of each call to complete the survey and instead, every person that contacts the council receives the survey link directly. While this update has led to a drop in performance since the start of the year, it allows more people to respond and the council to hold a more objective customer opinion. Due to the change in the survey process, comparison with the previous years is not appropriate, however performance still remains high, with 87% of calls resolved at first point of contact and 80% of customers reporting satisfaction with the service.

Number of households with children in B&B over 6 weeks

This indicator relates to non-compliant Bed and Breakfast accommodation (B&B). Across London there has been an increasing number of homelessness approaches due to wider macroeconomic factors, which has continued to put pressure on the council services. Despite these pressures, significant progress in this area has been made over the last 18 months, with a reduction from 329 families in B&B over 6 weeks at the end of 2023/24 to 82 by Q2 2025/26. A step-down programme is underway to re-house all families in non-compliant B&B towards our target of 0. The remaining households in non-compliant B&B will be transferred to alternative Temporary Accommodation, moved into social housing or offered a private sector property.

Percentage of closed homelessness cases with successful outcomes (prevention and relief)

Whilst the successful prevention rate for Q2 was 66% and above target of 60%, the performance at relief stage was at 45%. As a result, overall this indicator fell below the target. To support relief stage work, a mitigation stage project has been activated to provide more focus on casework.

Tenant satisfaction

The year-to-date tenant satisfaction at Q2 25/26 was 57%, slightly below 60% targeted. Performance has increased between Q1 and Q2 (54% and 58% respectively), and early indicators have shown this trend continuing into Q3. Intensive work has been undertaken across all relevant services as part of the council Tenant Satisfaction Measures (TSM) Action Plan. This positive direction of travel gives a degree of confidence that the target can be achieved by year-end.

Number of physical visits to libraries

There were 267,211 visits to the libraries as of Q2 this year, below the target of 331,000. This is largely due to the continued closure of Greenford Library for majority of the period, as preparations were underway for its transfer to the Young Ealing Foundation charity. The library has now reopened to the public, which is expected to have a positive impact on overall performance in the next quarter. In addition, the library team continues to develop a programme of out-of-hours activities and events at Acton and Northolt Libraries to further increase visitor numbers and engagement.

PERFORMANCE DASHBOARD

More detailed performance information, including trends and analysis, is available on the council's website through our public performance dashboard - Ealing Council Performance Dashboard.

RISKS

The Accounts and Audit Regulations 2015 and Public Sector Internal Audit Standards 2017 require the council to maintain a robust, adequate and effective system of risk management in its delivery of core services. Operation of an effective and embedded risk management framework is an important element of such a system so that the council effectively discharges its corporate governance responsibilities.

The Strategic Leadership Team (SLT) is responsible for reviewing the Strategic Risk Register, ensuring that the management of risk continues to be within the council's risk appetite. Audit Committee is responsible for considering the effectiveness of the council's strategic risk management arrangements.

Good risk management is a key contributor to successful delivery of the council's objectives protecting its assets and resources to deliver value for money and risk implications are required in all member decision reports.

The Strategic Risk Register was fully refreshed by SLT during the year, and this has been reported to the Audit Committee. The council's strategic risks are determined by SLT, and comprise of key risks which either:

- Are relevant and important to all or most of the council's services and functions
- Are external to the council but which have potential significant impacts on the borough, or parts of the borough, as a whole, or
- Have potentially severe reputational consequences should they materialise.

Further details on the above issues are included in the Annual Governance Statement.

STRATEGY AND RESOURCE ALLOCATION

GENERAL FUND

The council's medium-term finance strategy (MTFS) provides an overarching financial and business planning framework by which resources are allocated in line with council priorities and the council Plan. The MTFS sets out to embed financial sustainability into the council's financial planning processes, amid increasing social care and homelessness demands along with escalating costs driven by inflationary increases, increasing costs of delivering services and real terms funding reductions. The council is continually reviewing its savings and delivery plans while looking for alternative sources of revenue to fund services in order to balance current and future budgets.

The council has continued to invest in services that experience significant and continued demand pressures, with prioritisation being given to the most vulnerable groups. Despite an increase in funding from the finance settlement, the complexity of service provision continues to create budget pressures.

In summary, the general fund budget included:

- Growth of £27.880m to meet statutory obligations, demand pressures and key policy priorities aligned to resident demand.
- Contract and pay inflation of £9.615m.
- Savings and efficiency proposals of £21.596m to balance the budget.
- A budgeted contribution to reserves of £3.5m to improve financial resilience over the medium term.

FINANCIAL OUTTURN PERFORMANCE

The council's outturn performance was reported to Cabinet in June 2026 - **Cabinet Report**.

GENERAL FUND REVENUE

The year 2025/26 remained challenging for local government across the nation, including our council. Inflation remains above the Bank of England's target rate of 2%, and local authorities continued to experience significant cost and volume pressures, especially in the areas of social care and homelessness.

Although the 2025/26 budget prioritised significant growth in these areas, the actual demand and market conditions have surpassed expectations, resulting in overspending in demand-led services such as social care, homelessness, and temporary accommodation. This led to an overspend on services of £13.5m, which was offset by corporate budgets, especially interest on cash balances.

	Revised Budget £m	**Outturn £m**	**Variance £m**
Adults and Public Health	115.163	124.190	9.027
Children's and Schools	96.174	103.142	6.968
Economy and Sustainability	7.993	9.858	1.865
Housing and Environment	31.108	29.115	(1.993)
Resources	44.150	41.140	(3.010)
Strategy and Change	10.405	11.087	0.682
Net cost of services	**304.994**	**318.532**	**13.538**
Corporate budgets	18.482	4.798	(13.684)
Subtotal	323.476	323.330	(0.146)
Funding	**(323.476)**	**(324.110)**	**(0.634)**
TOTAL TO GENERAL FUND BALANCE	**0.000**	**(0.780)**	**(0.780)**

The £0.780m underspend has been transferred to General Fund balances in light of the continued financial uncertainty.

DEDICATED SCHOOLS GRANT (DSG)

The operation of the DSG continues to allow the council to carry forward any DSG deficits and underspends to a ring-fenced reserve. This is separate from the General Fund, which is not permitted to subsidise the account under the regulations.

At the end of 2025/26, the council reported to Cabinet on 10 June 2026 a net deficit balance of £18.519m on its DSG account which includes a High Needs DSG deficit of £18.366m and a Schools Block deficit of £0.153m.

	Schools Block £m	Early Years Block £m	High Needs Block £m	Total £m
Opening balance as at 1 April 2025	0.153	(2.267)	7.755	5.641
In year adjustment 2025/26	0.000	2.267	(2.267)	0.000
In-year movement 2025/26	0.00	0.00	12.878	12.878
Closing balance at 31 March 2026	0.153	0.000	18.366	18.519

Final adjustments have taken place to produce the statements of accounts, and the updated position that will be reported to Department for Education is below.

	Schools Block £m	Early Years Block £m	High Needs Block £m	Total £m
Opening balance at 1 April 2025	0.153	(2.267)	7.755	5.641
In year adjustment 2025/26	0.000	2.267	(2.267)	0.000
In-year movement 2025/26	0.00	0.00	12.480	12.480
Closing balance at 31 March 2026	0.153	0.000	17.968	18.121

RESERVES

General Fund

The General Fund balance shows a net increase in-year of £0.780m, taking the closing position to £21.252m. This is in line with sector guidance that suggests that the general balance should be at least 5% of the net budget requirement and brings the council progressively in line with the general balances held by other London boroughs.

Earmarked Reserves

The overall reserves position including earmarked reserves and excluding technical and schools reserves is shown in the table below. Excluding General Fund Balances, the council has set aside net £14.788m into its ring-fenced and non-ringfenced reserves which includes the budgeted £3.500m.

	31 March 2025 £m	Net Movement In-Year £m	31 March 2026 £m
Corporate - Insurance Reserve	(5.518)	1.087	(4.431)
Parking Places Reserve Account	(3.348)	(2.838)	(6.186)
PFI Reserves	(16.018)	1.991	(14.027)
Sub-total Controllable Ringfenced Reserves	(24.884)	0.240	(24.644)
Corporate - Economic Volatility Reserve	(23.639)	(3.500)	(27.139)
Service – Various	(27.379)	(4.836)	(32.215)
Corporate – Various	(27.015)	(6.692)	(33.707)
Sub-total Controllable Non-Ringfenced Reserves	(78.033)	(15.028)	(93.061)
TOTAL EARMARKED RESERVES	**(102.917)**	**(14.788)**	**(117.705)**
General Fund Balance	(20.471)	(0.780)	(21.252)
TOTAL GENERAL FUND RESERVES & BALANCES	**(123.388)**	**(15.568)**	**(138.957)**

Note: Ringfenced reserves refer to reserves which cannot be repurposed, whereas non-ringfenced reserves are earmarked for specific items, but could be repurposed if the council required.

CAPITAL

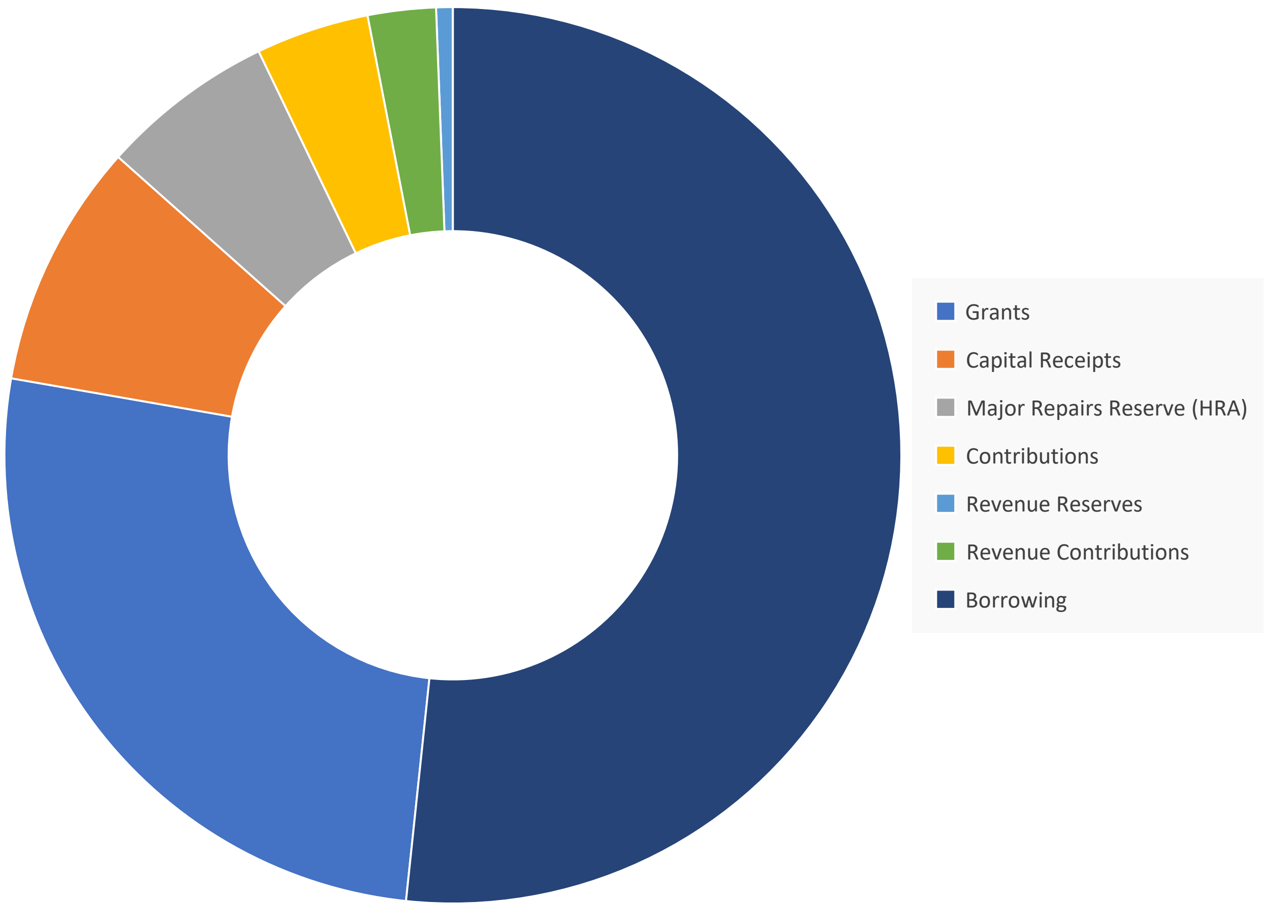
Capital Outturn Summary

Capital expenditure of £227.916m was incurred against a capital expenditure budget of £248.380m. After slippage of planned expenditure of £19.980m this has led to an overall net underspend of £0.483m, representing 99.8% spend against the revised budget. The table below splits this out between General Fund services and the HRA,

	Budget £m	Outturn £m	Slippage/ (Accelerated) Spend £m	Variance £m
Adults and Public Health	0.204	0.163	0.041	0.000
Children's and Schools	16.284	16.899	(0.615)	0.000
Economy and Sustainability	18.039	16.202	1.827	(0.010)
Housing and Environment	28.551	23.769	4.309	(0.473)
Resources	0.802	0.725	0.077	0.000
Corporate	0.000	0.000	0.000	0.000
Total General Fund	**63.881**	**57.758**	**5.640**	**(0.483)**
HRA	184.498	170.158	14.341	0.000
Capital programme total	**248.380**	**227.916**	**19.980**	**(0.483)**

Capital Financing

The following chart shows how the council funded the 2025/26 capital programme spend for both the General Fund and the Housing Revenue Account. Direct revenue contributions to capital schemes totalled £6.956m in year and borrowing increased by £117.758m, which is managed by internal borrowing.



HOUSING REVENUE ACCOUNT

The HRA outturn variance is a net underspend of £2.925m against an approved surplus budget of £0.448m with a transfer to reserves. The main drivers of the favourable variance are savings on borrowing due to slippage on new build programmes and other capital expenditure and additional income achieved from letting regeneration void properties for temporary accommodation tenants.

	Budget £m	**Outturn £m**	**Variance £m**
Income	(90.403)	(91.162)	(0.759)
Expenditure	89.955	87.789	(2.166)
Net cost of services	**(0.448)**	**(3.373)**	**(2.925)**
Transfer to reserves	0.448	3.373	2.925
TOTAL	**0.000**	**0.000**	**0.000**

The underspend was transferred to reserves.

PENSION FUND

The Pension Fund (the Fund) revenue account shows an in-year surplus of £201.373m, up from a surplus of £48.068m in 2024/25. In cash terms the Fund returned a cash surplus for 2025/26 of £35.003m (2024/25 £35.684m), excluding asset revaluations and disposal gains and losses. As a result of the in-year surplus, net assets increased from £1,714m to £1,915m for the year ended 31 March 2026 representing an increase of 11.7%.

Pension Fund net liabilities must be reviewed every three years by an actuary and a recovery plan agreed to eliminate any deficit. An actuarial valuation of the London Borough of Ealing Pension Fund was carried out as at 31 March 2025 to determine the contribution rates with effect from 1 April 2026 to 31 March 2029.

The valuation also showed that a Primary Contribution Rate of 16.7% of pensionable pay per annum was required from employers. The Primary Rate is calculated as being sufficient, together with contributions paid by members, to meet all liabilities arising in respect of service after the valuation date.

The funding objective as set out in the FSS is to achieve and maintain a solvency funding level of 100% of liabilities (the solvency funding target). In line with the FSS, where a shortfall exists at the effective date of the valuation a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall. Equally, where there is a surplus it may be appropriate to offset this against contributions for future service, in which case contribution reductions will be put in place to allow for this.

The FSS sets out the process for determining the contributions in respect of any deficit / surplus for each employer. At the 2025 actuarial valuation the average recovery period adopted for employers in deficit was 12 years, and the run off period for employers with a recoverable surplus was also 12 years. The resulting total "Secondary Rate" for 2026/29 was, on average, a surplus offset of approximately £3m per annum (which allows for the contribution plans which have been set for individual employers under the provisions of the FSS), although this varies year on year.

OUTLOOK

MEDIUM-TERM FINANCIAL STRATEGY (MTFS)

The aim of the MTFS is to ensure a stable and sustainable financial position that will allow the council to achieve its vision and strategic objectives. It reflects the impact of government funding decisions and the wider national and local economic context. It provides a robust financial framework to support the achievement of the council's overall objectives and delivery of services to its residents.

GENERAL FUND

The general fund strategy has been set in the context of the Autumn Budget 2025 and the Local Government Finance Settlement (LGFS) which included reform on the Business Rates Retention System and the Fair Funding Review 2.0 (FFR2.0), outlining the most significant change to the local government funding framework in over a decade.

	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Adults Service & Public Health	119.082	125.914	131.863	139.831
Children's Services	103.717	105.210	106.569	108.468
Economy & Sustainability	10.078	8.571	9.539	10.277
Housing and Environment	42.671	43.608	42.935	43.588
Resources	47.697	49.716	51.724	53.590
Strategy & Change	9.923	10.279	10.567	10.862
Corporate	90.361	110.877	132.948	138.774
Total	**423.528**	**454.174**	**486.144**	**505.389**
Funding	(423.528)	(454.174)	(486.144)	(497.496)
Total	**0.000**	**0.000**	**0.000**	**7.893**

After consultation over the summer of 2025, the LGFS confirmed the first multi-year funding settlement after more than a decade and sought via FFR2.0 and the Business Rates Reset to allocate a greater share of resources towards councils with higher levels of deprivation and a lower ability to raise council tax locally. The LGFS also included the simplification of the grants system, rolling in 36 grants into the settlement, with other grants being combined into four specific grants.

Whilst this clarity supports robust planning of resources in the longer term, this is in the context of real term funding reductions for over a decade and continued demand led pressures. Continuing to identify and deliver significant savings plans has become increasingly challenging without affecting front-line services for residents. Implementing the council’s vision to empower residents, facilitate community connections and networks, and support grassroots-led change through the development of new operating models will drive medium to long-term transformation and change. This approach is essential to achieving financial sustainability amidst rising demand and costs.

Services have identified savings to balance the 2026/27 budget. The council aims to continually improve efficiency and transform service delivery, emphasising community-based services. The table below summarises these savings by directorate.

	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	Total Savings £m
Adults Service & Public Health	(3.480)	0.000	0.000	0.000	**(3.480)**
Children's Services	(6.000)	(4.000)	(2.000)	(1.539)	**(13.539)**
Economy & Sustainability	(0.431)	(0.305)	0.400	0.275	**(0.061)**
Housing and Environment	(1.346)	(0.090)	(0.065)	(0.015)	**(1.516)**
Resources	0.000	0.000	0.000	0.000	**0.000**
Strategy & Change	(0.680)	(1.200)	0.000	0.000	**(1.880)**
Total	**(11.937)**	**(5.595)**	**(1.665)**	**(1.279)**	**(20.476)**

CAPITAL PROGRAMME

The capital programme for the period 2026-31 was approved on the 3 March 2026 with a gross planned expenditure of £1,184m. The expenditure and financing of the agreed capital programme is shown below.

	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total
Capital Expenditure						
General Fund	369.725	12.523	327.298	3.283	0.000	712.829
HRA	141.841	81.126	62.176	57.699	50.117	392.959
Additions	24.035	23.130	18.730	12.530	0.000	78.425
Total	**535.601**	**116.779**	**408.204**	**73.512**	**50.117**	**1,184.213**
Capital Financing						
Mainstream Funding	321.589	57.553	348.096	35.034	33.189	795.461
Capital Receipts	71.229	18.877	24.493	9.342	0.000	123.941
Grants	109.280	21.570	17.470	11.400	0.000	159.720
S106	12.542	0.400	0.400	0.400	0.000	13.742
Partnership Contributions	0.139	0.000	0.000	0.000	0.000	0.139
Revenue Reserves	4.583	1.793	1.150	0.625	0.000	8.151
Revenue Contribution	0.560	0.605	0.305	0.105	0.000	1.575
Major Repairs Reserve	15.178	15.481	15.791	16.106	16.428	78.984
HRA Contribution	0.500	0.500	0.500	0.500	0.500	2.500
Total Programme Funding	**535.601**	**116.779**	**408.204**	**73.512**	**50.117**	**1,184.213**

HOUSING REVENUE ACCOUNT BUSINESS PLAN

The council has a clear objective to deliver safe and genuinely affordable homes for our residents and a regular review of the HRA Business Plan is essential to ensuring that the funding is available to achieve this.

To fund the continued investment in the homes and services, the council approved the rent increase allowed by government to prioritise the funding on the things that matter most to residents, which is the safety and condition of their home and the area they live in. The increased expenditure on repairs and maintenance reflects the needs of the stock, to comply with the revised expectations from the Regulator of Social Housing and increased costs across the repairs and maintenance and construction sectors.

The MTFS for the years 2026 through to 2030 is shown below:

	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m
Dwelling Rent	(75.535)	(82.888)	(86.946)	(90.304)
Service Charges	(22.600)	(23.210)	(23.744)	(24.219)
Other income	(1.526)	(1.568)	(1.604)	(1.636)
Total Income	**(99.661)**	**(107.666)**	**(112.294)**	**(116.159)**
Housing management	40.178	41.665	43.040	44.331
Repairs and Maintenance	26.543	27.680	28.605	29.460
Capital Charges	31.739	34.790	36.416	38.341
Other Costs	0.750	0.668	0.694	0.719
Total Expenditure	**99.210**	**104.803**	**108.755**	**112.851**
Total Net Surplus	**(0.451)**	**(2.863)**	**(3.539)**	**(3.308)**
Transfer to reserves	0.451	2.863	3.539	3.308
HOUSING REVENUE ACCOUNT	**0.000**	**0.000**	**0.000**	**0.000**

Along with other Registered Providers of social housing, there are risks which could impact upon the HRA Business Plan, including:

- **The impact of National Housing Policies** The impact of several national policy changes, particularly the Social Housing (Regulation) Act 2023, are likely to impact on the service and may require additional resourcing.

- **Repairs and Maintenance** Repairs and Maintenance risks which could impact on the demand for services include increased voids, disrepair claims, reports of damp and mould, changes in regulations, and changes in maintenance providers. The increased expenditure on the properties reflects the changing expectations and providing homes that meet the required standards. There remains some regulatory risk if the standards change and increase the investment required.

- **Cost of Living** The continued increase in the cost of living could increase the number of households in arrears and the value of rent arrears, leading to the need to increase bad debt provisions and potential increases in write offs. As a result of this, it is likely that additional focussed resources will be required to deal with tenant arrears and to support households.

RISK MANAGEMENT IN BUDGET SETTING

It is important that spending is contained within budget so that the council can maintain its financial standing in the face of further pressure on resources in 2026/27 and beyond, as set out in the annual review of the MTFS.

Key strategic risks are included in the Corporate Risk Register, regularly reported to SLT and Audit Committee, and reviewed through the updated Budget strategy and MTFS.

The balancing of the budget in-year depends upon the council achieving its council tax and business rates projections which are closely monitored, and which continue to be challenging in an environment of continued cost-of-living pressures.

The identified immediate risks to the budget process are:

- unfunded income loss pressures as a result of the economic environment and the cost-of-living crisis, particularly in relation to council tax and business rates income – the council will continue to closely monitor the impact of these income streams
- non-delivery of the approved savings plans
- social care and homelessness placement pressures (demand and market), which have been partly mitigated by corporate budgets.

Although the introduction of a multi-year settlement has provided greater certainty in the medium-term, there remains potential for further, as yet unrecognised, risks. For this reason, a prudent approach to the level of reserves held by the council remains sensible and necessary. The strategic director resources, as the council’s section 151 officer, is required to state whether the reserves are adequate as part of the annual budget setting process.

The council’s MTFS is continually under review and builds in projections for the MTFS period and beyond as further details and analysis become available. These updates are regularly reviewed by SLT and the portfolio holder and updated to reflect financial environment the council is operating in are. Any sustainability impacts will be considered before final decisions are taken on whether or not to implement each proposal.

FINANCIAL STATEMENTS

FINANCIAL FRAMEWORK

The Statement of Accounts provide an overview of the council's financial position for 2025/26. The 2025/26 set of accounts conform to the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code), which is based on International Financial Reporting Standards (IFRS).

The layout and purpose of each statement is explained in the following section.

EXPLANATORY STATEMENTS

- **Statement of Responsibilities** - explains the responsibilities of the council and its Strategic Director, Resources in relation to the council's financial affairs and the Statement of Accounts.

CORE STATEMENTS

- **Comprehensive Income and Expenditure Statement** – shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation (or rents). Authorities raise taxation (and rents) to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the expenditure and funding analysis and the movement in reserves statement.
- **Movement in Reserves Statement** – shows the movement from the start of the year to the end on the different reserves held by the council, analysed into 'usable reserves' (those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The statement shows how the movements of reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (or rents) for the year. The net increase/decrease line shows the general fund balance and Housing Revenue Account (HRA) balance movements in the year following those adjustments.
- **Balance Sheet** - shows the value as at the balance sheet date of the assets and liabilities recognised by the council. The net assets of the council (assets less liabilities) are matched by the reserves. Reserves are reported in two categories as below.

    - Usable reserves, those reserves that the council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the capital receipts reserve may only be used to fund capital expenditure or repay debt).
    - Unusable reserves, those that the council is not able to use to provide services. This category of reserves includes reserves that hold accounting gains and losses (for example the revaluation reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the movement in reserves statement line 'adjustments between accounting basis and funding basis under regulation'.
- **Cash Flow Statement** – shows the changes in cash and cash equivalents during the reporting period. The statement shows how the council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The net cash flows arising from operating activities is a key indicator of the extent to which the operations of the council are funded by way of taxation and grant income or from the

recipients of services provided by the council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (borrowing).

NOTES TO THE CORE FINANCIAL STATEMENTS

All the notes to the core statements above are collected in one place and provide more information to understand the core statements. Later in this document there is an explanation of the policies used in the preparation of the figures in these accounts, especially changes made during the year.

OTHER STATEMENTS

Housing Revenue Account and notes – show the in-year economic cost of providing housing services in accordance with generally accepted accounting practices.

The Collection Fund and notes – reflect the council's statutory obligation to maintain a separate Collection Fund for its transactions as a billing authority in relation to council tax and non-domestic (business) rates.

Pension Fund Accounts – show the contributions to, and benefits paid from the Pension Fund and identifies the investments which make up the assets of the Fund.

GROUP ACCOUNTS

Group accounts are prepared where an authority (the parent) holds majority interest in a subsidiary, associates and/or joint ventures. The main council statements are consolidated with the identified ventures and presented based on materiality. Intra-group transactions and balances are removed on a line-by-line basis. For 2025/26, the council has identified 3 subsidiary companies with material balances, Broadway Living Limited, Broadway Living RP Limited and Greener Ealing Limited, which were included in the group accounts following an assessment of materiality.

ACCOUNTING POLICIES

The specific principles, bases, conventions, rules and practices applied by an authority in preparing and presenting financial statements.

GLOSSARY

At the end of the document there is a glossary which explains some of the technical terms used in these accounts.

FURTHER INFORMATION

Although the accounts are relatively complex to read, a result of the requirement to comply with the reporting obligations, I hope that you find them useful and informative in helping you to understand how the council manages its finances in delivering services for residents. If you have any questions or comments on the council's accounts or their presentation, please e-mail finalaccounts@ealing.gov.uk or write to the Strategic Director, Resources, Ealing Council, Perceval House, 14-16 Uxbridge Road, Ealing W5 2HL.

STATEMENT OF RESPONSIBILITIES

The council's Statement of Accounts has been produced under the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain (the Code) based on International Financial Reporting Standards (IFRS).

THE COUNCIL'S RESPONSIBILITIES

The council is required:

- to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this council I exercise that role as the strategic director, resources and the council's chief financial officer.
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- to approve the Statement of Accounts.

THE CHIEF FINANCIAL OFFICER'S RESPONSIBILITES

The chief financial officer is responsible for the preparation of the council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain (the Code).

In preparing this Statement of Accounts the chief financial officer has:

- selected suitable accounting policies and then applied them consistently.
- made judgements and estimates that were reasonable and prudent.
- complied with the CIPFA 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 THE STATEMENT OF ACCOUNTS

I certify that the Statement of Accounts presents a true and fair view of the financial position of the London Borough of Ealing as at 31 March 2026 and its income and expenditure for the year then ended, and that the Pension Fund accounts set out a true and fair view of the net assets of the London Borough of Ealing Pension Fund as at 31 March 2026 and its income and expenditure for the year then ended.

Emily Hill
Strategic Director Resources, Chief Financial Officer

30 June 2026

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF LONDON BOROUGH OF EALING

To follow

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF LONDON BOROUGH OF EALING ON THE PENSION FUND FINANCIAL STATEMENTS OF THE LONDON BOROUGH OF EALING PENSION FUND

To follow

2. Core Financial Statements

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

		2024/25			2025/26		
Continuing Services	**Note**	**Gross Expenditure £000's**	**Gross Income £000's**	**Net Expenditure £000's**	**Gross Expenditure £000's**	**Gross Income £000's**	**Net Expenditure £000's**
Services							
Adults´ Services & Public Health		201,715	(90,201)	111,514	214,206	(97,029)	117,177
Children´s Services		590,474	(476,869)	113,605	610,715	(484,994)	125,721
Corporate Budgets		4,671	(4,892)	(221)	4,263	(4,147)	116
Economy & Sustainability		28,075	(15,781)	12,294	27,458	(16,057)	11,401
Housing & Environment		328,847	(258,370)	70,477	298,572	(257,287)	41,285
Resources		180,679	(141,659)	39,020	190,228	(147,179)	43,049
Strategy & Change		13,569	(3,727)	9,842	11,791	(4,425)	7,366
Cost of Services		**1,348,030**	**(991,499)**	**356,531**	**1,357,233**	**(1,011,118)**	**346,115**
Other Operating Expenditure & Income							
Precepts & Levies				15,092			17,140
(Gains)/Losses on Disposal of Non-Current Assets				9,418			(11,888)
				24,510			**5,252**
Financing & Investment Income & Expenditure							
Interest Payable & Similar Charges	12c			41,277			38,732
Net Interest on the Net Defined Benefit Liability (Asset)	31b			1,737			1,680
Interest Receivable & Similar Income	12c			(28,836)			(19,402)
Impairment Losses	12c			11,262			24,219
				25,440			**45,229**
Taxation & Non-Specific Grants							
Council Tax Income				(183,798)			(192,243)
Non-Domestic Rates Income & Expenditure				(51,263)			(54,177)
Business Rates Top-Up				(26,385)			(26,703)
Non-Ringfenced Government Grants	26			(107,833)			(116,932)
Capital Grants & Contributions	26			(49,401)			(64,828)
Donated Asset Income				(3,552)			-
				(422,232)			**(454,883)**
(Surplus) / Deficit on Provision of Services				**(15,751)**			**(58,287)**
(Surplus) or Deficit on Revaluation of Property, Plant & Equipment Assets	9			(501)			(34,612)
Remeasurement of the Net Defined Benefit Liability / (Asset)	31			934			(34,552)
Other Comprehensive (Income) / Expenditure				**433**			**(69,164)**
Total Comprehensive (Income) / Expenditure				**(15,318)**			**(127,451)**

MOVEMENT IN RESERVES STATEMENT

	Revenue Reserves				Capital Reserves					
MOVEMENT IN RESERVES STATEMENT	**General Fund £000's**	**General Fund Earmarked Reserves £000's**	**Housing Revenue Account £000's**	**Housing Revenue Account Earmarked Reserves £000's**	**Major Repairs Reserve £000's**	**Capital Receipts Reserve £000's**	**Capital Grants Unapplied £000's**	**Total Usable Reserves £000's**	**Total Unusable Reserves £000's**	**Total Authority Reserves £000's**
Balance at 31 March 2024	**19,402**	**114,543**	**4,925**	**8,632**	**-**	**58,527**	**814**	**206,843**	**1,647,490**	**1,854,333**
Movement in Reserves during 2024/25										
Total Comprehensive Income & Expenditure	39,047	-	(23,296)	-	-	-	-	**15,751**	**(433)**	**15,318**
Adjustments Between Accounting Basis & Funding Basis Under Regulations (Note 7)	(24,795)	-	23,674	-	-	(2,682)	(25)	**(3,828)**	**3,828**	**-**
Net Increase/(Decrease) before Transfers to Reserves	**14,252**	**-**	**378**	**-**	**-**	**(2,682)**	**(25)**	**11,923**	**3,395**	**15,318**
Transfers (to)/from Reserves	(13,183)	13,051	(378)	378	-	(1,624)	(20)	**(1,776)**	**1,776**	**-**
Increase/(Decrease) in Year 2024/25	**1,069**	**13,051**	**-**	**378**	**-**	**(4,306)**	**(45)**	**10,147**	**5,171**	**15,318**
Balance at 31 March 2025	**20,471**	**127,594**	**4,925**	**9,010**	**-**	**54,221**	**769**	**216,990**	**1,652,661**	**1,869,651**
Movement in Reserves during 2025/26										
Total Comprehensive Income & Expenditure	46,524	-	11,763	-	-	-	-	**58,287**	**69,164**	**127,451**
Adjustments Between Accounting Basis & Funding Basis Under Regulations (Note 7)	(47,144)	-	(8,390)	-	-	(813)	(192)	**(56,539)**	**56,539**	**-**
Net Increase/(Decrease) before Transfers to Reserves	**(620)**	**-**	**3,373**	**-**	**-**	**(813)**	**(192)**	**1,748**	**125,703**	**127,451**
Transfers (to)/from Reserves	1,401	10,283	(3,373)	3,373	-	(1,237)	-	**10,447**	**(10,447)**	**-**
Increase/(Decrease) in Year 2025/26	**781**	**10,283**	**-**	**3,373**	**-**	**(2,050)**	**(192)**	**12,195**	**115,256**	**127,451**
Balance at 31 March 2026	**21,252**	**137,877**	**4,925**	**12,383**	**-**	**52,171**	**577**	**229,185**	**1,767,917**	**1,997,102**

BALANCE SHEET

BALANCE SHEET	Note	31 March 2025 £000's	31 March 2026 £000's
Property, Plant & Equipment	9	2,620,105	2,783,439
Intangible Assets	9	8,636	7,597
Heritage Assets	11	4,582	4,582
Long-Term Investments	12a	2,136	2,136
Long-Term Debtors	12a	59,884	59,738
Long-term Assets		**2,695,343**	**2,857,492**
Short-Term Investments	12a	18,181	118,716
Short-Term Debtors	13	134,087	164,029
Cash and Cash Equivalents	14	421,092	159,086
Current Assets		**573,360**	**441,831**
Short-Term Borrowings	12a	(71,626)	(75,368)
Short-Term Creditors	15	(221,652)	(204,530)
Short-Term Provisions	16	(9,142)	(5,739)
Grants Receipts in Advance - Revenue	26	(13,963)	(12,059)
Current Liabilities		**(316,383)**	**(297,696)**
Long-Term Borrowings	12a	(797,751)	(773,984)
Long-Term Creditors	12a	(166,840)	(157,642)
Long-Term Provisions	16	(2,566)	(2,589)
Grants Receipts in Advance - Capital	26	(64,631)	(70,310)
Pensions Liability	31	(50,881)	-
Long- term Liabilities		**(1,082,669)**	**(1,004,525)**
Net Assets		**1,869,651**	**1,997,102**
Represented by:			
General Fund		20,471	21,252
Housing Revenue Account		4,925	4,925
Capital Receipts Reserve	7	54,221	52,171
Capital Grants Unapplied	7	769	577
Earmarked Reserves	8	127,594	137,877
Housing Revenue Account Earmarked Reserves	8	9,010	12,383
Housing Revenue Account Major Repairs Reserve	8	-	-
Usable Reserves		**216,990**	**229,185**
Unusable Reserves	18	**1,652,661**	**1,767,917**
Total Reserves		**1,869,651**	**1,997,102**

CASH FLOW STATEMENT

CASH FLOW STATEMENT	**Note**	**2024/25 £000's**	**2025/26 £000's**
Net Surplus / (Deficit) on the Provision of Services		15,751	58,287
Adjustments to Net Surplus / (Deficit) on the Provision of Services for Non-Cash Movements	19a	98,906	48,622
Adjustments for Items Included in Net Surplus / (Deficit) on the Provision of Services that are Investing or Financing Activities	19a	(71,800)	(86,643)
Net Cash Inflows from Operating Activities		**42,857**	**20,266**
Investing Activities	19b	265,545	(219,742)
Financing Activities	19c	(46,531)	(62,530)
Net Increase or (Decrease) in Cash and Cash Equivalents		**261,871**	**(262,006)**
Cash and Cash Equivalents at the Beginning of the Reporting Period		159,221	421,092
Cash and Cash Equivalents at the End of the Reporting Period	14	**421,092**	**159,086**

3. Notes to the Accounts

NOTES TO CORE FINANCIAL STATEMENTS

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Note 1 Accounting Standards Issued, Not Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) requires an authority to disclose information in the 2024/25 financial statements about new accounting standards that have been issued but not yet adopted.

There are no changes in accounting standards for 2026/27 that are anticipated to have a material impact on the council's financial performance or financial position.

Note 2 Critical judgements in applying accounting policies

In applying the accounting policies set out in Section 5, 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:

ACCOUNTING FOR SCHOOLS

The council recognises the land and buildings used by schools in accordance with the accounting policy for Property, Plant and Equipment. These assets are recognised in the. Balance Sheet if it is probable that the future economic benefits or service potential associated with them will flow to the council or the schools within its control.

The council has completed an assessment across the different types of schools it controls within the Borough. Judgements have been made to determine the arrangements in place and the accounting treatment of the land and building assets.

The council has not recognised Academies but includes all maintained schools; community schools, voluntary aided schools and foundation schools. The liabilities relating to the PFI schemes including two Academy Schools remain on balance sheet as the council is the liable party.

GROUP ACCOUNTS

The council has reviewed its interest in other companies and has prepared group accounts to include entities which fall within the group boundary and are considered to be material. Following this assessment, three wholly owned subsidiaries have been considered material and have been consolidated in the group accounts. They are Broadway Living Ltd, Broadway Living RP Ltd and Greener Ealing Ltd. Further information can be found in the Group Accounts section of this document.

GRANT ACCOUNTING

The council is required to make a judgement on the treatment of grants and contributions, in particular, whether there are conditions and/or restrictions and if these have been met, and whether the council is acting as principal or agent. If conditions are met, or the grant has no conditions, the income will be credited to the Comprehensive Income and Expenditure Statement, and any unused grant will be held in an earmarked reserve. For conditional grants where conditions are not met, the grant will be held as a creditor on the balance sheet. Grants where the council is acting as an agent the net balance is held on balance sheet as a creditor.

LEASES

The council is required to make a judgement on Right of Use (ROU) assets in particular Private Sector Lease (PSL) terms. If the lease term has expired but the property has not been handed back, the council assesses if an extension is in progress, if an extension is to be processed but not yet agreed the council assumes a standard 2 year term will be renewed and applies relevant accounting practices under ROU assets for the lease liability.

The council has concluded that private sector leases (PSLs) should not be subject to the Code's indexation approach and are therefore held on a historic cost basis (i.e. IFRS 16 measurement) rather than indexed valuation. This reflects the distinct accounting treatment of leases under IFRS 16, as adopted by the CIPFA Code, whereby right-of-use assets are initially measured at the value of the lease liability (based on discounted contractual cash flows using the prevailing index at commencement) and are subsequently accounted for through depreciation and liability remeasurement, rather than periodic revaluation.

Note 3 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 are 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.

The statement of accounts was authorised for issue by the Strategic Director Resources (Chief Financial Officer) on 30 June 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. This includes any amendments following the audit of the accounts.

On the 10 June 2026 Cabinet agreed to the winding up of the council's two subsidiaries Broadway Living Limited and Broadway Living Registered Provider. After extensive restructuring work the decision was taken in the best interest of both tenants and the council to transfer the housing assets of the companies into the council. To date, the full financial impact has not been finalised, however plans are in place to manage any unfavourable impacts as a result of releasing liabilities between the group entities.

Note 4 Assumptions made about the future and other major sources of estimation uncertainty

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

The items in the council's Balance Sheet at 31 March 2026 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected return on pension fund assets. A firm of actuaries is engaged to provide the council with expert advice about the assumptions to be applied and these are documented within the disclosure note on retirement benefits.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.5% increase in the discount rate assumption would result in a decrease in the pension liability of £101.442m. However, the assumptions interact in complex ways.
Property, Plant and Equipment	The council employs Royal Institute of Chartered Surveyors (RICS) qualified valuers (Lambert Smith Hampton) to identify the most appropriate valuation techniques to determine fair value for all council dwellings, land and buildings. All valuations are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the RICS. The council's valuation experts work closely with finance officers on a regular basis regarding all valuation matters.	Significant changes in any of the unobservable inputs used in the techniques used would result in a significantly lower or higher fair value measurement for these assets. For every 1% increase in valuation, the carrying value of property, plant and equipment would increase by £25m.

GOING CONCERN

The Accounting Code (Standard IAS 1) requires management to assess the council's ability to continue as a going concern and to disclose any material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. The council discloses that the Accounts have been prepared on a going concern basis and that the council will continue in existence for the foreseeable future.

This assumption is made because the local authorities carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers at the discretion of central government). If an authority were in financial difficulty, the prospects are that alternative arrangements might be made by central government in the form of exceptional financial support which allows for the continuation of the services it provides through the capitalisation of revenue expenditure which allows the recovery of any deficit over more than one financial year or the funding of that expenditure from capital receipts.

The Code states that transfers of services under combinations of public sector bodies (for example a local government reorganisation) do not require the presumption of going concern. However, if there are material concerns about the financial health of the council, this would be raised as part of the statutory responsibilities of the Section 151 Officer and by the external auditors as part of the accounts audit process.

Note 5 Expenditure and Funding Analysis

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

	2025/26							
Table 5a	**Outturn as Reported to the Executive £000's**	**Adjustments to Management Reporting (EFA Note 1) £000's**	**Net Expenditure Chargeable to the General Fund & HRA Balance £000's**	**Adjustments for Capital Purposes (EFA Note 2) £000's**	**Net Change for Pensions Adjustments (EFA Note 3) £000's**	**Other Statutory Differences (EFA Note 4) £000's**	**Adjustments between the Funding & Accounting Basis (see Note 7) £000's**	**Net Expenditure in the Comprehensive Income & Expenditure Statement £000's**
Continuing Services								
Adults´ Services & Public Health	124,190	(5,997)	118,193	1,578	(2,552)	(42)	(1,016)	117,177
Children´s Services	103,142	7,447	110,589	19,468	(4,721)	385	15,132	125,721
Corporate Budgets	-	116	116	-	-	-	-	116
Economy & Sustainability	9,858	(66)	9,792	4,950	(3,248)	(93)	1,609	11,401
Housing & Environment	29,115	(55,667)	(26,552)	71,736	(3,875)	(24)	67,837	41,285
Resources	41,140	(1,947)	39,193	3,866	-	(10)	3,856	43,049
Strategy & Change	11,087	(84)	11,003	40	(3,613)	(64)	(3,637)	7,366
Net Cost of Services	**318,532**	**(56,198)**	**262,334**	**101,638**	**(18,009)**	**152**	**83,781**	**346,115**
Other Income & Expenditure	4,798	(269,883)	(265,085)	(144,207)	1,680	3,210	(139,317)	(404,402)
(Surplus) or Deficit on Provision of Services	**323,330**	**(326,081)**	**(2,751)**	**(42,569)**	**(16,329)**	**3,362**	**(55,536)**	**(58,287)**
Opening General Fund & HRA Balance 1 April 2025			**162,000**					
Less: (Surplus) or Deficit on General Fund & HRA Balance In-Year			(2,751)					
Reserve Transfers			(11,686)					
Closing General Fund & HRA Balance at 31 March 2026			**176,437**					

	2024/25							
Table 5a	**Outturn as Reported to the Executive £000's**	**Adjustments to Management Reporting (EFA Note 1) £000's**	**Net Expenditure Chargeable to the General Fund & HRA Balance £000's**	**Adjustments for Capital Purposes (EFA Note 2) £000's**	**Net Change for Pensions Adjustments (EFA Note 3) £000's**	**Other Statutory Differences (EFA Note 4) £000's**	**Adjustments between the Funding & Accounting Basis (see Note 7) £000's**	**Net Expenditure in the Comprehensive Income & Expenditure Statement £000's**
Continuing Services								
Adults´ Services & Public Health	117,796	(5,180)	112,616	212	(1,480)	166	(1,102)	111,514
Children´s Services	96,933	(6,274)	90,659	23,819	(1,941)	1,068	22,946	113,605
Corporate Budgets	-	5,279	5,279	(5,500)	-	-	(5,500)	(221)
Economy & Sustainability	9,685	35	9,720	4,191	(1,747)	130	2,574	12,294
Housing & Environment	38,415	(14,715)	23,700	48,501	(1,907)	183	46,777	70,477
Resources	35,665	(71)	35,594	3,400	-	26	3,426	39,020
Strategy & Change	10,438	-	10,438	24	(840)	220	(596)	9,842
Net Cost of Services	**308,932**	**(20,926)**	**288,006**	**74,647**	**(7,915)**	**1,793**	**68,525**	**356,531**
Other Income & Expenditure	2,951	(305,587)	(302,636)	(72,502)	1,737	1,119	(69,646)	(372,282)
(Surplus) or Deficit on Provision of Services	**311,883**	**(326,513)**	**(14,630)**	**2,145**	**(6,178)**	**2,912**	**(1,121)**	**(15,751)**
Opening General Fund & HRA Balance 1 April 2024			**147,502**					
Less: (Surplus) or Deficit on General Fund & HRA Balance In-Year			(14,630)					
Reserve Transfers			132					
Closing General Fund & HRA Balance at 31 March 2025			**162,000**					

Note: Movement in Reserves Statement includes details of the split between HRA and General Fund

EFA Note 1: ADJUSTMENTS TO MANAGEMENT REPORTING

This column adjusts the outturn figures reported to management for items chargeable to the General Fund for:

Reserves – the removal of transfers to/from reserves included in the management outturn report as these are not shown on the face of the Comprehensive Income and Expenditure Statement.

Financing & Investment Income & Expenditure – the reallocation of Financing & Investment Income & Expenditure to/from the Net Cost of Services to Other Operating Income and Expenditure.

EFA Note 2: ADJUSTMENT FOR CAPITAL PURPOSES

Adjustments for capital purposes – this column adds in the depreciation and impairment and revaluation gains and losses in the service line, and for:

Other Operating Expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

Financing and Investment Income and Expenditure – 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 receivable in the year to those 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.

EFA Note 3: NET CHANGES FOR THE PENSIONS ADJUSTMENTS

Net change for the removal of pension contributions and the addition of *IAS 19 Employee Benefits* pension related expenditure and income:

For **Services** this represents the removal of the employer pension contributions made by the 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 Comprehensive Income and Expenditure Statement.

EFA NOTE 4: OTHER STATUTORY ADJUSTMENTS

Other statutory adjustments between 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.

For **Taxation and Non-Specific Grant Income and Expenditure** represents the difference between what is chargeable under statutory regulations for council tax and business rates that was projected to be received at the start of the year and the income recognised 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 on the Collection Fund.

Note 6 Expenditure and Income Analysed by Nature

	2024/25 £000's	**2025/26 £000's**
Employee Benefits Expenses	468,953	484,387
Other Service Expenses	760,697	762,379
Depreciation, Amortisation & Impairment	105,649	99,304
Interest Payments & Impairment Losses	52,648	62,952
Precepts & Levies	16,451	17,098
(Gain) or Loss on Disposal of Non-Current Assets	9,418	(11,888)
Revenue Expenditure Funded from Capital Under Statute & De-minimis	14,359	12,842
Total Expenditure	**1,428,175**	**1,427,074**
Fees, Charges & Other Service Income	(349,297)	(372,937)
Interest & Investment Income	(28,836)	(19,252)
Income from Council Tax	(183,798)	(192,243)
Income from Business Rates	(51,263)	(54,177)
Government Grants & Contributions	(827,180)	(846,752)
Donated Asset Income	(3,552)	-
Total Income	**(1,443,926)**	**(1,485,361)**
(Surplus) or deficit on the provision of services	**(15,751)**	**(58,287)**

Note 7 Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the council in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the council to meet future capital and revenue expenditure.

The following sets out a description of the reserves that the adjustments are made against.

GENERAL FUND BALANCE

The General Fund is the statutory fund into which all the receipts are required to be paid and out of which all liabilities are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the council is statutorily empowered to spend on its services or on capital investment at the end of the financial year.

HOUSING REVENUE ACCOUNT BALANCE

The HRA balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure that is available to fund future expenditure in connection with the council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

MAJOR REPAIRS RESERVE

The council is required to maintain the major repairs reserve, which controls an element of the capital resources limited to being used on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. The balance shows the capital resources that have yet to be applied at the year-end (nil in 2025/26 and 2024/25).

CAPITAL RECEIPTS RESERVE

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance of the reserve shows the resources that have yet to be applied for these purposes at the year-end.

CAPITAL GRANTS UNAPPLIED

The Capital Grants Unapplied Reserve holds the grants and contributions received towards capital projects for which the council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and / or the financial year in which this can take place.

	Usable Reserves							
Table 7a - 2025/26	General Fund Balance £000's	Housing Revenue Account £000's	Major Repairs Reserve £000's	Capital Receipts Reserve £000's	Capital Grants Unapplied £000's	Movement in Usable Reserves £000's	Movement in Unusable Reserves £000's	Total Movement in Reserves £000's
Adjustments to the Revenue Resources								
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:								
Pensions Costs (transferred (to) or from the Pension Reserve)	(13,377)	(2,952)	-	-	-	(16,329)	16,329	-
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	(37)	-	-	-	-	(37)	37	-
Council Tax & NDR (transfers (to) or from the Collection Fund Adjustment Account	3,246	-	-	-	-	3,246	(3,246)	-
Holiday Pay (transferred to the Accumulated Absences Reserve)	(15)	168	-	-	-	153	(153)	-
Reversal of Entries Included in the Surplus or Deficit on the Provision of Services in Relation to Capital Expenditure (these items are charged (to) or from the Capital Adjustment Account or Capital Grants Unapplied)	25,440	26,408	-	-	412	52,260	(52,260)	-
Total Adjustments to Revenue Resources	**15,257**	**23,624**	**-**	**-**	**412**	**39,293**	**(39,293)**	**-**
Adjustments between Revenue and Capital Resources								
Transfer of Non-Current Asset Sale Proceeds from Revenue to the Capital Receipts Reserve	(419)	(17,680)	-	18,099	-	-	-	-
Posting of HRA Resources from Revenue to the Major Repairs Reserve	-	(14,316)	14,316	-	-	-	-	-
Statutory Provision for the Repayment of Debt (transfer to the Capital Adjustment Account)	(55,026)	(18)	-	-	-	(55,044)	55,044	-
Capital Expenditure Financed from Revenue Balances (transfer to the Capital Adjustment Account)	(6,956)	-	-	-	-	(6,956)	6,956	-
Total Adjustments between Revenue and Capital Resources	**(62,401)**	**(32,014)**	**14,316**	**18,099**	**-**	**(62,000)**	**62,000**	**-**
Adjustments to Capital Resources								
Use of the Capital Receipts Reserve to Finance New Capital Expenditure	-	-	-	(20,676)	-	(20,676)	20,676	-
Use of the Major Repairs Reserve to Finance New Capital Expenditure	-	-	(14,316)	-	-	(14,316)	14,316	-
Application of Unapplied Capital Grants to Finance New Capital Expenditure	-	-	-	-	(604)	(604)	604	-
Cash Payments in Relation to Deferred Capital Receipts	-	-	-	1,238	-	1,238	(1,238)	-
Cash Payments in Relation to Long-Term Debtor Loans	-	-	-	526	-	526	(526)	-
Total Adjustments to Capital Resources	**-**	**-**	**(14,316)**	**(18,912)**	**(604)**	**(33,832)**	**33,832**	**-**
Total Adjustments	**(47,144)**	**(8,390)**	**-**	**(813)**	**(192)**	**(56,539)**	**56,539**	**-**

Table 7b - 2024/25	General Fund Balance £000's	Housing Revenue Account £000's	Major Repairs Reserve £000's	Capital Receipts Reserve £000's	Capital Grants Unapplied £000's	Movement in Usable Reserves £000's	Movement in Unusable Reserves £000's	Total Movement in Reserves £000's
	Usable Reserves							
Adjustments to the Revenue Resources								
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:								
Pensions Costs (transferred (to) or from the Pension Reserve)	(5,198)	(980)	-	-	-	(6,178)	6,178	-
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	(35)	-	-	-	-	(35)	35	-
Council Tax & NDR (transfers (to) or from the Collection Fund Adjustment Account	1,154	-	-	-	-	1,154	(1,154)	-
Holiday Pay (transferred to the Accumulated Absences Reserve)	1,900	(107)	-	-	-	1,793	(1,793)	-
Reversal of Entries Included in the Surplus or Deficit on the Provision of Services in Relation to Capital Expenditure (these items are charged (to) or from the Capital Adjustment Account or Capital Grants Unapplied)	38,149	53,294	-	-	314	91,757	(91,757)	-
Total Adjustments to Revenue Resources	**35,970**	**52,207**	**-**	**-**	**314**	**88,491**	**(88,491)**	**-**
Adjustments between Revenue and Capital Resources								
Transfer of Non-Current Asset Sale Proceeds from Revenue to the Capital Receipts Reserve	76	(14,089)	-	14,013	-	-	-	-
Posting of HRA Resources from Revenue to the Major Repairs Reserve	-	(14,411)	14,411	-	-	-	-	-
Statutory Provision for the Repayment of Debt (transfer to the Capital Adjustment Account)	(54,224)	(33)	-	-	-	(54,257)	54,257	-
Capital Expenditure Financed from Revenue Balances (transfer to the Capital Adjustment Account)	(6,617)	-	-	-	-	(6,617)	6,617	-
Total Adjustments between Revenue and Capital Resources	**(60,765)**	**(28,533)**	**14,411**	**14,013**	**-**	**(60,874)**	**60,874**	**-**
Adjustments to Capital Resources								
Use of the Capital Receipts Reserve to Finance New Capital Expenditure	-	-	-	(19,211)	-	(19,211)	19,211	-
Use of the Major Repairs Reserve to Finance New Capital Expenditure	-	-	(14,411)	-	-	(14,411)	14,411	-
Application of Unapplied Capital Grants to Finance New Capital Expenditure	-	-	-	-	(339)	(339)	339	-
Cash Payments in Relation to Deferred Capital Receipts	-	-	-	1,624	-	1,624	(1,624)	-
Cash Payments in Relation to Long-Term Debtor Loans	-	-	-	892	-	892	(892)	-
Total Adjustments to Capital Resources	**-**	**-**	**(14,411)**	**(16,695)**	**(339)**	**(31,445)**	**31,445**	**-**
Total Adjustments	**(24,795)**	**23,674**	**-**	**(2,682)**	**(25)**	**(3,828)**	**3,828**	**-**

Note 8 Movements in Earmarked Reserves

The council sets aside specific amounts as reserves for future policy purposes or to cover risks and contingencies. Reserves are created by appropriating amounts out of the General Fund 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 or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

		2024/25				2025/26			
Transfers to/from Earmarked Reserves	**Balance at 31 March 2024 £000's**	**Transfers In £000's**	**Transfers Between £000's**	**Transfers Out £000's**	**Balance at 31 March 2025 £000's**	**Transfers In £000's**	**Transfers Between £000's**	**Transfers Out £000's**	**Balance at 31 March 2026 £000's**
Specific Reserves									
Corporate - Insurance Reserve	**5,721**	-	-	(203)	**5,518**	-	-	(1,087)	**4,431**
Corporate - Covid-19 Grant	**622**	-	(267)	-	**355**	-	-	-	**355**
Corporate - Collection Fund Equalisation Fund	**8,359**	1,336	-	(44)	**9,651**	-	-	(647)	**9,004**
Corporate - Other Reserves	**16,766**	10,386	427	(919)	**26,660**	300	-	(700)	**26,260**
Corporate - Economic Volatility Reserve	**20,139**	3,500	-	-	**23,639**	3,500	-	-	**27,139**
Service - Dedicated Schools Grant	**-**	13,615	3,787	(17,402)	**-**	-	-	-	**-**
Service – Others Reserves	**24,568**	5,501	(160)	(2,530)	**27,379**	15,720	-	(3,791)	**39,308**
Parking Reserve Account	**4,436**	870	-	(1,958)	**3,348**	4,370	-	(1,532)	**6,186**
PFI Reserves	**18,269**	29	-	(2,280)	**16,018**	757	-	(2,748)	**14,027**
	98,880	**35,237**	**3,787**	**(25,336)**	**112,568**	**24,647**	**-**	**(10,505)**	**126,710**
School Balances (ring-fenced)	**15,663**	6,916	-	(7,553)	**15,026**	-	-	(3,859)	**11,167**
Total General Fund	**114,543**	**42,153**	**3,787**	**(32,889)**	**127,594**	**24,647**	**-**	**(14,364)**	**137,877**
HRA Reserves									
Major Repairs Reserve	**-**	14,411	-	(14,411)	**-**	14,316	-	(14,316)	**-**
Estate Regeneration Delivery Service	**8,632**	521	-	(143)	**9,010**	3,373	-	-	**12,383**
Total HRA	**8,632**	**14,932**	**-**	**(14,554)**	**9,010**	**17,689**	**-**	**(14,316)**	**12,383**

GENERAL FUND EARMARKED RESERVES

The **Insurance reserve** is held to cover future insurance claims.

The **Covid-19 Grant reserve** holds the general fund grants that have been received and are carried forward due to permitted use to fund future Covid pressures.

The **Collection Fund Equalisation Fund** is a technical reserve which is used to allow for distribution of collection fund balances relating to timing differences.

Corporate Other reserves is a group of reserves held corporately, some are held to cover against future costs the council will incur, such as Election Reserves, whilst others are held in order to provide funds to drive corporate strategy and efficiencies.

The **Economic Volatility reserve** is held to manage volatility in collection fund income and manage risks arising from the wider economic context such as the impact of inflation and the cost of living pressures.

The **Dedicated Schools Grant (DSG) reserve** is held to carry forward any unspent DSG to be used in future years. The operation of the DSG continues to allow the council to carry forward any DSG underspends to a ring-fenced reserve, and any deficits on DSG would be treated as an unusable reserve. In 2025/26 the council has recognised an £18.121m deficit which has been moved to an unusable reserve and is reported in Note 18.

Service Other reserves is a group of reserves held by services to provide financial resources for service-based projects such as recycling initiatives or school transport infrastructure.

The **Parking Places reserve** surplus will be reinvested, as per Section 55 of the Road Traffic Regulation Act 1984 (as amended), in improvements in the delivery of on and off-street parking services.

The PFI Reserves are in place to meet the difference between central government revenue grant and actual costs for the council's PFI schemes in future years and to fund future annual repayment liabilities.

School Balances (ring fenced) contains the school funds which are ring-fenced for schools' use.

HRA EARMARKED RESERVES

Major Repairs Reserve funds are available to meet capital investment in council housing.

Estate Regeneration Delivery funds are held for future investment in Estate Regeneration.

Note 9 Property, Plant and Equipment

Property, Plant & Equipment Movements in 2025/26	Council Dwellings £000's	Other Land & Buildings £000's	Other Land & Buildings (PFI) £000's	Vehicles, Plant & Equipment £000's	Community Assets £000's	Surplus Assets £000's	Assets Under Construction £000's	Total Property, Plant & Equipment £000's	Intangible Assets £000's
Cost or Valuation									
At 1 April 2025	**942,295**	**1,032,513**	**223,123**	**64,694**	**50,109**	**3,294**	**187,287**	**2,503,315**	**15,032**
Additions	38,437	43,708	1,335	3,133	1,768	-	134,018	**222,399**	152
Donations	-	-	-	-	-	-	-	**-**	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(16,678)	19,776	(3,391)	-	70	232	-	**10**	-
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(29,799)	(8,673)	-	-	1,775	(5)	-	**(36,703)**	-
Derecognition - disposals	(7,551)	-	-	-	-	-	-	**(7,551)**	-
Derecognition - other	(61)	(7,886)	-	(426)	-	(0)	(64)	**(8,437)**	-
Other Reclassifications	8,149	2,374	-	-	-	-	(11,745)	**(1,222)**	**-**
At 31 March 2026	**934,792**	**1,081,812**	**221,067**	**67,401**	**53,722**	**3,521**	**309,496**	**2,671,812**	**15,183**
Accumulated Depreciation and Impairment									
At 1 April 2025	**(4,118)**	**(24,473)**	**-**	**(45,972)**	**(116)**	**(6)**	**-**	**(74,685)**	**(6,396)**
Depreciation charge	(13,655)	(35,480)	(3,999)	(3,013)	(750)	(84)	-	**(56,980)**	**(1,190)**
Depreciation written out to the Revaluation Reserve	10,322	20,262	3,999	-	-	18	-	**34,602**	**-**
Depreciation written out to the Surplus/Deficit on the Provision of Services	3,572	4,527	-	-	-	19	-	**8,119**	**-**
Impairment losses/reversals to Surplus/Deficit on Provision of Services	(58)	-	-	-	-	-	-	**(58)**	**-**
Derecognition - disposals	86	-	-	-	-	-	-	**86**	**-**
Derecognition - other	3	5,493	-	385	-	-	-	**5,881**	**-**
At 31 March 2026	**(3,848)**	**(29,670)**	**-**	**(48,600)**	**(866)**	**(52)**	**-**	**(83,036)**	**(7,586)**
Net Book Value									
At 31 March 2026	**930,943**	**1,052,142**	**221,067**	**18,802**	**52,856**	**3,470**	**309,496**	**2,588,776**	**7,597**
At 31 March 2025	**938,177**	**1,008,040**	**223,123**	**18,722**	**49,993**	**3,288**	**187,287**	**2,428,630**	**8,636**

Property, Plant & Equipment Movements in 2024/25	Council Dwellings £000's	Other Land & Buildings £000's	Other Land & Buildings (PFI) £000's	Vehicles, Plant & Equipment £000's	Community Assets £000's	Surplus Assets £000's	Assets Under Construction £000's	Total Property, Plant & Equipment £000's	Intangible Assets £000's
Cost or Valuation									
At 1 April 2024	**966,842**	**1,027,939**	**217,071**	**128,952**	**52,031**	**6,361**	**105,932**	**2,505,128**	**15,788**
Additions	33,965	22,554	17,584	2,844	1,579	255	89,318	**168,098**	**17**
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(15,559)	(2,902)	(11,532)	-	(138)	70	-	**(30,060)**	**-**
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(23,081)	(1,663)	-	-	(3,363)	(3,392)	-	**(31,498)**	**-**
Derecognition - disposals	(4,213)	-	-	-	-	-	-	**(4,213)**	**-**
Derecognition - other	(19,791)	(13,571)	-	(63,386)	-	-	(112)	**(96,860)**	**(848)**
Other Reclassifications	4,132	155	-	414	-	-	(7,851)	**(3,150)**	**75**
Other movements	-	-	-	(4,130)	-	-	-	**(4,130)**	**-**
At 31 March 2025	**942,295**	**1,032,513**	**223,123**	**64,694**	**50,109**	**3,294**	**187,287**	**2,503,315**	**15,032**
Accumulated Depreciation and Impairment									
At 1 April 2024	**(1,270)**	**(4,272)**	**-**	**(110,772)**	**(72)**	**-**	**-**	**(116,386)**	**(6,077)**
Depreciation charge	(13,808)	(42,840)	(3,697)	(2,676)	(425)	(152)	-	**(63,598)**	**(1,167)**
Depreciation written out to the Revaluation Reserve	10,800	15,779	3,697	-	150	66	-	**30,492**	**-**
Depreciation written out to the Surplus/Deficit on the Provision of Services	2,847	1,714	-	-	231	80	-	**4,871**	**-**
Impairment losses/reversals to Surplus/Deficit on Provision of Services	(2,959)	-	-	-	-	-	-	**(2,959)**	**-**
Derecognition - disposals	47	-	-	-	-	-	-	**47**	**-**
Derecognition - other	225	5,146	-	63,347	-	-	-	**68,718**	**848**
Other movements in depreciation and impairment	-	-	-	4,130	-	-	-	**4,130**	**-**
At 31 March 2025	**(4,118)**	**(24,473)**	**-**	**(45,972)**	**(116)**	**(6)**	**-**	**(74,685)**	**(6,396)**
Net Book Value									
At 31 March 2025	**938,177**	**1,008,040**	**223,123**	**18,722**	**49,993**	**3,288**	**187,287**	**2,428,630**	**8,636**
At 31 March 2024	**965,572**	**1,023,667**	**217,071**	**18,180**	**51,960**	**6,361**	**105,932**	**2,388,742**	**9,711**

Note: The opening net book value in 2024/25 includes £61,615k on transition of IFRS 16 Leases, see note 29 for further details. Note 29 includes details of the Right of Use Assets accounted within the Property, Plant and Equipment note above.

INFRASTRUCTURE ASSETS

In accordance with the temporary relief offered by the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022, this note does not include disclosure of gross costs 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 statement.

The council has chosen not to disclose the information as the previously reported practices and resultant information deficits mean that gross costs 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 the infrastructure assets.

9b Property, Plant & Equipment Infrastructure Assets Movements	**Non PFI £000's**	**PFI £000's**	**Total £000's**
Net Book Value 1 April 2025	**169,294**	**22,181**	**191,476**
Additions	14,422	34	14,456
Revaluation increases/(decreases) recognised in the Revaluation Reserve	-	-	-
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	-	-	-
Reclassification from Asset Under Construction	1,222	-	1,222
Depreciation	(11,829)	(661)	(12,490)
Derecognition and Disposals	-	-	-
Net Book Value 31 March 2026	**173,109**	**21,554**	**194,663**

9b Property, Plant & Equipment Infrastructure Assets Movements	**Non PFI £000's**	**PFI £000's**	**Total £000's**
Net Book Value 1 April 2024	**160,069**	**22,091**	**182,160**
Additions	16,809	730	17,539
Revaluation increases/(decreases) recognised in the Revaluation Reserve	-	-	-
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	-	-	-
Reclassification from Asset Under Construction	3,075	-	3,075
Depreciation	(10,659)	(639)	(11,298)
Derecognition and Disposals		-	-
Net Book Value 31 March 2025	**169,294**	**22,181**	**191,476**

9c Reconciliation to Property, Plant & Equipment	**1 April 2024 £000's**	**31 March 2025 £000's**	**31 March 2026 £000's**
Infrastructure Assets	182,160	191,476	194,663
Property Plant Equipment	2,388,742	2,428,630	2,588,776
Total	**2,570,902**	**2,620,105**	**2,783,439**

The council has determined in accordance with Regulation 30M of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

DEPRECIATION

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Council dwellings – 60-80 years
- Other operating buildings – 40-60 years
- Vehicles, plant, and equipment – 5-15 years
- Infrastructure assets – 10-75 years
- Intangible assets – 5-10 years

REVALUATIONS

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. This includes Council Dwellings, Other Land & Buildings, Community Assets and Surplus Assets. council dwellings are valued annually. Valuations of land and buildings (including council dwellings) were carried out by the council's external valuers 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 and equipment are based on historic cost which is not considered to be materially different to current value.

The significant basis applied in estimating the current values of property, plant and equipment are:

- Non-specialised properties occupied by the council or used for the purpose of service delivery, have been valued on the basis of Existing Use Value (EUV)
- Specialised properties, for which there is no recognised market, have been valued by the Depreciated Replacement Cost (DRC) method
- Surplus assets have been valued on the basis of Fair Value (FV).

The council has applied below indices for assets not included in the rolling programme for 2025/26:

Index Category	**Average Change (%)**	**Valuation Change £ '000**
Retail & Office premises	(2.72%)	(50)
Housing Price Index	0.40%	245
Other Land and Building	1.20%	240
Total indexation applied in 2025/26		**435**

The table below shows the most recent year that assets where a full (physical) valuation was undertaken, though some assets may have had a desktop valuation more recently.

Revaluations	Council Dwellings £000's	Other Land & Buildings £000's	Other Land & Buildings (PFI) £000's	Vehicles, Plant & Equipment £000's	Infrastructure Assets £000's	Infrastructure Assets (PFI) £000's	Community Assets £000's	Surplus Assets £000's	Assets Under Construction £000's	Total £000's
Carried at historical cost	1,073	50,331	-	18,802	173,109	21,554	20,686	530	309,496	595,581
Valued at current value										
31 March 2026	929,870	236,042	221,067	-	-	-	1,886	607	-	1,389,472
31 March 2025	-	253,156	-	-	-	-	4,623	1,757	-	259,536
31 March 2024	-	212,441	-	-	-	-	13,727	189	-	226,357
31 March 2023	-	187,640	-	-	-	-	11,934	30	-	199,604
31 March 2022	-	112,111	-	-	-	-	-	343	-	112,454
Indexation applied as at 31 March 2026	-	421	-	-	-	-	-	14	-	435
Total Cost or Valuation	**930,943**	**1,052,142**	**221,067**	**18,802**	**173,109**	**21,554**	**52,856**	**3,470**	**309,496**	**2,783,439**

Note 10 Capital Commitments

At 31 March 2026, the council has significant commitments for future capital expenditure in 2026/27 and future years, budgeted to cost £154.899m. Similar commitments at 31 March 2025 were £131.282m. The commitments are:

Capital Commitments	**Commitments at 31 March 2026 £'000**
Council Housing - spend on existing Council housing	
Health & Safety	2,003
Internal & External Refurbishment	65,697
Mechanical & Electrical works	794
Improving Energy Efficiency	722
Housing Stock Improvement	1,753
Building New Affordable Housing	
High Lane Estate Regeneration	376
Genuinely Affordable Homes	24,126
Providing Grant to Registered Providers	202
Copley Close Regeneration	415
Council House New Build Round 3	4,987
Other regeneration schemes	13,690
Improving Energy Efficiency on Buildings	
Green Homes Grant	569
Other Schemes	
School Building Improvements	33,355
Roads & Highways	2,958
Other spend	249
Parks	473
Grants to Adapt Private Homes (Disabled Facilites Grant)	1,445
Council Buildings	1,085
TOTAL	**154,899**

Note 11 Heritage Assets

RECONCILIATION OF THE CARRYING VALUE OF HERITAGE ASSETS HELD BY THE COUNCIL

Heritage Assets Movements in 2025/26	**Martinware £000's**	**Mace and Badge £000's**	**Furniture £000's**	**Art collections £000's**	**Others £000's**	**Total Property, Plant & Equipment £000's**
Cost or Valuation						
At 1 April 2025	3,051	632	315	155	430	4,582
In year Movement		-	-	-		-
At 31 March 2026	**3,051**	**632**	**315**	**155**	**430**	**4,582**

Heritage Assets Movements in 2024/25	**Martinware £000's**	**Mace and Badge £000's**	**Furniture £000's**	**Art collections £000's**	**Others £000's**	**Total Property, Plant & Equipment £000's**
Cost or Valuation						
At 1 April 2024	3,051	632	315	155	360	4,512
In year Movement	-	-	-	-	70	70
At 31 March 2025	**3,051**	**632**	**315**	**155**	**430**	**4,582**

The council has several heritage assets, comprising of the council’s art collection, ceramics, figurine and other antiques and civic regalia. These assets are held at insurance valuations which are based on market values.

Additionally, there is a World War II underground bunker at one of the borough’s schools. It is the opinion of the council that obtaining a valuation for the bunker would be disproportionate in relation to the benefits derived by users of the financial statements. This heritage asset is therefore not included on the balance sheet, although it is likely that this would have no monetary value as no market would exist for the sale of the asset.

Note 12 Financial Instruments

CATEGORIES OF FINANCIAL INSTRUMENTS (12A)

The following categories of financial instrument are carried in the Balance Sheet.

	31 March 2025						31 March 2026					
	Non-Current		Current				Non-Current		Current			
Financial Assets	Investments £000's	Debtors £000's	Investments £000's	Cash & Cash Equivalents £'000s	Debtors £000's	Total £000's	Investments £000's	Debtors £000's	Investments £000's	Cash & Cash Equivalents £'000s	Debtors £000's	Total £000's
Amortised Cost	-	59,869	18,181	420,830	84,293	583,174	-	59,723	118,716	158,160	77,356	413,955
Fair value through other comprehensive income	2,136	-	-	-	-	2,136	2,136	-	-	-	-	2,136
Total Financial Assets	**2,136**	**59,869**	**18,181**	**420,830**	**84,293**	**585,310**	**2,136**	**59,723**	**118,716**	**158,160**	**77,356**	**416,091**
Non-Financial Assets	-	15	-	-	49,794	49,809	-	16	-	-	86,672	86,688
Total	**2,136**	**59,884**	**18,181**	**420,830**	**134,087**	**635,118**	**2,136**	**59,738**	**118,716**	**158,160**	**164,028**	**502,779**

	31 March 2025					31 March 2026				
	Non-Current		Current			Non-Current		Current		
Financial Liabilities	Borrowings £000's	Creditors £000's	Borrowings £000's	Creditors £000's	Total £000's	Borrowings £000's	Creditors £000's	Borrowings £000's	Creditors £000's	Total £000's
Financial liabilities at amortised cost	(797,751)	(555)	(71,626)	(129,236)	(999,168)	(773,984)	(322)	(75,368)	(116,633)	(966,308)
Total Financial Liabilities	**(797,751)**	**(555)**	**(71,626)**	**(129,236)**	**(999,168)**	**(773,984)**	**(322)**	**(75,368)**	**(116,633)**	**(966,308)**
Non-Financial Liabilities	-	(166,285)	-	(92,416)	(258,701)	-	(157,320)	-	(87,897)	(245,216)
Total	**(797,751)**	**(166,840)**	**(71,626)**	**(221,652)**	**(1,257,870)**	**(773,984)**	**(157,642)**	**(75,368)**	**(204,530)**	**(1,211,524)**

Note: Non-Financial Liabilities balance for 31 March 2025 is updated to reflect the 2024-25 adjustment posted on Finance Lease Long Term Liability.

CARRYING VALUE

Under accounting requirements, the carrying value of the financial instrument value is shown in the balance sheet which includes the principal amount borrowed or lent and further adjustments for breakage costs or stepped interest loans (measured by an effective interest rate calculation) including accrued interest. Accrued interest is shown separately in current assets/liabilities where the payments/receipts are due within one year. The effective interest rate is effectively accrued interest receivable under the instrument, adjusted for the amortisation of any premiums or discounts reflected in the purchase price.

FAIR VALUE

Fair value has been measured by:

- Direct reference to published price quotations in an active market and/or
- Estimating using a valuation technique

FINANCIAL INSTRUMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (12B)

The council has designated the following equity at 31 March 2026 as fair value through other comprehensive income:

Fair Value Through Other Comprehensive Income and Expenditure	Nominal £000's	Fair Value £000's	Change in fair value during 2025/26 £000's	Dividends £000's
Broadway Living Ltd Shares	2,136	2,136	0	0

The council has a shareholding in Broadway Living Limited (representing 100% of the company's share capital). The shares are carried at cost of £2.136m and have not been valued as a fair value cannot be measured reliably and is not considered to be material. There are no established companies with similar aims in the council's area whose shares are traded, and which might provide comparable market data. The council has no current intention to dispose of the shareholding.

INCOME, EXPENSE, GAINS AND LOSSES (12C)

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

Income, Expenses, Gains & Losses	2024/25 Surplus or Deficit on the Provision of services £000's	2025/26 Surplus or Deficit on the Provision of services £000's
Net gains/losses on:		
Financial liabilities measured at amortised cost	11,262	24,219
Total net gains/losses	**11,262**	**24,219**
Interest Revenue:		
Financial Assets Measured at Amortised Cost	(28,836)	(19,402)
Total Interest Revenue	**(28,836)**	**(19,402)**
Interest Expense	**41,277**	**38,732**

FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (12D)

Basis for recurring fair value measurements:

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

Some of the council's financial assets are measured at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them.

Financial Assets Measured as Fair Value	Input Level in Fair Value Hierarchy	Valuation Technique Used to Measure Fair Value	31 March 2025 £000's	31 March 2026 £000's
Fair value through Other Comprehensive Income				
Equity Shareholding in Broadway Living Ltd	Level 3	Acquisition amount	2,136	2,136
Total			**2,136**	**2,136**

EQUITY SHAREHOLDING IN BROADWAY LIVING LTD

The council's shareholding in Broadway Living Ltd. The shares in this company are not traded in the active market and fair value of £2.136m is the acquisition amount at the current time as no assessment of its future trading prospects can be estimated with reasonable certainty. The fair value is not expected to be materially different to the carrying value.

THE FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES THAT ARE NOT MEASURED AT FAIR VALUE (BUT FOR WHICH FAIR VALUE DISCLOSURES ARE REQUIRED) (12E)

Except for the financial assets carried at fair value (described in the table above), all other financial liabilities and financial assets represented by amortised cost and long-term debtors and creditors are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the PWLB payable, PWLB New Loan rates have been applied to provide the fair value
- For non-PWLB loans payable, PWLB New Loan rates have been applied to provide the fair value
- For loans receivable prevailing benchmark market rates have been used to provide the fair value
- No early repayment or impairment is recognised.

Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount:

- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

Financial Liabilities - Fair Value	Fair Value Level	31 March 2025 Carrying Amount £000's	31 March 2025 Fair Value £000's	31 March 2026 Carrying Amount £000's	31 March 2026 Fair Value £000's
PWLB debt	2	(735,680)	(529,076)	(719,232)	(495,203)
Non-PWLB debt	2	(84,622)	(65,725)	(74,570)	(57,072)
Short term borrowing	2	(49,075)	(49,075)	(55,550)	(55,550)
Total Borrowings		**(869,377)**	**(643,876)**	**(849,352)**	**(607,825)**
Trade Creditors	-	(129,791)	(129,791)	(116,955)	(116,955)
Financial Liabilities		**(999,168)**	**(773,668)**	**(966,308)**	**(724,781)**

The fair value of the liabilities is lower than the carrying amount because the council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the rates available for similar loans in the market at the balance sheet date. This shows a notional future loss (based on economic conditions at 31 March 2026) arising from a commitment to pay interest to lenders below current market rates.

The fair value of Public Works Loan Board (PWLB) loans of £495.203m measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken as at 31 March 2026. The difference between the carrying amount and the fair value measures the additional interest that the council will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates.

Financial Assets - Fair Value	Fair Value Level	31 March 2025 Carrying Amount £000's	31 March 2025 Fair Value £000's	31 March 2026 Carrying Amount £000's	31 March 2026 Fair Value £000's
Cash and cash equivalents	-	420,830	420,830	158,160	158,160
Short term investments	2	18,181	18,181	118,716	118,716
Long term investments	2	-	-	-	-
Long term debtors	-	59,869	43,914	59,723	29,281
Short term debtors	-	84,293	84,293	77,356	77,356
Total Assets		**583,174**	**567,219**	**413,955**	**383,513**

Short-term investments & borrowing, and short-term debtors & creditors are all carried at cost as this is a fair approximation of their value.

Note 13 Debtors

The short-term debtors shown in the table below are net of impairment allowance for doubtful debts.

Short-Term Debtors	**31 March 2025 £000's**	**31 March 2026 £000's**
Gross Trade Receivables	129,661	146,350
less Trade Receivables Impairment Allowance	(50,958)	(66,978)
Net Trade Receivables	**78,703**	**79,372**
Payments in Advance	**3,414**	**35,074**
Gross NNDR Payers	5,958	8,008
less NNDR Payers Impairment Allowance	(4,977)	(5,071)
Net NNDR Payers	**981**	**2,937**
Gross Council Tax Payers	27,960	30,658
less Council Tax Payers Impairment Allowance	(17,823)	(21,191)
Net Council Tax Payers	**10,137**	**9,467**
Gross Rent Arrears	41,409	35,698
less Rent Arrears Impairment Allowance	(36,028)	(33,005)
Net Rent Arrears	**5,381**	**2,693**
Ealing Pension Fund	**1,903**	**1,878**
Gross Other Receivables	35,716	34,808
less Other Receivables Impairment Allowance	(2,148)	(2,200)
Net Other Receivables	**33,568**	**32,608**
Total Short-Term Debtors	**134,087**	**164,029**

The gross total of the short-term debtors as at the 31 March 2026 is £292.474m (31 March 2025 was £246.021m).

Note 14 Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

Cash and Cash Equivalents	**31 March 2025 £000's**	**31 March 2026 £000's**
Bank Current Accounts	2,157	(30,206)
Short-Term Deposits	375,878	148,367
Cash Held by the Council	262	926
School Bank Accounts	42,794	39,999
Total Cash and Cash Equivalents	**421,092**	**159,086**

The year-end overdraft reflects the bank position including all outstanding and unpresented items, the council does not operate a physical overdraft to this value, and this is part of its cash management policy. The council has a set-off agreement with the bank, meaning any overdraft can be offset against other accounts within the agreement.

Note 15 Creditors

Short-Term Creditors	31 March 2025 £000's	31 March 2026 £000's
Trade Payables	(136,865)	(129,231)
Receipts in Advance	(9,924)	(7,231)
NNDR Payers	(3,608)	(3,622)
Council Tax Payers	(15,735)	(14,403)
Collection Fund Preceptors	(27,123)	(15,661)
Ealing Pension Fund	(1,363)	(6,212)
Other Payables	(27,034)	(28,170)
Total	**(221,652)**	**(204,530)**

Note 16 Provisions

Current Provisions	Insurance Provision £000's	Non-Domestic Rate Appeals £000's	Other Provisions £000's	Total £000's
Balance at 31 March 2025	**(704)**	**(5,652)**	**(2,786)**	**(9,142)**
Additional provisions made in 2025/26	-	-	-	**-**
Amounts used in 2025/26	-	2,076	1,327	**3,403**
Other adjustments	(783)	1	782	**-**
Balance at 31 March 2026	**(1,487)**	**(3,575)**	**(677)**	**(5,739)**

Long-Term Provisions	Insurance Provision £000's	Non-Domestic Rate Appeals £000's	Other Provisions £000's	Total £000's
Balance at 31 March 2025	**(1,682)**	**-**	**(884)**	**(2,566)**
Additional provisions made in 2025/26	-	-	(23)	**(23)**
Amounts used in 2025/26	-	-	-	**-**
Balance at 31 March 2026	**(1,682)**	**-**	**(907)**	**(2,589)**

Current Provisions	Insurance Provision £000's	Non-Domestic Rate Appeals £000's	Other Provisions £000's	Total £000's
Balance at 31 March 2024	**(1,189)**	**(8,850)**	**(3,397)**	**(13,436)**
Additional provisions made in 2024/25	(356)	-	(1,327)	**(1,683)**
Amounts used in 2024/25	841	3,198	1,938	**5,977**
Balance at 31 March 2025	**(704)**	**(5,652)**	**(2,786)**	**(9,142)**

Long-Term Provisions	Insurance Provision £000's	Non-Domestic Rate Appeals £000's	Other Provisions £000's	Total £000's
Balance at 31 March 2024	**(1,505)**	**-**	**(1,486)**	**(2,991)**
Additional provisions made in 2024/25	(177)	-	(2)	**(179)**
Amounts used in 2024/25	-	-	604	**604**
Balance at 31 March 2025	**(1,682)**	**-**	**(884)**	**(2,566)**

Provisions have been made in the current and previous financial years to set aside amounts to meet future expenditure. These provisions are made at the point where a given liability arises but where the expenditure relating to the liability has not yet been made. The balance on the provisions account therefore reflects the balance of unpaid known liabilities which have already been charged to the council's revenue account. When the liability is paid the expenditure is charged against the provision. The provisions shown above include the material items detailed below:

CLAIMS AND SELF-INSURANCE PROVISION

This provision is used to provide funding to cover liability claims, risk management and "all risks" cover for specified equipment in council establishments. On the basis of professional advice from the council's insurance brokers, officers are of the view that all known insurance risks are provided for.

NON-DOMESTIC RATES APPEALS

This provision has been set up to cover potential losses following successful appeals by Business Ratepayers resulting in a reduction in their rateable values and consequent reduction in the collectable amounts.

Note 17 Usable Reserves

Movements in the council's usable reserves are detailed in the Movement in Reserves Statement, Note 7 Adjustments between Accounting Basis and Funding Basis under Regulations and Note 8 Movements in Earmarked Reserves.

Note 18 Unusable Reserves

Unusable Reserves	**2024/25 £000's**	**2025/26 £000's**
Revaluation Reserve	829,199	848,500
Capital Adjustment Account	883,333	943,454
Deferred Capital Receipts Reserve	4,519	5,314
Collection Fund Adjustment Account	2,080	(1,166)
Financial Instruments Adjustment Account	(1,317)	(1,280)
Accumulated Absences Account	(8,631)	(8,784)
Pensions Reserve	(50,881)	-
Dedicated Schools Grant Adjustment Account	(5,641)	(18,121)
Total Unusable Reserves	**1,652,661**	**1,767,917**

REVALUATION RESERVE (NOTE 18A)

The Revaluation Reserve contains the gains made by the council arising from increases in the value of its property, plant and equipment. 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.

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

Revaluation Reserve	**2024/25 £000's**	**2025/26 £000's**
Balance at 1 April	**847,441**	**829,199**
Upward revaluation of assets	72,193	68,710
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(71,692)	(34,098)
Surplus or (deficit) on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	**501**	**34,612**
Difference between fair value depreciation and historical cost depreciation	(13,188)	(13,192)
Accumulated gains on assets sold or scrapped	(5,555)	(2,119)
Amounts written off to the Capital Adjustment Account	**(18,743)**	**(15,311)**
Balance at 31 March	**829,199**	**848,500**

CAPITAL ADJUSTMENT ACCOUNT (NOTE 18B)

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 subsequent costs as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the council as finance for the costs of acquisition, construction and subsequent costs.

The account also contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date the Revaluation Reserve was created to hold such gains.

Note 7 provides details of the source of all the transactions posted to the account, apart from those involving the Revaluation Reserve.

Capital Adjustment Account	**2024/25 £000's**	**2025/26 £000's**
Balance at 1 April	**858,852**	**883,333**
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
Charges for depreciation and impairment of non-current assets	(77,855)	(69,529)
Revaluation losses on property, plant and equipment	(26,627)	(28,585)
Amortisation of intangible assets	(1,167)	(1,190)
Revenue expenditure funded from capital under statute	(13,618)	(11,830)
De-mininis Capital Expenditure	(741)	(1,012)
Amounts of non-current assets and assets held for sale written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(25,669)	(8,246)
Sub-total	**(145,677)**	**(120,392)**
Adjusting amounts written out of the Revaluation Reserve	18,743	15,311
Net written out amount of the cost of non-current assets consumed in the year	**(126,934)**	**(105,081)**
Capital financing applied in the year:		
Use of Capital Receipts Reserve to finance new capital expenditure	19,211	20,676
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	53,920	68,132
Application of grants to capital financing from the Capital Grants Unapplied Account	339	604
Use of the Major Repairs Reserve to finance new capital expenditure	14,411	14,316
Statutory provision for the financing of capital investment charged against the General Fund Balance	54,257	55,044
Capital expenditure charged against the General Fund Balance	6,617	6,956
Capital financing applied in the year	**148,755**	**165,728**
Cash Payments in Relation to Long-Term Debtor Loans	(892)	(526)
Movement in donated assets income credited to the Comprehensive Income and Expenditure Statement	3,552	-
Balance at 31 March	**883,333**	**943,454**

DEFERRED CAPITAL RECEIPTS RESERVE (NOTE 18C)

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

Deferred Capital Receipts Reserve	2024/25 £000's	2025/26 £000's
Balance at 1 April	**4,132**	**4,519**
Transfer to the Capital Receipts Reserve upon receipt of cash	(1,624)	(1,238)
Transfers between reserves	2,011	2,033
Balance at 31 March	**4,519**	**5,314**

COLLECTION FUND ADJUSTMENT ACCOUNT (NOTE 18D)

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from council taxpayers and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

Collection Fund Adjustment Account	2024/25 £000's	2025/26 £000's
Balance at 1 April	**3,234**	**2,080**
Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rates income calculated for the year in accordance with statutory requirements	(1,154)	(3,246)
Balance at 31 March	**2,080**	**(1,166)**

FINANCIAL INSTRUMENTS ADJUSTMENT ACCOUNT (NOTE 18E)

The financial instruments adjustment account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

Financial Instruments Adjustment Account	2024/25 £000's	2025/26 £000's
Balance at 1 April	**(1,352)**	**(1,317)**
Amount by which finance costs charged to the comprehensive income and expenditure statement are different from finance costs chargeable in the year in accordance with statutory requirements	35	37
Balance at 31 March	**(1,317)**	**(1,280)**

ACCUMULATED ABSENCES ACCOUNT (NOTE 18F)

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund is neutralised by transfers to or from the account.

Accumulated Absences Account	2024/25 £000's	2025/26 £000's
Balance at 1 April	**(6,838)**	**(8,631)**
Settlement or cancellation of accrual made at the end of the preceding year	6,838	8,631
Amounts accrued at the end of the current year	(8,631)	(8,784)
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(1,793)	(153)
Balance at 31 March	**(8,631)**	**(8,784)**

PENSIONS RESERVE (NOTE 18G)

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are 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.

However, statutory arrangements require benefits earned to be financed as the council makes employer’s contributions to pension funds or eventually pay any pensions for which it is directly responsible. The council no longer holds a credit balance on the Pensions Reserve, this previously showed a substantial shortfall in the benefits earned by past and current employees and the resources the council has set aside to meet them which has been resolved at the latest valuation. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

Pensions Reserve	2024/25 £000's	2025/26 £000's
Balance at 1 April	**(56,125)**	**(50,881)**
Remeasurements of the net defined benefit (liability) / asset	(934)	34,552
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(35,214)	(27,526)
Employer's pensions contributions and direct payments to pensioners payable in year	41,392	43,855
Balance at 31 March	**(50,881)**	**-**

DEDICATED SCHOOLS GRANT ADJUSTMENT ACCOUNT (NOTE 18H)

The Dedicated Schools Grant adjustment account holds accumulated deficits relating to the schools’ budget. Where the council has incurred a deficit on its schools’ budget between years beginning 1 April 2020 and ending 31 March 2026, the Local Authorities (Capital

Finance and Accounting) Regulations do not allow for such amounts to be included in the General Fund and instead must be held in this adjustment account. The statutory override for any Dedicated Schools Grant deficits is effective until 31 March 2028.

Dedicated Schools Grant Adjustment Account	**2024/25 £000's**	**2025/26 £000's**
Balance at 1 April	**(1,854)**	**(5,641)**
School budget deficit transferred from General Fund in accordance with statutory requirements	(3,787)	(12,480)
Balance at 31 March	**(5,641)**	**(18,121)**

Note 19 Cash Flow Statements

OPERATING ACTIVITIES (NOTE 19A)

The cash flows for operating activities include the following items:

The cash flows from operating activities include the following items:	**2024/25 £000's**	**2025/26 £000's**
Interest Received	30,292	19,042
Interest Paid	(41,437)	(38,798)
Dividends Received	1,626	610

The Surplus/(Deficit) on the Provision of Services has been Adjusted for the Following Non-Cash Movements:	**2024/25 £000's**	**2025/26 £000's**
Depreciation and Amortisation	76,063	70,661
Impairment and Downward Valuations	29,586	28,643
Increase/(Decrease) in Provision of Expected Credit Losses	(393)	16,512
Increase/(Decrease) in Creditors	(2,369)	(9,490)
(Increase)/Decrease in Debtors	(20,545)	(46,394)
Movement in Pension Liability	(6,178)	(16,329)
Carrying Amount of Non-Current Assets and Non-Current Assets Held for Sale, Sold or Derecognised	25,668	8,246
Other Non-Cash Items Charged to the Net Surplus or (Deficit) on the Provision of Services		
Increase/(Decrease) in Provisions	(4,720)	(3,379)
Increase/(Decrease) in Accumulated Absences	1,794	152
Total	**98,906**	**48,622**

The Surplus/(Deficit) on the Provision of Services has been Adjusted for the Following Items that are Investing and Financing Activities:	**2024/25 £000's**	**2025/26 £000's**
Proceeds from the Sale of Property Plant and Equipment, Investment Property and Intangible Assets	(14,013)	(18,100)
Grant Receipts for the Financing of New Capital Expenditure	(57,787)	(68,543)
Net cash flows from operating activities	**(71,800)**	**(86,643)**

INVESTING ACTIVITIES (NOTE 19B)

The cash flows for investing activities include the following items:

Investing Activities	2024/25 £000's	2025/26 £000's
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	(157,092)	(216,575)
Purchase of Short-Term and Long-Term Investments	(3,799,122)	(3,113,617)
Payments for Other Long Term Loans	(6,585)	(1,489)
Proceeds From the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	14,013	18,101
Proceeds from Short-Term and Long-Term Investments	4,166,697	3,012,863
Proceeds from Other Long-Term Loans	1,297	1,932
Grant Receipts for the Financing of New Capital Expenditure	46,337	79,043
Net cash flows from investing activities	**265,545**	**(219,742)**

FINANCING ACTIVITIES (NOTE 19C)

The cash flows for financing activities include the following items:

Financing Activities	2024/25 £000's	2025/26 £000's
Cash Receipts of Short-Term and Long-Term Borrowing	-	6,475
Cash Receipts from Other Short-Term and Long-Term Liabilities	366	325
Cash Payments for the Reduction of Outstanding Liabilities Relating to Leases and on-Balance Sheet Service Arrangement (PFI) Contracts	(33,870)	(36,928)
Repayments of Short-Term and Long-Term Borrowing	(2,506)	(20,382)
Repayments of Other Short-Term and Long-Term Liabilities	(425)	(558)
Billing Authorities - Council Tax and NDR Adjustments	(10,096)	(11,462)
Net cash flows from financing activities	**(46,531)**	**(62,530)**

Note 20 Reconciliation of liabilities arising from Financing Activities

			Non-Cash Changes		
	1 April 2025 £000's	**Financing Cash Flows (In-Flows) / Out-Flows £000's**	**Transfer between ST & LT Liabilities £000's**	**Other £000's**	**31 March 2026 £000's**
Long-Term borrowings	(797,751)	10,038	13,729	-	(773,984)
Short-Term borrowings	(71,626)	3,869	(13,729)	6,118	(75,368)
PFI Liabilities - Long-Term	(94,873)	3,353	9,833	(1,370)	(83,057)
PFI Liabilities - Short-Term	(9,068)	9,068	(9,833)	-	(9,833)
Finance Lease Liabilities - Long-Term	(13,154)	7,390	18,780	(24,061)	(11,045)
Finance Lease Liabilities - Short-Term	(17,117)	17,117	(18,780)	-	(18,780)
Total Liabilities from Financing Activities	**(1,003,589)**	**50,835**	**-**	**(19,313)**	**(972,067)**

			Non-Cash Changes		
	1 April 2024 £000's	Financing Cash Flows (In-Flows) / Out-Flows £000's	Transfer between ST & LT Liabilities £000's	Other £000's	31 March 2025 £000's
Long-Term borrowings	(814,184)	37	16,396	-	(797,751)
Short-Term borrowings	(62,721)	2,469	(16,396)	5,022	(71,626)
PFI Liabilities - Long-Term	(82,168)	2,072	9,068	(23,845)	(94,873)
PFI Liabilities - Short-Term	(7,001)	7,001	(9,068)	-	(9,068)
Finance Lease Liabilities - Long-Term	(138)	21,423	20,353	(54,792)	(13,154)
Finance Lease Liabilities - Short-Term	(138)	3,374	(20,353)	-	(17,117)
Total Liabilities from Financing Activities	**(966,350)**	**36,376**	**-**	**(73,615)**	**(1,003,589)**

Note 21 Members' Allowances

The total of the allowances paid to the Members of the council in 2025/26 was £1.464m (£1.411m in 2024/25)

Note 22 Officers' Remuneration

The remuneration of senior employees, which is defined as those who are members of the Strategic Leadership Team, those holding statutory posts, or those whose remuneration is £150,000 or more per year, is set out below. Salary (including Fees and Allowances) includes elements such as market supplements and honoraria. The costs disclosed for interims represents the total amount paid to the respective agencies which includes agency fees and other charges. No payments were made for bonuses in either year.

2025/26 Post	**Salary (including fees and allowances) £**	**Benefits in kind & expense allowances £**	**Compensation for loss of office £**	**Total remuneration (excluding pension contributions) £**	**Pension contributions £**	**Total £**
Chief Executive (a)	224,538	108	-	224,646	49,398	**274,045**
Strategic Director - Resources (b)	190,500	-	-	190,500	41,910	**232,410**
Strategic Director - Children (c)	186,031	-	-	186,031	40,927	**226,958**
Strategic Director - Housing and Environment (d)	179,556	-	-	179,556	39,502	**219,058**
Strategic Director - Adults and Public Health (e)	174,081	-	-	174,081	38,298	**212,379**
Strategic Director - Adults and Public Health (f)	-	-	-	-	-	**-**
Strategic Director - Strategy and Change (g)	149,730	3,171	98,570	251,472	32,941	**284,412**
Strategic Director - Strategy and Change (h)	25,353	-	-	25,353	-	**25,353**
Strategic Director - Economy and Sustainability (i)	159,126	-	-	159,126	35,008	**194,134**
Director of Legal and Democratic Services(j)	215,841	-	-	215,841	-	**215,841**

(a) This postholder is Tony Clements.
(b) This postholder is Emily Hill.
(c) This postholder is Robert South
(d) This postholder is Nicola Fiedler.
(e) This postholder is Kerry Stevens and left the role on 12 April 2026.
(f) The Strategic Director - Adults and Public Health post had an internal acting up appointment from 19 March 2026 and receives an acting up allowance of £37,212 per annum.
(g) This postholder was Amanda Askham and left the post on 9 February 2026.
(h) The Strategic Director - Strategy and Change post had an interim appointment from 9 February 2026.
(i) This postholder is Peter George.
(j) This postholder is Rhian Davies, employed on an interim basis.

2024/25 Post	Salary (including fees and allowances) £	Benefits in kind & expense allowances £	Compensation for loss of office £	Total remuneration (excluding pension contributions) £	Pension contributions £	Total £
Chief Executive (a)	217,575	269	-	217,844	48,956	**266,800**
Strategic Director - Resources (b)	179,292	-	-	179,292	39,444	**218,736**
Strategic Director - Children (c)	174,988	162	-	175,151	38,497	**213,648**
Strategic Director - Housing and Environment (d)	168,681	-	-	168,681	37,110	**205,791**
Strategic Director - Adults and Public Health (e)	163,380	-	-	163,380	35,944	**199,324**
Strategic Director - Strategy and Change (f)	163,380	2,537	-	165,917	35,944	**201,860**
Strategic Director - Economy and Sustainability (g	150,477	-	-	150,477	33,105	**183,582**
Director of Legal and Democratic Services(h)	43,319	-	73,753	117,071	7,205	**124,276**
Director of Legal and Democratic Services(i)	184,490	-	-	184,490	-	**184,490**

(a) This postholder is Tony Clements, 2024/25 salary has been restated from 2024/25 published accounts which incorrectly included returning officer pay.
(b) This postholder is Emily Hill.
(c) This postholder is Robert South
(d) This postholder is Nicola Fiedler.
(e) This postholder is Kerry Stevens.
(f) This postholder is Amanda Askham.
(g) This postholder is Peter George.
(h) This post holder left on 30 June 2024 and the post has been covered on an interim basis since then.
(i) This postholder is Rhian Davies, employed on an interim basis from 31 May 2024

The 2024/25 salary disclosed in the table above for (b), (e), (f) and (h) have been restated as the 2024/25 published accounts incorrectly included elections related payments.

The number of employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) is shown below.

	2024/25		2025/26	
Remuneration band	**Employee count Corporate**	**Employee count Schools**	**Employee count Corporate**	**Employee count Schools**
£50,000 - £54,999	225	216	261	269
£55,000 - £59,999	187	255	182	185
£60,000 - £64,999	125	243	146	288
£65,000 - £69,999	62	168	123	208
£70,000 - £74,999	32	93	36	123
£75,000 - £79,999	28	61	21	86
£80,000 - £84,999	29	43	39	52
£85,000 - £89,999	26	28	28	33
£90,000 - £94,999	8	18	21	25
£95,000 - £99,999	7	13	6	21
£100,000 - £104,999	16	11	14	9
£105,000 - £109,999	7	13	7	12
£110,000 - £114,999	3	7	10	11
£115,000 - £119,999	1	1	-	10
£120,000 - £124,999	2	5	2	4
£125,000 - £129,999	-	1	-	3
£130,000 - £134,999	1	4	1	2
£135,000 - £139,999	1	3	-	1
£140,000 - £144,999	-	2	1	5
£145,000 - £149,999	-	2	-	2
Greater Than £150,000	7	2	7	2
Total	767	1,189	905	1,351

Note 23 Termination Benefits

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

	2024/25				2025/26			
Exit package cost band (including special payments)	**Number of compulsory departures**	**Number of other departures agreed**	**Total number of exit packages by cost band**	**Total cost of exit packages £000's**	**Number of compulsory departures**	**Number of other departures agreed**	**Total number of exit packages by cost band**	**Total cost of exit packages £000's**
£0 - £20,000	11	8	**19**	**160**	4	21	**25**	**158**
£20,001 - £40,000	3	4	**7**	**203**	4	8	**12**	**372**
£40,001 - £60,000	-	1	**1**	**45**	-	3	**3**	**152**
£60,001 - £80,000	2	-	**2**	**135**	-	-	**-**	**-**
£80,001 - £100,000	3	-	**3**	**286**	-	2	**2**	**198**
£100,001 - £150,000	1	-	**1**	**142**	2	-	**2**	**152**
Greater Than £150,001	2	2	**4**	**837**	3	5	**8**	**1,265**
Total	**22**	**15**	**37**	**1,809**	**13**	**39**	**52**	**2,297**

Termination benefits consist of redundancy payments to employees and pension strain costs payable to the Ealing Pension Fund, which arise from an employee retiring earlier than anticipated on the grounds of redundancy, without an actuarial reduction of their pension.

Note 24 External Audit Costs

The council has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections provided by the council's external auditors.

External Audit Costs	2024/25 £000's	2025/26 £000's
Fees payable to Forvis Mazars with regard to external audit services carried out by the appointed auditor for the year	469	482
Fees payable to KPMG for the certification of grant claims and returns for the year	50	51
Total	**519**	**533**

The 2024/25 and 2025/26 external audit fees disclosed above for Forvis Mazars are based on the published PSAA scale fees. These fees may be subject to change, including as a result of the government's proposals to address the local audit backlog. The potential impact on the 2025/26 audit fee is not yet known.

The 2024/25 fees payable to KPMG was restated from the 2024/25 published accounts as the final agreed fees is disclosed in the table above.

Note 25 Dedicated Schools Grant

The council's expenditure on schools is funded primarily by grant monies provided by the Department for Education (DfE), the Dedicated Schools Grant (DSG). The DSG is ringfenced 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 2024. The schools budget includes elements for a range of educational services provided on an authority-wide basis and for the individual schools budget (ISB), which is divided into a budget share for each maintained school.

Details of the deployment of DSG receivable for 2025/26 are as follows:

Dedicated Schools Grant	2024/25 Total £000's	2025/26 Central expenditure £000's	2025/26 Individual schools budget £000's	2025/26 Total £000's
Final DSG for before academy and high needs recoupment	(432,613)			(468,966)
Academy and high needs figure recouped for the year	92,726			101,490
Total DSG after academy and high needs recoupment	**(339,887)**			**(367,476)**
Plus: Brought forward from prior year	-			-
Agreed initial budgeted distribution in year	**(339,887)**	**(83,484)**	**(283,992)**	**(367,476)**
In-year adjustments	3,000	-	3,605	3,605
Final budget distribution for the year	**(336,887)**	**(83,484)**	**(280,387)**	**(363,871)**
Less: Actual central expenditure	128,591	83,484	-	83,484
Less: Actual ISB deployed to schools	212,082	-	292,867	292,867
In-year carry-forward	**3,786**	**-**	**12,480**	**12,480**
DSG Unusable Reserve as at end of 2024/25				5,641
DSG Unusable Reserve as at end of 2025/26				**18,121**

Note 26 Grant Income

The following grants and contributions (over £1m) were credited to the Comprehensive Income and Expenditure Statement.

In accordance with The Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 capital grants which are used to finance capital expenditure are recognised in the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement.

Table a - Grant Income	**2024/25 £000's**	**2025/26 £000's**
Credited to Services		
Dedicated Schools Grant	(335,808)	(362,870)
Housing Benefit Subsidy	(154,844)	(127,909)
Public Health Grant	(28,036)	(30,244)
Private Finance Initiative Grant	(15,806)	(15,806)
Pupil Premium	(14,111)	(14,388)
16-19 Core Funding	(6,814)	(13,781)
ESFA funding for young people	(7,409)	(1,392)
Universal Free School Meals	(9,634)	(9,534)
Homelessness Prevention Grant	(8,705)	(9,468)
Household Support Fund	(4,765)	(4,147)
Supplementary Substance Misuse Treatment & Recovery	(2,270)	(2,270)
Rough Sleepers Initiative	(2,429)	(2,156)
Housing Benefit Admin Grant	(2,179)	(1,963)
Homes for Ukraine	(2,672)	(1,818)
Unaccompanied Asylum Seeking Children	(2,050)	(1,524)
Discretionary Housing Payment	(1,459)	(1,458)
Holiday Activites and Food Programme	(1,401)	(1,408)
Child Services Leaving Care Placements	(2,350)	(1,343)
PE and Sports Grant	(1,214)	(1,114)
Housing Assessment & Options	-	(1,032)
Troubled Families	(1,826)	(912)
War Pensions Disregard Grant	(7)	(6)
Disabled Facilities Grant (Capital REFCUS)	(4,830)	(3,716)
Green Homes Grant (Capital REFCUS)	(841)	(45)
Other Grants	(33,303)	(27,985)
Total	**(644,761)**	**(638,289)**

Table b - Grant Income Credited to Taxation and Non-Specific Grant Income	**2024/25 £000's**	**2025/26 £000's**
Business Rates Top-Up	(26,385)	(26,703)
Non-ringfenced Government Grants		
Business Rates Compensation Grant (S31)	(28,129)	(24,859)
Revenue Support Grant	(21,798)	(22,261)
Adult Social Care Support Grant	(29,567)	(34,819)
Improved Better Care Fund	(12,680)	(15,642)
Extended Producer Responsibility Grant	-	(7,093)
Adult Social Care Sustainability Improvement Fund	(6,202)	(6,202)
Children´s Social Care Prevention Grant	-	(1,467)
Recovery Grant	-	(1,098)
New Homes Bonus	(5,310)	(701)
Adult Social Care Discharge Grant	(2,963)	-
Services Grant	(538)	-
Other	(647)	(2,790)
Capital Grants and Contributions		
GLA Council New Build Grant	(10,799)	(29,698)
Schools Capital Grants (DfE)	(12,738)	(13,634)
Local Authority Housing Fund	(1,987)	(4,071)
TfL Grant	(3,545)	(3,732)
Public Sector Decarbonisation Scheme Grant	(1,283)	(260)
DfT Levelling Up Fund	(3,085)	-
Flexible Homelessness Support Grant - Capital	(1,624)	-
Other Contributions	(10,033)	(8,625)
Other Capital Grants	(4,307)	(4,808)
Total	**(183,619)**	**(208,463)**

The council has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver. The balances at the year-end are as follows:

CURRENT LIABILITIES

Table c - Revenue Grants Receipts in Advance	**Balance 31 March 2025 £000's**	**Balance 31 March 2026 £000's**
Housing Benefit Subsidy	(4,825)	(883)
Dedicated Schools Grant	(3,221)	(2,366)
Pupil Premium	(219)	(232)
6th Form Funding	(49)	(363)
Flexible Homelessness Support Grant	-	(324)
GLA Shared Property Fund	(2)	(198)
Covid Grants	(37)	(37)
Other	(5,609)	(7,657)
Total	**(13,963)**	**(12,059)**

LONG-TERM LIABILITIES

Table d - Capital Grants Receipts in Advance	Balance 31 March 2025 £000's	Balance 31 March 2026 £000's
Disabled Facilities Grant	(2,400)	(3,641)
Local Implementation Plan	(321)	(536)
Council New Build	(372)	(1,484)
Schools Partnership Capital Grants	(51,452)	(50,293)
Green Homes Grant	(46)	(46)
Public Sector Decarbonisation Scheme	(1,626)	(2,994)
Other	(8,414)	(11,316)
Total	**(64,631)**	**(70,310)**

Table e - S106 Receipts in Advance	Balance 31 March 2025 £000's	Balance 31 March 2026 £000's
S106 Agreements	(58,258)	(63,217)
Total	**(58,258)**	**(63,217)**

Note 27 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 with related parties provides transparency which 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

The UK 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 a significant amount 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. Grants received from government departments are set out in the Grant Income Note 26.

Significant transactions with government departments, precepting and levying bodies, joint arrangements with other bodies, local authorities and the council's Pension Fund are shown and declared elsewhere in the financial statements.

LONDON BOROUGH OF EALING PENSION FUND

The council charged the Pension Fund (the Fund) £1.146m (£0.977m in 2024/25) for expenses incurred in administering the fund. The council owed the Fund net £4.697m at 31 March 2026 (at 31 March 2025 the Fund owed the council £0.177m). The change is mainly due to timings of payments between the related parties. The council remains the single largest employer of members of the Pension Fund and contributed £54.392m to the fund in 2025/26 (£50.782m in 2024/25).

ELECTED MEMBERS

Members of the council are required by section 30 of the Localism Act 2011 and the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, to disclose outside interests and these are recorded in a register (details of these disclosures are recorded on the council's website) and the Code of Conduct for Members operated by the council requires Members to disclose any related interests they have, and to take no part in meetings or decisions on issues which pertain to those related interests.
Members of the council have direct control over the council's financial and operating policies. The total of members' allowance paid in 2025/26 is shown in Note 21.

Information relating to councillors has been obtained from their individual Declarations of Interest.
The significant declarations are:

- Three councillors are on the Mortlake Crematorium Board and one vice chair for the year ended 31 March 2026. The board has £5.550m (£5.075m at 31 March 2025) invested with the council.
- One councillor is the Director of Finance at Villiers High School; there are no material transactions in the year in addition to the schools' grant and services paid.
- A number of members and officers have made declarations of their interests in voluntary organisations which receive grants through council decisions and in positions as school governors. Records of their interests are shown in publicly available records, particularly in the Register of Members Interest which is available on the council website.

REGISTERS OF OFFICERS INTERESTS

A register of chief officers' interests has been established in which their outside interests are recorded. Officers are required to comply with a Code of Conduct for officers and to declare interests and remove themselves from activities which may be a conflict of interests, including procurement.

Chief Officers of the council also hold positions in other organisations. Individual returns are completed by relevant officers of the council. The below table sets out the declarations made by those officers.

Position	**Declaration of interest 2025/26**
Head of Corporate Health and Safety	Non-Executive Director of Broadway Living Limited
Assistant Director Leisure	Non-Executive Director of Broadway Living Registered Provider (resigned 30 March 2026)
Strategic Director Housing and Environment	Chief Technical Officer to West London Waste Authority
Assistant Director - Financial Assessments	Non-Executive Director - Greener Ealing Ltd
Strategic Director Adults and Public Health	Non-Executive Director - Greener Ealing Ltd (resigned 18 March 2026)
Strategic Director of Economy and Sustainability	Voluntary advisory role with BPIC Network | Construction
Assistant Director Planning Resources and Service Development	Non-Executive Director of Broadway Living Limited Non-Executive Director of Broadway Living Registered Provider
Chief Executive	Royal Society of Arts fellow

OTHER PUBLIC BODIES (SUBJECT TO COMMON CONTROL BY CENTRAL GOVERNMENT)

Ealing Council and the North-West London Integrated Care Board (NHS NWL ICB) agreed to enter into a new partnership in September 2023, to engage in various transactions necessary for the delivery of health and social care services to the local community, establishing a pooled fund permits access to the Better Care Fund (BCF); money from the government.
There are several funds involved in the Agreement. Aligned Funds are where the commissioning and budget/spend remains with the originating organisation but the outcomes the money is spent on are aligned and are reported on as part of the S75 package. The biggest pooled fund is from the Better Care Fund (NWL ICB) and from existing council budgets, comprising of the below contributions:

	2025/26 £000's	**2024/25 £000's**
Ealing Council contribution	22,262	101,115
NWL ICB contribution	37,210	38,152
Total BCF pooled fund	**59,472**	**139,267**

In 2025/26, BCF plan was reduced by £79.795m. This decrease is due to the following reasons:

- The decrease of the Adult Social Care Discharge Grant to nil and exclusion of the ICB Discharge Funding.
- Removal of the placement budget additional contributions from the local authority.
- An alignment of schemes included in the BCF across NWL.

This is a virtual pool and unlike many other S75 agreements the council will not physically hold the NWL ICB share, nor will it spend money on behalf of the NWL ICB.

The council is the ‘host’ for the Better Care Fund Pooled Fund (and for many of the other Pooled/Aligned Funds) and the financial monitoring is undertaken by both parties on a quarterly basis.

POOLED FUND MEMORANDUM ACCOUNT FOR EALING COMMUNITY EQUIPMENT SERVICES

The council and North West London Integrated Care Board (NWL ICB), entered into a formal Section 75 pooled budget arrangement for Community Equipment Services with effect from 1 November 2003. The council is the lead for the arrangement.
The costs and funding are shown in the table below:

	2025/26 £000's	**2024/25 £000's**
Community Equipment Costs	**4,586**	4,511
The Council of the London Borough of Ealing	2,293	2,256
North West London Integrated Care Board (NWL ICB)	2,293	2,256
Total Funding	**4,586**	**4,511**

ENTITIES CONTROLLED OR SIGNIFICANTLY INFLUENCED BY THE AUTHORITY

The council has interests in other companies that have the nature of subsidiaries and associates. The council has produced group accounts in 2025/26, and these can be found in the Group Accounts section of the document.

Broadway Living Registered Provider and Broadway Living Limited

The council has a wholly owned subsidiary (Broadway Living Ltd) which was incorporated on 26 March 2014. Broadway Living Limited has a wholly owned subsidiary, Broadway Living RP Limited, which was incorporated on 11 April 2019. The companies have been established to provide more affordable homes over a range of tenures to assist in meeting the borough's current and future housing demand.

Broadway Living Limited

Broadway Living Limited earns income through renting its own residential properties. The council had provided Broadway Living loans with capitalising interest amounting to a total of £11.661m (£11.213m 2024/25). The council has shareholdings to the value of £2.136m in Broadway Living Ltd, this amount remains static, additionally there are 0.879m of intercompany debtors.

Broadway Living Registered Provider

Broadway Living Registered Provider Limited earns income through renting its own residential properties. The council has provided Broadway Living RP Limited with loans amounting to £28.910m with an adjusted expected credit loss of £1.067m (£28.163m 2024/25) and intercompany debtors of 1.377m.

Broadway Living Limited and Broadway Living RP Ltd are included in the Group Accounts section of this document.

Greener Ealing Limited

The council has a wholly owned Local Authority Trading Company (Greener Ealing Limited) which was incorporated on 2 August 2019. Greener Ealing is an Environmental Services company, providing waste, recycling, street cleansing and parking services to the council.

Greener Ealing commenced trading in July 2020, and further details can be found in the Group Accounts section of this document.

Greener Ealing received income of £31.534m (2024/25; £29.163m) from the council for contractual services, which is reflected within the company accounts and have been matched in the inter-company transactions of the consolidation into the group accounts. The council had provided Greener Ealing Limited with loans, at 31 March 2026 there was no outstanding balance of the loans. (2024/25; £0.122m).

Victoria Hall Trust

The council is the corporate trustee of Victoria Hall Trust. The Trust was set up in 1893 accounting for approximately 20% of the site known as Ealing Town Hall. In the 2025/26 financial year the site has been closed and therefore no material transactions are reported in year, there is a debtor held totalling £0.953m at 31 March 2026 (£0.884m 31 March 2025) between the council and Victoria Hall Trust.

Note 28 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. The CFR is analysed in the second part of this note.

Capital Expenditure and Capital Financing	**2024/25 £000's**	**2025/26 £000's**
Opening Capital Financing Requirement	**855,491**	**962,183**
Capital Investment:		
Property, Plant and Equipment	158,287	211,491
Property, Plant and Equipment - Finance Leases	63,580	24,064
Property, Plant and Equipment - PFI	23,844	1,300
Intangible Assets	17	152
Long Term Debtor Loans	4,011	-
Revenue expenditure funded from capital under statute	13,617	11,830
De minimis Capital Expenditure	741	1,012
Finance lease adjustment	(8,650)	(3,868)
PFI lease adjustment	-	(104)
Sources of finance:		
Capital receipts	(18,319)	(20,150)
Government grants and other contributions	(54,258)	(67,606)
Major Repairs Reserve	(14,411)	(14,316)
Repayment of loan principal	(893)	(526)
Sums set aside from revenue:		
Direct revenue contributions	(6,617)	(6,956)
Minimum Revenue Provision	(54,257)	(55,044)
Closing Capital Financing Requirement	**962,183**	**1,043,462**
Explanation of movements in year:		
(Decrease) / Increase in underlying need to borrow (unsupported by Government financial assistance)	19,268	59,287
Assets acquired under finance leases	63,580	24,064
Assets acquired under PFI contracts	23,844	(2,072)
Increase / (decrease) in Capital Financing Requirement	**106,692**	**81,279**

As a result of the adoption of the lease accounting standard, IFRS16, on 1 April 2024, the capital investment for property, plant and equipment – finance leases and PFI relate to the revaluation of the lease and PFI liabilities as at 1 April 2024.

Note 29 Leases

AUTHORITY AS LESSEE

Right-of-use assets

The council classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). This includes arrangements with nil consideration, peppercorn or nominal payment.

Right-of-Use Assets	Other Land & Building £000's	Vehicles, Plant & Equipment £000's	Total £000's
Net Book Value 1 April 2025	**46,499**	**1,086**	**47,586**
Reclassification from Other Land & Building on transition of IFRS 16	-	-	-
Additions	23,739	325	24,064
Revaluation increases/(decreases) recognised in the Revaluation Reserve	294	-	294
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(582)	-	(582)
Depreciation	(15,809)	(512)	(16,322)
Derecognition and Disposals	(2,393)	(41)	(2,434)
Net Book Value 31 March 2026	**51,749**	**858**	**52,606**

Right-of-Use Assets	Other Land & Building £000's	Vehicles, Plant & Equipment £000's	Total £000's
Net Book Value 1 April 2024 on transition of IFRS 16	**60,167**	**1,448**	61,615
Reclassification from Other Land & Building on transition of IFRS 16	17,580	-	17,580
Additions	3,344	177	3,521
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(2,301)	-	(2,301)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	190	-	190
Depreciation	(24,647)	(499)	(25,146)
Derecognition and Disposals	(7,834)	(39)	(7,873)
Net Book Value 31 March 2025	**46,499**	**1,086**	**47,586**

*CIPFA has mandated that councils use a modified retrospective approach to adopting IFRS 16. Wherever applicable, opening balances brought forward from 31 March 2024 have been adjusted on transition to IFRS 16 to show restated balances as at 1 April 2024.

Transactions under Leases

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

	2025/26 £000's	2024/25 £000's
Comprehensive Income and Expenditure statement		
Interest expense on lease liabilities	1,818	2,254
Expense relating to short-term leases	45	906
Expense relating to exempt leases of low-value items	417	308
Income from subletting right-of-use assets	(150)	(1,655)
Cashflow statement		
Minimum lease payments	24,460	25,199

Maturity Analysis of Lease Liabilities

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

Lease Liabilities	31 March 2025 £000's	31 March 2026 £000's
Less than one year	17,117	18,780
One to five years	12,576	10,849
More than five years	578	197
Total Liabilities	**30,271**	**29,826**

AUTHORITY AS LESSOR

The council leases out property under operating leases for the following purposes:

- For the provision of community services, such as sports facilities and community centres
- For economic development purposes to provide suitable affordable accommodation for local businesses.

Transactions under leases

The council made the following gains and losses as a lessor during the year:

	2024/25 £000's	2025/26 £000's
Finance Leases		
Finance income on the net investment in a lease	(28)	(137)
Operating Leases		
Total lease income	3,675	4,094

Note 30 Private Finance Initiative (PFI)

PFI is a mechanism involving a partnership agreement with an external body in order to generate investment in council services. In return for this investment the council pays an annual fee, or unitary charge.

The council has entered into a number of PFI commitments as shown below. These schemes all meet the criteria outlined in the accounting policies and the assets and liabilities are therefore on the council's balance sheet.

EALING SCHOOLS' PFI

In December 2002, the council entered into a design, build, finance and operate contract with Ealing Schools' Partnership Ltd for the provision of school buildings and services for Brentside High, Downe Manor Primary, Gifford Primary and Ravenor Primary. The contract is for 27 years. The value of the unitary charge in 2025/26 was £8.7m (2024/25 £8.6m).

In July 2005, the council entered into a design, build, finance and operate contract with Seafort Ealing Ltd for the provision of school buildings and services for Featherstone Primary, Acton High and Greenford High. The contract is for 25 years. The value of the unitary charge in 2025/26 was £11.6m (2024/25 £11.8m).

STREET LIGHTING PFI

The project involves the renewal and upgrading of street lighting across the borough. Southern Electric Contracting Ltd has taken over the responsibility for the management, design, installation, ongoing repairs and maintenance of the borough's entire street lighting stock from 1 August 2005.

The 25 year contract includes a major capital investment programme for the replacement and renewal of over 20,000 items of highway electrical equipment, with a capital replacement value in excess of £20m. The council is funding the PFI project with the help of a £25m government grant.

The PFI lamp column replacement programme was completed in 2010/11. The value of the unitary charge in 2025/26 was £5.1m (2023/24 £5.0m).

CAREHOME FOR OLDER PEOPLES PFI

The PFI project is for a total of 31.5 years and involves the building and development of 4 new resource centres for Older People including residential and nursing care placements to replace 5 in-house homes.

A PFI credit equivalent to £24m at 2001 prices will be paid over 25 years and used to fund the project with Ealing Care Alliance. The building of the homes was fully completed in 2009.

The value of the unitary charge in 2025/26 was £21.5m (2024/25 £21.0m).

There are four homes, Elm Lodge, opened on the 8 August 2006 with a capacity of 75 beds, Martin House, opened on the 25 February 2008 with a capacity of 77 beds, Sycamore Lodge, opened on the 13 March 2008 with a capacity of 75 beds and Chestnut Lodge, opened on 28 July 2009 with a capacity of 64 beds. Ongoing care costs will be funded through placement budgets.

BUILDING SCHOOLS FOR THE FUTURE (BSF) PFI

On 15 December 2010, the council entered into a BSF PFI contract with Balfour Beatty Education. Balfour Beatty sold their interest to Amber Infrastructure in 2016. This contract provides for new building construction of Dormers Wells High School, followed by ongoing facilities management and lifecycle works over 25 years.

The main work completed in August 2012 and service availability began in September 2012. The value of the unitary charge in 2025/26 was £6.1m (2024/25 £6.0m).

PRIVATE FINANCE INITIATIVE (PFI) PAYMENTS DUE

	2025/26					
To Write Down Liability	**Schools 1 £000's**	**Schools 2 £000's**	**Street Lighting £000's**	**Care Homes £000's**	**BSF £000's**	**Total £000's**
within 1 year	3,016	2,975	1,803	821	1,218	9,833
between 2 to 5 years	12,747	15,370	5,540	6,270	5,613	45,540
between 6 to 10 years	1,837	6,806	-	12,457	9,166	30,266
between 11 to 15 years	-	-	-	1,631	5,620	7,251
Total	**17,600**	**25,151**	**7,343**	**21,179**	**21,617**	**92,890**

	2025/26					
Interest Charges	**Schools 1 £000's**	**Schools 2 £000's**	**Street Lighting £000's**	**Care Homes £000's**	**BSF £000's**	**Total £000's**
within 1 year	1,032	2,097	641	1,606	1,958	7,334
between 2 to 5 years	2,367	5,639	842	5,424	6,660	20,932
between 6 to 10 years	107	735	-	3,754	5,134	9,730
between 11 to 15 years	-	-	-	124	790	914
Total	**3,506**	**8,471**	**1,483**	**10,908**	**14,542**	**38,910**

	2025/26					
Service Charges & Lifecycle Costs	**Schools 1 £000's**	**Schools 2 £000's**	**Street Lighting £000's**	**Care Homes £000's**	**BSF £000's**	**Total £000's**
within 1 year	2,561	5,290	3,742	15,107	2,356	29,056
between 2 to 5 years	11,322	20,438	12,175	58,442	9,856	112,233
between 6 to 10 years	825	6,273	-	71,459	13,363	91,920
between 11 to 15 years	-	-	-	7,013	4,655	11,668
Total	**14,708**	**32,001**	**15,917**	**152,021**	**30,230**	**244,877**

	2024/25					
To Write Down Liability	**Schools 1 £000's**	**Schools 2 £000's**	**Street Lighting £000's**	**Care Homes £000's**	**BSF £000's**	**Total £000's**
within 1 year	2,359	2,620	1,633	1,172	1,284	9,068
between 2 to 5 years	11,718	13,850	8,012	5,788	5,946	45,314
between 6 to 10 years	5,427	11,121	(693)	10,283	9,958	36,096
between 11 to 15 years	-	-	-	4,658	8,804	13,462
Total	**19,504**	**27,591**	**8,951**	**21,902**	**25,992**	**103,940**

	2024/25					
Interest Charges	**Schools 1 £000's**	**Schools 2 £000's**	**Street Lighting £000's**	**Care Homes £000's**	**BSF £000's**	**Total £000's**
within 1 year	1,144	2,300	782	1,660	2,354	8,240
between 2 to 5 years	2,992	6,750	1,544	5,744	8,190	25,220
between 6 to 10 years	423	1,656	(61)	4,443	6,811	13,272
between 11 to 15 years	-	-	-	474	1,681	2,155
Total	**4,559**	**10,706**	**2,265**	**12,321**	**19,036**	**48,887**

	2024/25					
Service Charges & Lifecycle Costs	**Schools 1 £000's**	**Schools 2 £000's**	**Street Lighting £000's**	**Care Homes £000's**	**BSF £000's**	**Total £000's**
within 1 year	2,921	5,246	3,643	13,952	1,810	27,571
between 2 to 5 years	10,985	20,062	14,251	55,603	7,659	108,560
between 6 to 10 years	3,266	10,943	1,175	69,193	10,474	95,051
between 11 to 15 years	-	-	-	20,044	5,861	25,905
Total	**17,172**	**36,251**	**19,069**	**158,792**	**25,804**	**257,087**

MOVEMENTS IN PFI ASSETS AND LIABILITIES

Assets:	**Assets at 1 April 2024 £000's**	**Movement In Year £000's**	**Assets at 31 March 2025 £000's**	**Movement In Year £000's**	**Assets at 31 March 2026 £000's**
Ealing Schools' 1 PFI - Ealing Schools' Partnership Ltd	93,165	(234)	92,931	(557)	92,374
Ealing Schools' 2 PFI - Seafort Ealing Ltd	85,930	230	86,160	(1,978)	84,182
Street Lighting PFI - EDF / Southern Electric	22,091	91	22,182	(628)	21,554
Resource Centre for Older People PFI - Ealing Care Alliance	37,975	6,055	44,030	480	44,510
Total	**239,161**	**6,142**	**245,303**	**(2,683)**	**242,620**

Dormers Wells High converted to an Academy in 2017/18, so the Asset for Building Schools for the Future is no longer held on the council’s balance sheet. Acton High converted to an academy in 2018/19 and the asset was removed from the Ealing Schools’ 2 PFI. The council still holds the PFI liability for both of these.

See Note 9 for details of the movements in year.

Liabilities:	Liabilities at 1 April 2024 £000's	Movement In Year £000's	Liabilities at 31 March 2025 £000's	Movement In Year £000's	Liabilities at 31 March 2026 £000's
Ealing Schools' 1 PFI - Ealing Schools' Partnership Ltd	(12,010)	(7,494)	(19,504)	1,904	(17,600)
Ealing Schools' 2 PFI - Seafort Ealing Ltd	(26,820)	(771)	(27,591)	2,440	(25,151)
Street Lighting PFI - EDF / Southern Electric	(9,824)	873	(8,951)	1,608	(7,343)
Resource Centre for Older People PFI - Ealing Care Alliance	(18,131)	(3,771)	(21,902)	723	(21,179)
Building Schools for the Future - Future Ealing Limited	(22,384)	(3,608)	(25,992)	4,375	(21,617)
Total	**(89,169)**	**(14,771)**	**(103,940)**	**11,050**	**(92,890)**

Note 31 Defined Benefit Pension Schemes

PARTICIPATION IN PENSION SCHEMES (31A)

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

At 31 March 2026, the council’s principal pension arrangement for its employees was the Ealing Pension Fund, which is part of the Local Government Pension Scheme (LGPS). The LGPS is a funded defined benefit pension arrangement for local authorities and related employers and is governed by statute (principally now the Local Government Pension Scheme Regulations 2013).

The pension scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pension Fund Panel and the Pensions Board. Policy is determined in accordance with the Pensions Fund Regulations.

RISKS

The principal risks to the council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (such as large-scale withdrawals from the scheme), changes to inflation, discount rate, bond yields, market prices and the performance of investments held by the scheme.

These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and HRA the amounts required by statute as described in the accounting policies note.

TRANSACTIONS RELATING TO POST-EMPLOYMENT BENEFITS (31B)

The cost of retirement benefits in the reported cost of services is recognised when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is required to be made 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 via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

Table 31b	**2024/25 £000's**	**2025/26 £000's**
Comprehensive Income and Expenditure Statement		
Cost of Services:		
Current service costs	30,700	22,856
Administration costs	1,845	1,955
Past service costs and settlements and curtailments	932	1,035
Financing and Investment Income and Expenditure:		
Net interest expense	(2,070)	(13,578)
Interest on asset ceiling	3,807	15,258
Total Post-employment Benefit Charged to the Surplus or Deficit on the Provision of Services	**35,214**	**27,526**
Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement		
Remeasurement of the net defined benefit liability comprising :-		
Return on plan assets	23,332	(83,657)
Actual (Gain)/Loss arising on changes in demographic assumptions	(4,804)	(655)
Actual (Gain)/Loss arising on changes in financial assumptions	(197,343)	(422)
Other Experience (Gain)/Loss	(1,820)	(10,383)
Effect of asset ceiling	181,569	60,565
Total Post-employment Benefit Remeasurments - Net (Gain)/Loss - Charged to Statement of Other Comprehensive Income and Expenditure	**934**	**(34,552)**
Total Post-employment Benefit Charged to the Comprehensive Income and Expenditure Statement	**36,148**	**(7,026)**
Movement in Reserves Statement		
Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	(35,214)	(27,526)
Actual amount charged against the General Fund Balance for pensions in the year:		
Employers' contributions payable to the scheme	41,392	43,855

PENSIONS ASSETS AND LIABILITIES RECOGNISED IN THE BALANCE SHEET (31C)

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

Table 31c i)	2024/25 £000's	2025/26 £000's
Present Value of the defined benefit obligation	(1,316,485)	(1,355,242)
Fair value of plan assets	1,528,666	1,694,127
Net (liability)/asset arising from defined benefit obligation post asset ceiling	**212,181**	**338,885**
Impact of asset ceiling*	(263,062)	(338,885)
Net Liability arising from defined benefit obligation post asset ceiling	**(50,881)**	**-**

*IAS 19 allows for an asset ceiling which is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets:

Table 31c ii)	2024/25 £000's	2025/26 £000's
Opening fair value of scheme assets	**1,491,125**	**1,528,666**
Interest Income	72,818	88,524
Remeasurement gain/(loss) on the return on plan assets	(23,332)	83,657
Contributions from employer	41,392	43,855
Contributions from employees into the scheme	12,377	13,414
Benefits paid	(63,869)	(62,034)
Other	(1,845)	(1,955)
Closing fair value of scheme assets	**1,528,666**	**1,694,127**

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

Table 31c iii)	2024/25 £000's	2025/26 £000's
Opening balance at 1 April	**(1,469,564)**	**(1,316,485)**
Current service cost	(30,700)	(22,856)
Interest cost	(70,748)	(74,946)
Contributions from scheme participants	(12,377)	(13,414)
Remeasurement (gains) and losses:-		
Experience (gains) / loss	1,820	10,383
assumptions	197,343	422
Actuarial (gains) and losses from changes in demographic assumptions	4,804	655
Benefits paid	63,869	62,034
Past Service Cost	-	-
Losses / (gains) on curtailments	(932)	(1,035)
Liabilities extinguished on settlements	-	-
Closing balance at 31 March	**(1,316,485)**	**(1,355,242)**

Change in asset ceiling:

Table 31c iv)	2024/25 £000's	2025/26 £000's
Asset ceiling impact at 1 April	**77,686**	**263,062**
Interest on surplus above asset ceiling	3,807	15,258
Change in asset ceiling (net of interest)	181,569	60,565
Asset ceiling impact at 31 March	**263,062**	**338,885**

The Pension Fund net liabilities must be reviewed every three years by an actuary and a recovery plan agreed to eliminate any deficit. An actuarial valuation of the London Borough of Ealing Pension Fund was carried out as at 31 March 2022 to determine the contribution rates with effect from 1 April 2023 to 31 March 2026. Consequently, the 2022 valuation rates are effective as at 1 April 2023.

STATEMENTS LOCAL GOVERNMENT PENSION SCHEME ASSETS COMPRISED (31D)

Table 31d **Fair Value of Scheme Assets**	**2024/25** **£000's**	**2025/26** **£000's**
Cash & Cash Equivalents*	**81,937**	**105,036**
Bonds		
UK Corporate*	284,638	221,931
UK Government Indexed	611	159,248
Sub-total Bonds	**285,249**	**381,179**
Property*	63,287	108,424
Sub-total Property	**63,287**	**108,424**
Private Equity		
UK*	28,280	42,353
Overseas*	1,069,913	935,158
Sub-total Private Equity	**1,098,193**	**977,511**
Infrastructure	-	67,765
Private Debt	-	54,212
Sub-total Other Investment Funds	**-**	**121,977**
Total Assets	**1,528,666**	**1,694,127**

* These are scheme assets which have quoted prices in active markets.

BASIS FOR ESTIMATING ASSETS AND LIABILITIES (31E)

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

The Local Government Pension Scheme has been estimated by Mercer Limited, an independent firm of actuaries, estimates for the council fund being based on the latest full valuation of the scheme as at 1 April 2022.

The significant assumptions used by the actuary have been:

Table 31e i)	**2024/25**	**2025/26**
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men current	21.6	21.7
Women current	24.1	24.2
Longevity at 65 for future pensioners:		
Men future	22.9	22.7
Women future	25.7	25.6
Rate of inflation - CPI	2.60%	2.90%
Rate of increase in salaries	3.85%	4.15%
Rate of increase in pensions	2.70%	3.00%
Rate for discounting scheme liabilities	5.80%	6.10%

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant.

The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated.

The estimations in the sensitivity analysis have followed the accounting policies for the scheme, on an actuarial basis using the projected unit credit method.

The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Table 31e ii)	**Increase in Assumptions £000's**	**Decrease in Assumptions £000's**
Longevity (increase or decrease in 1 Year)*	27,367	(27,367)
Rate of Inflation (increase or decrease by 0.25%)*	42,669	(42,669)
Rate of increase in salaries (increase or decrease by 0.25%)*	3,702	(3,702)
Rate of discounting scheme liabilities (increase or decrease by 0.5%)*	(81,471)	81,471

*The figures above exclude the impact of the asset ceiling

IMPACT ON THE AUTHORITY'S CASH FLOWS (31F)

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 9 years. Funding levels are monitored on a quarterly basis.

The latest triennial valuation of the Fund was carried out by Mercer, the Fund's Actuary, as at 31 March 2022 in accordance with the Funding Strategy Statement of the Fund and Regulation 36 of the Local Government Pension Scheme (Administration) Regulations 2008.

The scheme will take into account of the national changes to the scheme under the Public Pensions Services Act 2013. Under that Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide final salary benefits in relation to service after 31 March 2014.

The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The expected contributions to the plan for the next annual reporting period for 2025/26 is £30.505m.

The weighted average duration of the defined benefit obligation for scheme members is 17 years, 2025/26 (17 years 2024/25).

Note 32 Pensions Schemes Accounted for as Defined Contribution Schemes

Teachers employed by the council are members of the Teachers' Pension Scheme administered by the Teachers Pensions Agency (TPA), and those employees working in public health that transferred in from the NHS are members of the NHS Pension Scheme. These provide employees with defined benefits upon their retirement and the council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

Although both schemes are unfunded, they use a notional fund as the basis for calculating the employer's contribution rate to be paid by all local education authorities/NHS bodies. However, it is not possible for the council to identify a share of the underlying assets and liabilities of either scheme attributable to its own employees. For the purposes of this statement of accounts, they are therefore accounted for on the same basis as a defined contribution scheme.

TEACHERS PENSION AGENCY

In 2025/26 the council has paid £32.95m (2025/26 £31.33m) to the Teachers Pensions Agency in respect of teachers' retirement benefits, which represented 28.68% of pensionable pay in 2025/26 (2024/25 23.68%). At 31 March 2026 the pension contributions due to the scheme in respect of the salaries were £2.234m (£2.67m as at 31 March 2025). The teachers' pensions employer's contributions due to be paid in the next financial year are estimated to be £35m.

The council is responsible for the costs of any additional benefits awarded upon early retirement outside the terms of the scheme. In addition, the council is responsible for all pension payments relating to added years it has awarded, together with the related increases.

NHS PENSION SCHEME

In 2025/26, the council has paid £0.019m (2024/25 £0.019m) to the NHS Pension Scheme in respect of public health employees' retirement benefits, which represented 14.38% of their pensionable pay for the year (14.38% in 2024/25). At 31 March 2026, the pension contributions due to the scheme in respect of the March 2026 salaries were £0.002m (£0.002m as at 31 March 2025). The NHS pensions employer's contributions due to be paid in the next financial year are estimated to be £0.020m.

The council is responsible for the costs of any additional benefits awarded upon early retirement outside the terms of the NHS Pension Scheme.

Note 33 Contingent Assets and Liabilities

CONTINGENT LIABILITIES

The council has identified no material contingent liabilities.

CONTINGENT ASSETS

The council has identified one potential contingent asset relating to a development contract. The estimated value of the claim is £4m.

Note 34 Nature and Extent of Risks arising from Financial Instruments

THE FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES THAT ARE NOT MEASURED AT FAIR VALUE (BUT FOR WHICH FAIR VALUE DISCLOSURES ARE REQUIRED) (34A)

The council's overall risk management programme focuses on the unpredictability of financial markets, and seeks to minimise potential adverse effects on the resources available. Risk management is carried out by a central treasury team under policies approved by the full council in the annual treasury management strategy report. The procedures for risk management are set out through a legal framework underpinned by the Local Government Act 2003 and associated regulations. These require the council to comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury management in the Public Services and investment guidance issued through the Act. Overall, these procedures require the council to manage risk actively. The annual treasury management strategy for 2025/26, which incorporates the prudential indicators was approved by council on 04 March 2025 and is available on the council's website.

The council's activities expose it to a variety of financial risks. The key risks are:

- Credit Risk – the possibility that other parties might fail to pay amounts due to the council
- Liquidity Risk – the possibility that the council might not have funds available to meet its commitments to make payments
- Re-financing Risk – the possibility that the council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms
- Market Risk – the possibility that financial loss may arise for the council as a result of changes in such measures as interest rates and stock market movements.

Credit Risk - Investments

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the council's customers.

This risk is minimised through the Annual Investment Strategy, which is available on the council's website.
The council invests its cash balances on the basis of security first and returns second. As part of this prudent approach officers keep a daily watch on the council's investments, drawing upon the advice of experts whilst remaining cognisant of emerging economic themes that may pose risks from other sources including the financial press. This includes subscribing to the creditworthiness service provided by Link Asset Services.

The council's credit risk management practices are set out in the Annual Investment Strategy, with particular regard to determining whether the credit risk of financial instruments has increased significantly since initial recognition.

The Annual Investment Strategy requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with either Fitch, Moody's and Standard & Poors Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and durations with a financial institution located in each category.

This council uses the creditworthiness service provided by Link Asset Services. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moody's and Standard and Poor's, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- credit watches and credit outlooks from credit rating agencies
- Credit Default Swap spreads to give early warning of likely changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries

The full Investment Strategy for 2025/26 was approved by Full Council on 04 March 2025 and is available on the council's website.

The council's maximum exposure to credit risk in relation to its investments in financial institutions of £279.013m cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the council's deposits, but there was no evidence at the 31 March 2026 that this was likely to crystallise.

AMOUNTS ARISING FROM EXPECTED CREDIT LOSSES (34B)

The council has reviewed all financial assets and determined that the credit risk exposure on investments has been reviewed and calculated on a 12-month basis, which has been deemed immaterial for the financial assets held as at 31 March 2026.

CREDIT RISK EXPOSURE (34C)

The table below shows the council's exposure to credit risk as at 31 March 2026. This is not the recognised credit losses but outlines the exposure only:

	Credit Risk Rating	Gross Carrying Amount £000's
12-Month Expected Credit Losses	A	166,415
12-Month Expected Credit Losses	Other	0

The above does not include short term investments with local authorities or government as the Code does not allow a loss allowance to be recognised since statutory provisions prevent default.

Credit Risk – Receivables

Trade receivables arise from the provision of goods and services and the carrying out of the council's functions. The impairment loss allowances shown in Note 13 reflect the credit quality of the debtors. These have been calculated for each service or debt type (such as adult social care, parking or sundry debt), by reference to the council's historic experience of default with an adjustment for current and forecast economic conditions specific to each area. The impairment loss allowances for receivables are reviewed annually.

Debts owed from central government and other public bodies are excluded from impairment losses and credit risk.

COLLATERAL AND OTHER CREDIT ENHANCEMENTS (34D)

During the reporting period the council held no collateral as security.

LIQUIDITY RISK (34E)

The council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Treasury Management Code of Practice. This seeks to ensure that cash is available when needed.

The council has ready access to borrowings from the money markets to cover any day-to-day cash flow need, and the PWLB and money markets for access to longer term funds. The council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The maturity analysis of financial assets, excluding sums due from customers, is as follows:

	31 March 2025 £000's	31 March 2026 £000's
Investments Outstanding:		
Local Authorities	-	100,668
Debt Management Office	345,851	109,098
UK Banks and Building Society	48,084	57,318
Other	47,214	11,930
Total Investments outstanding	**441,148**	**279,013**
Less than 1 year	439,012	276,876
Between 1 and 2 years	-	-
Between 2 and 5 years	-	-
Between 5 and 10 years	-	-
More than 10 years	2,136	2,136
Total Investments outstanding	**441,148**	**279,013**

All trade and other payables are due to be paid in less than one year.

REFINANCING & MATURITY RISK (34F)

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

The council has safeguards in place to ensure that a significant proportion of its borrowing does not mature for repayment at any one time in the future to reduce the financial impact of re-borrowing at a time of unfavourable interest rates. The council's policy is to ensure that not more than 20% of loans are due to mature within any financial year through a combination of prudent planning of new loans taken out and, where it is economic to do so, making early repayments.

The maturity analysis of financial liabilities is as follows, with the maximum and minimum limits for fixed interest rates maturing in each period (approved by Full Council in the Treasury Management Strategy):

	Approved minimum limits	Approved maximum limits	31 March 2025 £000's	31 March 2026 £000's
Loans Outstanding:				
Public Works Loans Board			735,680	719,232
Market Debt			84,622	74,570
Temporary Borrowing			-	-
Other			49,075	55,550
Total Loans outstanding			**869,377**	**849,352**
Less than 1 year	0%	10%	71,626	75,368
Between 1 and 2 years	0%	20%	13,729	16,702
Between 2 and 5 years	0%	20%	36,808	35,186
Between 5 and 10 years	0%	20%	67,302	62,249
More than 10 years	30%	90%	679,912	659,847
Total Loans outstanding			**869,377**	**849,352**

In the more than 10 years category, there are £45m of market loans Lenders Option Borrowers Option (LOBOs) which have call dates in the next 12 months, where the lender has the option to call the loan. The risk exposure and options for restructuring these loans are carried out on an ongoing basis. The maturity analysis of financial liabilities is outlined above and this falls within the maximum and minimum limits for fixed as agreed in the Treasury Management Strategy.

MARKET RISK (34G)

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
- 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.

If the council were to maintain the current balance of fixed investments, deposits and cash equivalents of £279m (31 March 2025: £441m) and interest rates increased or decreased by 1% when these fixed terms expired and were renewed at a higher or lower rate, the council's interest receivable could increase or decrease by £3m (31 March 2025: £4m).

The council has a number of strategies for managing interest rate risk. The annual Treasury Management Strategy draws together 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. 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 rates borrowing would be postponed.

The treasury management team monitor the markets and forecast interest rates within the year to adjust exposures appropriately.

Price Risk

The council, excluding the Pension Fund, does not generally invest in equity shares or marketable bonds.

However, it does have shareholdings to the value of £2.136m in Broadway Living Ltd. Whilst these holdings are generally illiquid, the council is exposed to gains or losses arising from movements in the price of the shares.

As the shareholdings have arisen in the acquisition of specific interests, the council is not in a position to limit its exposure to price movements by diversifying its portfolio. Instead, it only acquires shareholdings in return for "open book" arrangements with the company concerned so that the council can monitor factors that might cause a fall in the value of specific shareholdings.

The shares have all been elected/classified as Fair Value through Other Comprehensive Income, meaning that all movements in price will impact on gains and losses recognised in the Financial Instrument Revaluation Reserve.

4. Supplementary Accounts and Explanatory Notes

HOUSING REVENUE ACCOUNT

The HRA income and expenditure statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis upon which rents are raised, is shown in the movement on the Housing Revenue Account statement.

HOUSING REVENUE ACCOUNT INCOME AND EXPENDITURE STATEMENT

The HRA Income and Expenditure Statement records the transactions relating to the provision and maintenance of council housing. The account has to be self-financing and there is a legal prohibition on subsidy to or from council tax.

Housing Revenue Account Income and Expenditure Statement	Note	2024/25 £000's	2025/26 £000's
Expenditure			
Repairs and Maintenance		17,203	15,728
Supervision and management		36,776	38,497
Rent, rates, taxes and other charges		6,700	4,649
Depreciation and impairment of non-current assets	6	37,527	40,617
Debt Management Costs		62	60
Movement in the allowance for bad debts		-	-
Revenue expenditure funded from capital under statute	8	2,484	9,993
Total Expenditure		**100,752**	**109,544**
Income			
Dwelling rents		(69,130)	(70,346)
Non-dwelling rents		(1,419)	(1,692)
Charges for services and facilities		(9,278)	(10,473)
Contributions towards expenditure		(8,079)	(9,398)
Total Income		**(87,906)**	**(91,909)**
Net Cost of HRA Services as included in the whole authority Comprehensive Income and Expenditure Statement		**12,846**	**17,635**
HRA services' share of Corporate and Democratic Core		1,526	1,526
HRA share of other amounts included in the whole authority Cost of services but not allocated to specific services		639	(89)
Net Cost of HRA Services		**15,011**	**19,072**
(Gain) or loss on disposal of HRA fixed assets		9,806	(10,165)
Interest payable and similar charges		10,155	12,811
Interest and investment income		(664)	(564)
Pension Interest cost and expected return on pension assets		(172)	(1,200)
Capital grants and contributions receivable		(10,840)	(31,717)
(Surplus) or deficit for the year on HRA services		**23,296**	**(11,763)**

MOVEMENT ON THE HOUSING REVENUE ACCOUNT STATEMENT

Movement on the HRA Statement	2024/25 £000's	2025/26 £000's
Balance on the HRA at the end of the previous reporting period	4,925	4,925
Surplus or (deficit) for the year on the HRA Income and Expenditure Statement	(23,296)	11,763
Adjustments between accounting basis and funding basis under statute	23,674	(8,390)
Net increase or decrease before transfers to or from reserves	**378**	**3,373**
Transfers from reserves	(378)	(3,373)
Increase or decrease in year on the HRA	**-**	**-**
Balance on the HRA at the end of the current year	**4,925**	**4,925**

Adjustments between accounting basis and funding basis under statute	2024/25 £000's	2025/26 £000's
Holiday Pay (transferred to the Accumulated Absences Reserve)	(107)	168
Net gain or loss on sale of non-current assets	10,034	(10,165)
Pensions Costs (transferred to (or from) the Pension Reserve)	(980)	(2,952)
Statutory Provision for the Repayment of Debt (transfer from the Capital Adjustment Account)	(33)	(18)
Posting of HRA Resources from Revenue to the Major Repairs Reserve	(14,411)	(14,316)
Reversal of Entries Included in the Surplus or Deficit on the Provision of Services in Relation to Capital Expenditure (these items are charged to the Capital Adjustment Account or Capital Grants Unapplied)	29,171	18,893
Total Adjustments	**23,674**	**(8,390)**

NOTES TO THE HOUSING REVENUE ACCOUNT

Note 1 Housing Stock Units

The council's stock of dwellings increased during the year from 11,045 to 11,120, a net increase of 75 dwellings. This increase is due to the redevelopment on the regeneration estates. In addition to the units listed below, the council also owns the freehold on 4,772 flats with leaseholders paying service charges and contributing towards the cost of major works to the block.

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

	31 March 2025	Movement during the year				31 March 2026
Stock type	**Units**	**RTB Disposals**	**Other Disposals**	**Acquisitions**	**Reclassification**	**Units**
Flats	8,177	(55)	(32)	90	(3)	8,177
Houses	2,538	(24)	(1)	1	-	2,514
Temporary Accommodation (Hostels)	201	-		111	-	312
Shared Ownership	110	-	(12)	-	-	98
Short Leases	19	-	-	-	-	19
Total Dwellings Units	**11,045**	**(79)**	**(45)**	**202**	**(3)**	**11,120**

Note 2 Non-current Assets Valuation

The vacant possession value of dwellings within the HRA as 31 March 2026 is £3,632m. The difference between the vacant possession value and the balance sheet value of dwellings within the HRA show the economic cost to government of providing council housing at less than market rents.

	31 March 2025	2025/26			31 March 2026
Non-current Assets Valuation	**Total Non-Current Assets £000's**	**Council Dwellings £000's**	**Non-Dwellings £000's**	**Assets Under Construction £000's**	**Total Non-Current Assets £000's**
Opening Net Book Value	**1,031,933**	**938,177**	**23,206**	**100,593**	**1,061,976**
Revaluations	(23,870)	(32,583)	1,859	-	(30,724)
Impairments	(2,959)	(58)			(58)
Capital Expenditure	95,917	38,437	287	121,441	160,165
Disposals	(4,166)	(7,464)	-	-	(7,464)
Derecognitions	(19,989)	(58)	(21)	-	(80)
Depreciation for the year	(14,420)	(13,655)	(660)	-	(14,316)
Reclassification	-	8,149	-	(8,149)	-
Other movements	(454)	-	-	-	-
Closing Net Book Value	**1,061,993**	**930,943**	**24,671**	**213,885**	**1,169,499**

Note 3a Rent & Service Charge Debtors

	31 March 2025 £000's	31 March 2026 £000's
Tenants:		
Dwellings	2,390	2,303
Temporary Accommodation (net)	4,005	3,763
Long Leases (net)	17	17
Total	**6,410**	**6,083**
Leaseholders:		
Service Charge - Capital	1,256	520
Service Charge - Revenue	454	258
Total	**1,710**	**778**

Note 3b Impairment of Debtors

	31 March 2025 £000's	31 March 2026 £000's
Tenants:		
Balance at 1 April	4,363	4,193
Write-offs in year	(522)	(605)
Increase in Impairment Allowance	352	405
Balance at 31 March	**4,193**	**3,994**

Note 4 Major Repairs Reserve (MRR)

Major Repairs Reserve (MRR)	**31 March 2025 £000's**	**31 March 2026 £000's**
Balance at 1 April	-	-
Depreciation charges for all dwellings	14,411	14,316
Capital projects funded from the MRR	(14,411)	(14,316)
Balance at 31 March	**-**	**-**

Note 5 Capital Receipts

Capital Receipts	**2024/25 £000's**	**2025/26 £000's**
Sale of Council Dwellings	14,121	17,709
Total	**14,121**	**17,709**

Note 6 Depreciation and Impairment Charge

Depreciation and Impairment Charge	2024/25 £000's	2025/26 £000's
Depreciation Charges		
Council Dwellings	13,808	13,655
Other Land & Buildings	512	560
Vehicles, Plant, Furniture and Equipment	27	34
Surplus Assets	72	66
Total	**14,420**	**14,316**
Impairment Charges / Revaluation Losses/(Gains)		
Dwellings and Other Land and Buildings	23,090	26,301
Total	**37,510**	**40,617**

Note 7 Capital expenditure and funding

Capital expenditure and funding	2024/25 £000's	2025/26 £000's
Total Capital Expenditure	**98,398**	**170,158**
Funded by:		
Borrowing	64,431	103,975
Capital Receipts	8,716	20,150
Revenue contributions	0	-
Major Repairs Reserve	14,411	14,316
Leaseholder's Income	319	541
Capital Grants and other contributions	10,521	31,176
Total	**98,398**	**170,158**

Note 8 Revenue Expenditure Funded from Capital under Statute

Revenue Expenditure Funded from Capital under Statute	2024/25 £000's	2025/26 £000's
Other Properties	2,484	9,993
Total	**2,484**	**9,993**

This represents expenditure that may be capitalised under statutory provisions but does not result in creation of tangible assets. It reflects major external capital works on properties not owned by the council, and grants to assist house purchases in the open market and written out in year.

COLLECTION FUND

THE COLLECTION FUND STATEMENT

COLLECTION FUND 2025/26	Council Tax £000's	NNDR/ BRS £000's	31 March 2025 Total £000's	Council Tax £000's	NNDR £000's	BRS £000's	NNDR/ BRS £000's	31 March 2026 Total £000's
INCOME								
Income from Council Tax Payers	(245,387)	-	(245,387)	(260,505)	-	-	-	(260,505)
Income Collectable from Business Ratepayers	-	(161,052)	(161,052)	-	(178,608)	-	(178,608)	(178,608)
Income Collectable from Business Ratepayers - BRS	-	(4,254)	(4,254)	-	-	(4,511)	(4,511)	(4,511)
TOTAL INCOME	**(245,387)**	**(165,306)**	**(410,693)**	**(260,505)**	**(178,608)**	**(4,511)**	**(183,119)**	**(443,624)**
EXPENDITURE								
Precepts & Demands								
Local Demand (LBE)	181,825	50,947	232,772	192,984	54,955	-	54,955	247,939
Greater London Authority (GLA)	58,034	62,835	120,869	61,030	67,777	-	67,777	128,807
Central Government (MHCLG)	-	56,042	56,042	-	60,450	-	60,450	60,450
	239,859	**169,824**	**409,683**	**254,014**	**183,182**	**-**	**183,182**	**437,196**
Contributions Towards Previous Year Estimated Surplus/(Deficit)								
Local Demand (LBE)	1,583	1,860	3,443	2,296	(569)	-	(569)	1,727
Greater London Authority (GLA)	488	2,294	2,782	733	(701)	-	(701)	32
Central Government (MHCLG)	-	2,046	2,046	-	(625)	-	(625)	(625)
	2,071	**6,200**	**8,271**	**3,029**	**(1,895)**	**-**	**(1,895)**	**1,134**
Charges to the Collection Fund								
Transitional Protection Payment (Receivable)/Payable	-	(2,471)	(2,471)	-	457	-	457	457
Less: Costs of Collection - NNDR	-	502	502	-	503	-	503	503
Less: Write (ons)/offs of uncollectable amounts	-	(8)	(8)	-	-	-	-	-
Less: Increase/(Decrease) in Expected Credit Losses	2,924	2,805	5,729	7,459	3,980	-	3,980	11,439
Less: Write offs of uncollectable amounts relating to appea	-	(10,662)	(10,662)	-	(6,921)	-	(6,921)	(6,921)
Less: Increase/(Decrease) in Provision for Appeals	-	-	-	-	-	-	-	-
	2,924	**(9,834)**	**(6,910)**	**7,459**	**(1,981)**	**-**	**(1,981)**	**5,478**
Business Rate Supplement (BRS)								
Payment to Levying Authority (GLA)	-	4,252	4,252	-	-	4,500	4,500	4,500
Costs of Collection - BRS	-	10	10	-	-	11	11	11
	-	**4,262**	**4,262**	**-**	**-**	**4,511**	**4,511**	**4,511**
TOTAL EXPENDITURE	**244,854**	**170,452**	**415,306**	**264,502**	**179,306**	**4,511**	**183,817**	**448,319**
MOVEMENTS ON THE COLLECTION FUND								
Opening Fund Balance 1 April	(1,756)	(6,301)	(8,057)	(2,289)	(1,155)	-	(1,155)	(3,444)
Closing Fund Balance 31 March	(2,289)	(1,155)	(3,444)	1,708	(457)	-	(457)	1,251
MOVEMENT ON FUND BALANCE	**(533)**	**5,146**	**4,613**	**3,997**	**698**	**-**	**698**	**4,695**
ANALYSIS OF CLOSING FUNG BALANCE								
Ealing Council	(1,734)	(346)	(2,080)	1,303	(137)	-	(136)	1,167
Central Government (MHCLG)	-	(381)	(381)	-	(151)	-	(151)	(151)
Greater London Authority (GLA)	(555)	(428)	(983)	405	(169)	-	(170)	235
CLOSING FUND BALANCE	**(2,289)**	**(1,155)**	**(3,444)**	**1,708**	**(457)**	**-**	**(457)**	**1,251**

NOTES TO THE COLLECTION FUND STATEMENT

Note 1 General

The Collection Fund is an agent's statement that reflects the statutory obligation of billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers of Council Tax and Non-Domestic Business Rates (NDR) and its distribution to precepting bodies and the government. For the council the precepting bodies are Central Government (MHCLG) and the Greater London Authority (GLA).

The council has a statutory requirement to operate a Collection Fund as a separate account to the General Fund. The purpose of the Collection Fund, therefore, is to isolate the income and expenditure relating to council tax and non-domestic business rates. The administration costs associated with the collection process are charged to the General Fund.

Note 2 Council Tax

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into nine valuation bands (A to H) for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by the council for the forthcoming year and dividing this by the council Tax base (i.e. the equivalent number of Band D dwellings).

The Council Tax base was 124,454 for 2025/26 (123,110 for 2024/25).

The basic amount of Council Tax including the GLA precept for a Band D property was £2,041.02 for 2025/26 (£1,948.34 for 2024/25). This is multiplied by the proportion specified for the particular band to give an individual amount due.

COUNCIL TAX BASE

The Council Tax base for 2025/26 details are shown below:

Band	Estimated No. of properties after discounts, exemptions and council tax support	Ratio	Equivalent No. of Band D properties
A	3,189	6/9	2,126
B	8,857	7/9	6,889
C	27,637	8/9	24,566
D	40,235	9/9	40,235
E	21,469	11/9	26,240
F	9,460	13/9	13,664
G	6,765	15/9	11,275
H	1,000	18/9	1,999
Total Council Tax Base	**118,611**		**126,994**
Adjustment for actual collection rate			2,540
Council Tax Base for 2025/26			**124,454**

Note 3 Non-Domestic Rates

The council collects Non-Domestic Business Rates (NDR) for its area based on local rateable values provided by the Valuation Office Agency (VOA) multiplied by a uniform business rate set by central government. The total non-domestic rateable value for the council's area at 31 March 2026 was £441.0m (£440.2m at 31 March 2025).

The national multipliers for 2025/26 were 49.9p for qualifying small businesses (49.9p in 2024/25) and the standard multiplier being 55.5p for all other businesses (54.6p in 2024/25).

Under the Business Rates Retention Scheme, Ealing retains 30% of the business rates that it collects (reflected as a precept). This income is subject to set baselines and limits. The remainder of business rates collected are paid as a precept to Greater London Authority (GLA) and central government (MHCLG).

NDR surpluses declared by the billing authority in relation to the Collection Fund are apportioned to the relevant precepting bodies in the subsequent financial year in their respective proportions. Deficits likewise are proportionately charged to the relevant precepting bodies in the following year.

Note 4 Business Rates Supplements

Since 2010/11 the GLA has raised a levy under the Business Rates Supplement Act 2009 to finance its contribution to the Crossrail project.

PENSION FUND ACCOUNT

FUND ACCOUNT

FUND ACCOUNT			
	Notes	**2024/2025 £'000s**	**2025/2026 £'000s**
Dealings with members, employers and others directly involved in the fund			
Contributions	6	(64,839)	(68,908)
Transfers in from other Pension Funds	6a	(10,568)	(14,573)
		(75,407)	**(83,481)**
Benefits	7	67,586	70,751
Payments to and on account of leavers	7a	11,144	11,517
		78,730	**82,268**
Net (additions)/withdrawals from dealings with Members		**3,323**	**(1,213)**
Management Expenses	8	6,066	6,899
Net (additions)/withdrawals Including Fund Management Expenses		**9,389**	**5,686**
Returns on Investments			
Investment Income	9	(35,684)	(35,003)
Taxes on Income	9	2	-
Profit and losses on disposal of investments and changes in Value of investments	15	(21,775)	(172,058)
Net return on investments		**(57,457)**	**(207,061)**
Net (Increase)/Decrease in the Net Assets Available for Benefits During the Year		**(48,068)**	**(201,373)**
Opening Net Assets of the Scheme		**(1,665,610)**	**(1,713,677)**
Closing Net Assets of the Scheme		**(1,713,677)**	**(1,915,050)**

NET ASSET STATEMENT

	Notes	31 March 2025 £'000s	31 March 2026 £'000s
Investment Assets	10	1,681,301	1,900,529
Investment Liabilities	10	(2,882)	(734)
Total net investments		**1,678,419**	**1,899,795**
Current Assets	17	38,064	18,594
		1,716,483	**1,918,389**
Current Liabilities	18	(2,806)	(3,339)
Net Assets of the Fund available to fund benefits at the end of the reporting period		**1,713,677**	**1,915,050**

The Fund's financial statements do not take account of liabilities to pay pensions and other benefits after the year end. The actuarial present value of promised retirement benefits is disclosed in Appendix A.

NOTES TO THE PENSION FUND ACCOUNT

Note 1 Description of the London Borough of Ealing Pension Fund

a) GENERAL

The Ealing Pension Fund (the Fund) is part of the Local Government Pension Scheme (LGPS) and is administered by the London Borough of Ealing (the council). It is a contributory defined benefits scheme established, in accordance with statute, which provides for the payment of benefits to employees and former employees of the Ealing Council and the admitted and scheduled bodies in the Fund. Scheduled bodies are automatically entitled to be members of the Fund by law, whereas admitted bodies participate in the Fund under admission agreements and include not for profit organisations or private contractors undertaking local authority functions. The Fund is overseen by the Ealing Pension Fund Panel (the Panel), which is a committee of the council.

Benefits payable, which are defined and set out in law, include retirement pensions, early payment of benefits on medical grounds and payment of death benefits where death occurs either in service or in retirement. The benefits payable in respect of service from 1st April 2014 are based on career average revalued earnings and the number of years of eligible service. Pensions are increased each year in line with the Consumer Price Index.

The Fund is governed by the Public Service Pensions Act 2013 and 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) and
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

b) FUNDING

The Fund is financed by contributions from active members of the Fund in accordance with the LGPS Regulations 2013 and these range from 5.50% to 12.50% (main scheme) and 2.75% to 6.25% (50/50 scheme) of pensionable pay for the financial year ending 31 March 2026. Employers make contributions into the Fund based on rates determined by the appointed actuary following triennial funding valuations. Employer contribution rates currently range from 15.1% to 26.8% of pensionable pay, as set by the 2022 actuarial valuation covering the three financial years to 31 March 2026. The actuarial valuation as at 31 March 2025 concluded in March 2026, setting employer contribution rates with effect from 1 April 2026 for the three financial years ending 31 March 2029.

c) BENEFITS

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

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

From 1 April 2014, the Fund became a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of $1/49^{th}$. Accrued pension is updated annually in line with the Consumer Prices Index. Benefits for service prior to 1 April 2014 are protected and continue to be based on the table shown above.

The Fund provides an additional voluntary contributions (AVC) scheme for its members, the assets of which are invested and accounted for separately from the Fund. AVCs are used to secure additional benefits on a money purchased basis. The scheme providers are Scottish Widows and Utmost. Each AVC contributor receives an annual statement showing the amount held in their account and the movements in the year.

d) GOVERNANCE

The council has delegated day to day management of the Fund to the Pension Fund Panel (the Panel), who decide on the most suitable investment strategy and set policy and have utmost responsibility to make investment decisions. The Panel reports to the council and obtains, as necessary, advice from the Fund’s appointed investment advisors, fund managers and actuary. The Panel is made up of seven voting members and one non-voting member.

In line with the provisions of the Public Service Pensions Act 2013 the council set up a Local Pension Board to oversee the governance arrangements of the Fund. The Board meets on a quarterly basis and has its own Terms of Reference. Board members are independent of the Panel.

The Section 151 Officer is responsible for the preparation of the Pension Fund Statement of Accounts. The Audit Committee is responsible for approving the Annual report and Accounts for publication.

e) INVESTMENT PRINCIPLES

The LGPS (Management and Investment of Funds) Regulations 2016 require administering authorities to prepare and keep up to date a written statement detailing the investment policy of the Fund. The latest investment strategy (ISS) is publicly available on the council’s website.

The Panel has delegated the management of the Fund's investments to external investment managers (see Note 12) appointed in accordance with regulations, and whose activities are specified in detailed investment management agreements and monitored on a quarterly basis.

f) MEMBERSHIP

The council is the administering authority for the Fund and has the major share of contributors and pensioners. Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme. New joiners are auto-enrolled but can choose to opt out.

Organisations participating in the Fund include:

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

The following table summarises the membership numbers of the Fund:

	31 March 2025	31 March 2026
Number of employers in the Fund	**35**	**35**
Number of Active Members		
London Borough of Ealing	6,580	6,332
Other employers	2,648	2,462
Total	**9,228**	**8,794**
Number of Pensioners		
London Borough of Ealing	7,378	8,093
Other employers	1,152	1,202
Total	**8,530**	**9,295**
Number of Deferred Pensioners		
London Borough of Ealing	7,968	7,539
Other employers	2,682	2,947
Total	**10,650**	**11,486**
Total number of members in the scheme	**28,408**	**28,575**

Note 2 Basis of Preparation of Financial Statements

The Statement of Accounts (SoA) summarises the Fund's transactions for 2025/26 and its position as at 31 March 2026. The SoA has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) which is based upon International Financial Reporting Standards (IFRS) as amended for the UK public sector.

The Accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year or the actuarial present value of promised retirement benefits. The Code gives administering authorities the options to either disclose this information in the Net Assets Statement, Notes to the Accounts, or by appending an Actuarial report prepared for this purpose. The Fund has opted to disclose this information by appending an Actuarial report as at appendix A.

The Fund Accounts have been prepared on a going concern basis. This reflects the expectation that the administering authority will continue to operate for the foreseeable future. The Fund continues to operate as a statutory open scheme and benefits from a strong covenant from its active employers, enabling it to take a long-term approach to investment and funding considerations arising from external events.

Note 3 Summary of Significant Accounting Policies

FUND ACCOUNT – REVENUE RECOGNITION

a) CONTRIBUTIONS

Normal contributions, both from the members and from the employers, are accounted for on an accruals basis as below:

- Employer contribution rates are set at the percentage rate recommended by the actuary for the period to which they relate.
- Employee contribution rates are set in accordance with LGPS regulations using percentage rate bandings, which rise in line with pensionable pay.

Employer deficit funding contributions are accounted for on the due dates on which they are due under the schedule of contributions based on the Rates and Adjustment Schedule as set by the actuary or on receipt if earlier than the due date.

Augmentation and pension strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid is classed as a current financial asset.

b) TRANSFERS TO AND FROM OTHER SCHEMES

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with the LGPS Regulations. Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged. Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

c) INVESTMENT INCOME

Investment income is reported gross of withholding taxes which are accrued in line with the associated investment income. Income arising from the underlying investments of the Pooled Investment Vehicles is either reinvested within the Pooled Investment Vehicles and reflected in the unit price or taken as a cash dividend to support the Fund's cash flow requirements.

Interest income is recognised in the fund account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination.

Dividends from quoted securities are accounted for when the security is declared ex-dividend. Investment income is reported gross of withholding taxes which are accrued in line with the associated investment income.

Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset. Where the amount of an income distribution has not been received from an investment manager by the balance sheet date, an estimate based upon the income received so far received is used.

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

FUND ACCOUNT – EXPENSE ITEMS

d) BENEFITS PAYABLE

Pensions and lump-sum benefits payable are accounted for on an accruals basis from the date the option is exercised, in accordance with valid member claims. Retirement lump sums are accounted for in the period in which the member becomes a pensioner. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities, providing that payment has been approved.

e) TAXATION

The Fund is an exempt approved fund 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 council is the administering authority for the Fund, VAT input tax is recoverable on all Fund activities including expenditure on investment expenses. Where tax can be reclaimed, investment income in the accounts is shown gross of UK tax. Income from overseas investments is subject to withholding tax in the country of origin unless exemption is permitted. Irrecoverable tax is accounted for as a fund expense as it arises.

f) LIFETIME ALLOWANCES

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

g) MANAGEMENT EXPENSES

The Fund management expenses are accounted for in accordance with the CIPFA guidance accounting for Local Government Pension Scheme Management Costs 2016.

All administrative expenses are accounted for on an accruals basis. All staff costs of the pension administration team are charged direct to the fund. Associated management, accommodation and other overheads are apportioned to the fund in accordance with council policy.

Oversight and governance expenses are accounted for on an accruals basis. All staff costs associated with governance and oversight is charged direct to the fund. Associated management, accommodation and other overheads are apportioned and charged as expenses to the Fund in accordance with council policy.

All investment management expenses are accounted for on an accruals basis. Fees for the fund managers and custodian are agreed in the respective mandates governing their appointments and are broadly based on the market value of the investments under their management and therefore, increase or reduce as the value of these investments change. Where an investment management fee has not been received by the balance sheet date, an estimate based upon the market value of the mandate as at the end of the year is used for inclusion in the accounts.

NET ASSETS STATEMENT

h) FINANCIAL ASSETS

Financial assets are included in the Net Assets Statement on a fair value basis as at the reporting date. Any amounts due in respect of trades entered into but not yet complete as well as accrued income at 31 March each year are accounted for as financial assets held at amortised cost. A financial asset is recognised in the net asset statement on the date the fund becomes party to the contractual acquisition of the assets. From this date, any gains/losses are recognised in the Fund Account. The Net Assets Statement shows values of investments have been determined at fair value in accordance with the requirements of the code and IFRS13 "Fair Value Measurement". For the purposes of disclosing levels of fair value hierarchy, the Fund has adopted the classification guidelines recommended in accordance with the requirements of the Code and IFRS 13 (see Note 14d).

i) FOREIGN CURRENCY TRANSACTIONS

Dividends, interest and purchases and sales of investments in foreign currencies are accounted for in sterling at the spot market exchange rate prevailing on the date of the transaction. End of year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period. Any exchange differences arising are recognised in profit or loss.

j) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, balances held in UK bank accounts, and deposits with financial institutions that are repayable on demand without penalty. These balances comprise short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

k) FINANCIAL LIABILITIES

The Fund recognises financial liabilities at fair value as at the reporting date. Any amounts payable in respect of trades entered into but not yet complete at 31 March each year are accounted for as financial liabilities held at amortised cost and reflected in the classification of financial instruments in Note 14D. A financial liability is recognised in the Net Assets Statement on the date the Fund becomes party to the liability. From this date any gains or losses arising from changes in the fair value of the liability are recognised by the Fund.

l) ADDITIONAL VOLUNTARY CONTRIBUTIONS

The fund provides an additional voluntary contributions (AVC) scheme for its members, the assets of which are invested separately from those of the Pension Fund, and in accordance with the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016. 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 their valuation is disclosed in Note 19 for information only.

m) RECHARGES FROM THE GENERAL FUND

The LGPS (Management and Investment of Funds) Regulations 2016 permit the council to charge administration costs to the Fund. A proportion of relevant council costs have been charged to the Fund based on an apportionment of time spent on Pension Fund business. Costs incurred in the administration and the oversight and governance of the Fund are set out in Note 8 below.

Note 4 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 3 above, the Fund may have to make certain critical judgements about complex transactions or those involving uncertainty about future events. There were no such critical judgements made during 2025/26.

Note 5 Assumptions Made About the Future and Other Major Sources of Estimation

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the year-end and the amounts reported for income and expenditure during the year. Estimates and assumptions are made taking into account historical experience, current trends, and future expectations. However, the nature of estimation means that actual outcomes could be different from the assumptions and estimates made. The items in the net asset statement for which there is a significant risk of material adjustment the following year are as shown in the table below.

Item	**Uncertainties**	**Effect of actual results differ from assumptions**
Private Debt	Private debt investments are valued at fair value in accordance with British Venture Capital Association guidelines. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	Private debt investments are valued at £61.400m (£55.279m: 2024/25) in the financial statements. There is a risk that these investments may be under or overstated in the accounts. Further details are shown in note 14a if actual results differ from assumptions.

Private Equity	These investments are valued using unobservable inputs and estimations, as there's no readily available market data for their pricing. This means valuations rely on models, assumptions, and management judgments.	These investments are valued at £4.037m (4.838m: 2024/25). The sensitivity of changes in the value of these investments is detailed at note 14a.
Infrastructure	The Fund contains investments in infrastructure funds. that are classified within the financial statements as level 3 investments. The final realised value of those funds may differ slightly from the valuations presented in the accounts, as detailed in note 14a.	The value of the investments is £76.989m (£57.388m: 2024/25). Further details are shown in note 14a if actual results differ from assumptions.
Pooled Property	Economic and Market volatility factors may not be fully observable at the measurement date and require forward looking judgement. There may also be differences in methodologies and the timing of revaluations which can create valuation uncertainty.	Property investments where valuation is based on significant unobservable inputs are classified as Level 3. Therefore, the sensitivity analysis in Note 14A relates solely to the Level 3 property holdings of £40.412m (2025: £75.119m) and does not include the Level 2 property holdings.

VIRGIN MEDIA COURT CASE

In June 2023, a High Court judgement in the case of Virgin Media vs NTL Pension Trustee II Limited provided a ruling related to Section 37 of the Pension Scheme Act 1993 and changes to scheme rules (LGPS as a whole, rather than any specific LGPS Fund). An appeal took place in late June 2024; although narrow in scope, the appeal upheld the original High Court judgement.
Here the "scheme" is the LGPS as a whole, rather than any specific LGPS Fund. As such, any relevant changes and considerations would be overseen by government rather than being addressed at individual Fund level. The Fund's current understanding is that HM Treasury do not believe the case expressly addresses whether actuarial certifications are required for relevant amendments to public service pension schemes (as the case specifically deals with private sector).

More recently, in June 2025, the government announced its intention to introduce legislation to give affected pension schemes to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. Draft legislation has been put forward in government amendments to the Pension Scheme Bill, but this is still subject to change and the Bill is yet to be enacted.

Given the above, the Fund does not intend to make any allowance for the Virgin Media judgement. The Fund continues to monitor developments in the case and assess any potential financial or operational implications.

MIDDLE EAST CONFLICT

Geopolitical uncertainty has continued following the ongoing conflict in the Middle East. While the conflict has contributed to volatility in global financial markets, the Fund maintains a diversified investment strategy and a long-term investment horizon. Management will continue to monitor developments closely and will revise its estimates and disclosures as necessary in future reporting periods.

Note 6 Contributions Receivable

Employees contributions are calculated on a sliding scale based on a percentage of their pensionable pay. The council's scheduled and admitted bodies are required to make contributions determined by the Fund's actuary to maintain the solvency of the Fund. The table below shows a breakdown of the total amount of employers' and employees' contributions:

By Category	**31 March 2025 £000's**	**31 March 2026 £000's**
Employees' normal contributions	(15,118)	(16,156)
Employer's contributions:		
Normal contributions	(41,394)	(44,166)
Deficit recovery contributions	(6,992)	(7,292)
Augmentation contributions	(1,335)	(1,294)
Total employers' contributions	**(49,721)**	**(52,752)**
Total contributions receivable	**(64,839)**	**(68,908)**

By type of Employer	**31 March 2025 £000's**	**31 March 2026 £000's**
Administering Authority	(50,782)	(54,392)
Scheduled bodies	(13,634)	(14,121)
Admitted bodies	(423)	(395)
Total	**(64,839)**	**(68,908)**

Note 6a Transfers In From Other Pension Funds

	31 March 2025 £000's	**31 March 2026 £000's**
Individual transfers	(10,568)	(14,573)
Total	**(10,568)**	**(14,573)**

Note 7 Benefits Payable

The table below shows a breakdown of the total amount of benefits payable by category and by employer:

By Category	**31 March 2025 £000s**	**31 March 2026 £000s**
Pensions	54,598	57,898
Commutation and lump sum retirement benefits	11,544	10,944
Lump sum death benefits	1,444	1,909
Total	**67,586**	**70,751**

An analysis of benefits by participating employer type is detailed below:

By type of Employer	31 March 2025 £000s	31 March 2026 £000s
Administering Authority	61,451	63,750
Scheduled Bodies	5,671	6,488
Admitted Bodies	464	513
Total	**67,586**	**70,751**

Note 7a Payments to and on Account of Leavers

	31 March 2025 £000s	31 March 2026 £000s
Refunds to members leaving service	191	198
Individual transfers	10,953	11,319
Total	**11,144**	**11,517**

Note 8 Management Expenses

The table below shows a breakdown of the management expenses incurred during the year.

	31 March 2025 £000s	31 March 2026 £000s
Administrative costs	1,908	2,377
Investment management expenses	3,690	3,962
Oversight and Governance costs	468	560
Total	**6,066**	**6,899**

Investment management expenses are further analysed below in line with the CIPFA Guidance on Accounting for Management Costs in the LGPS.

	31 March 2025 £000's	31 March 2026 £000's
Management fees	3,164	3,365
Performance fees	23	8
Custody fees	182	198
Transaction fees	321	391
Total	**3,690**	**3,962**

Note 8a External Audit Costs

The fees payable to the Fund's external auditors for the financial year 2025/26 are the published Public Sector Audit Appointments (PSAA) scale fees and may be subject to change.

	31 March 2025 £000's	31 March 2026 £000's
Payable in respect of external audit	94	91
Total	**94**	**91**

Note 9 Investment Income

	31 March 2025 £000's	31 March 2026 £000's
Fixed interest securities	16,215	17,365
Equity dividends	-	26
Pooled investments	17,197	15,475
Interest and cash deposits	2,272	2,137
Total before taxes	**35,684**	**35,003**
Taxes on income	(2)	-
Total Investment Income	**35,682**	**35,003**

Note 10 Investments

The table shows the analysis of investments held by the Fund as at 31 March 2026:

	Market Value 31 March 2025 £000s	Market Value 31 March 2026 £000s
Investment Assets		
[1]Equities	150	220
Bonds	319,738	430,808
Pooled Funds		
Fixed Income Unit Trusts	13,367	12,483
Multi Asset Credit	68,510	72,564
[2]Infrastructure Funds	57,389	76,989
Global Equity	1,030,142	1,010,249
Sub total	**1,169,408**	**1,172,285**
Other Investments		
Pooled Property Investments	70,979	122,283
[2]Private Equity	4,837	4,037
Private Debt	55,279	61,401
Sub total	**131,095**	**187,721**
Cash Deposits	53,117	104,731
Investment Income Due	6,193	4,765
Amounts Receivable for Sales	1,600	-
	60,910	**109,496**
Total Investment Assets	**1,681,301**	**1,900,530**
Investment liabilities		
Amounts payable for purchases	(2,882)	(734)
Total Investment Assets	**1,678,419**	**1,899,796**

[1]The Fund became a shareholder in the London LGPS CIV Ltd in 2015 and holds £220k of regulatory capital in the form of unlisted UK equity shares.
[2]Comparative figures for 31 March 2025 have been revised for consistency with 31 March 2026, to reflect Private Equity separately

Note 11 Reconciliation in Movement in Investments

2025/26	Market value 1 April 2025 £000's	Purchases 2025/26 £000's	Sales 2025/26 £000's	Change in market value 2025/26 £000's	Market value 31 March 2026 £000's
Bonds	319,738	368,604	(259,695)	2,161	430,808
[3]Pooled Investments	1,174,245	435,876	(606,204)	173,205	1,172,285
Pooled Property Investments	70,979	83,563	(33,555)	1,296	122,283
Private Debt	55,279	19,700	(12,245)	(1,333)	61,401
3Private Equity	4,837				
[4]Equities	150			(801)	4,037
Cash Instruments	13,691	70	-	-	220
Total	**1,634,082**	**352,797**	**(266,351)**	**-**	**100,137**
Investment Cash	39,426			(2,470)	4,722
Spot FX contracts					(127)
Amounts receivable from Sales	1,600				-
Investment Income due	6,193			-	4,765
Payable for Purchases	(2,882)				(734)
Net investment assets	**1,678,419**			**172,058**	**1,899,796**

[3]31 March 2025 balances have been revised for consistency with 31 March 2026, to reflect Private Equity separately
[4]London CIV share capital

The prior year comparator is as follows:

2024/25	Market value 1 April 2025 £000's	Purchases 2025/26 £000's	Sales 2025/26 £000's	Change in market value 2025/26 £000's	Market value 31 March 2026 £000's
Bonds	313,083	87,625	(76,969)	(4,001)	319,738
2Pooled Investments	1,116,674	71,991	(41,272)	26,852	1,174,245
Pooled Property Investments	102,953	33,084	(67,063)	2,005	70,979
Private Debt	63,974	26,278	(33,577)	(1,396)	55,279
3Equities	150	-	-	-	150
Cash Instruments	28,316	67,321	(81,946)	-	13,691
Total	**1,625,150**	**286,299**	**(300,827)**	**23,460**	**1,634,082**
Investment Cash	24,656			(1,685)	39,426
Amounts receivable from Sales	644				1,600
Investment Income due	6,698			-	6,193
Payable for Purchases	(1,513)				(2,882)
Net investment assets	**1,655,635**			**29,327**	**1,678,419**

Note 12 Investments Analysed by Fund Manager

All managers have discretion to buy and sell investments within the limits set by the Pension Fund Panel and their respective Investment Management Agreements. Each manager has been appointed with clear strategic benchmarks which place maximum accountability for performance against that benchmark on the investment manager.

The Bank of New York Mellon (BNYM) acts as the Fund's global custodian. They are responsible for safe
custody and settlement of all investment transactions and collection of income and complete a monthly reconciliation of its own portfolio valuation to external fund manager reports. The bank account for the Fund is held with Lloyds Bank.

Fund Manager	**Mandate**	**Market Value 31 March 2025 £000s**	**%**	**Market Value 31 March 2026 £000s**	**%**
Investments managed within the London CIV					
London CIV	Share Capital	150	0	220	0
London CIV	Diversified credit	68,510	4	72,564	4
London CIV - Baillie Gifford	Global Equity (Active)	243,082	14	179,885	9
Total inside the pool		**311,742**	**18**	**252,669**	**13**
Investments managed outside of the LCIV					
Royal London	UK Corporate (Active)	326,509	19	258,689	14
	UK Corporate (Pooled)	13,367	1	12,483	1
BlackRock	Global Equities	59,341	4	68,832	4
Legal & General	Future World - Global Equities (Passive)	350,431	21	335,063	18
	GPJA - ESGParis AlignWldEq (Passive)	377,290	22	426,470	22
	Index Linked Gilts	-	-	177,968	9
	UK Property (Pooled)	-	-	82,824	4
Brightwood	Private Debt (Overseas Pooled)	7,673	0	15,936	1
Churchill	Private Debt (Overseas Pooled)	15,889	1	13,189	1
HSBC	Private Debt (UK Pooled)	4,600	0	4,121	0
Permira	Private Debt (UK Pooled)	27,117	2	28,154	1
Henley	Unit Trust (UK Property Pooled)	4,680	0	4,730	0
Lothbury	UK Property (Pooled)	4,288	0	951	0
Hermes	UK Property (Pooled)	46,198	3	33	0
Standard Life	UK Property (Pooled)	32,583	2	34,698	2
Gresham House	Infrastructure (UK Pooled)	-	-	15,251	1
JP Morgan	Infrastructure (Overseas Pooled)	57,389	3	61,738	3
Darwin	Bereavement Services (UK Infrastructure Pooled)	4,861	0	4,037	0
Cash with Custodian		34,464	2	101,962	5
Total outside the pool		**1,366,677**	**82**	**1,647,126**	**87**
Total Investments		**1,678,419**	**96**	**1,899,795**	**100**

Note 13 Investments Exceeding 5% of Net Assets

The table below shows the Fund's investments which exceed 5% of net assets of the Fund. These are all pooled investment vehicles, which are made up of underlying investments, each of which represent significantly less than 5%.

Investments	**31 March 2025 Market Value £000s**	**Holding %**	**31 March 2026 Market Value £000s2**	**Holding %**
London CIV - Baillie Gifford	243,082	14	179,885	9
Legal & General - Future World Fund	350,431	21	335,063	18
Legal & General - GPJA - ESGParis AlignWldEq	377,290	23	426,470	22
Legal & General - Index Linked Gilts	-	-	177,968	9
Total	**970,802**	**58**	**1,119,386**	**58**

Note 14 Fair Value – Basis of Valuation

All investments are held at fair value in accordance with the requirements of the Code and IFRS 13. The valuation bases are set out below. All assets have been valued using fair value techniques based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. There has been no change in the valuation techniques used during the year.

Description of asset	**Valuation hierarchy**	**Basis of valuation**	**Observable and unobservable inputs**	**Key sensitivities affecting the valuations provided**
Market quoted investments – equities	Level 2	The published bid market price on the final day of the accounting period	Evaluated price feeds	Not required
Bonds - Corporate bonds and Index linked gilts	Level 2	NAV basis. Where the markets of financial instruments are actively traded exchange markets, valuations are based on quoted market prices, where available	Evaluated price feeds	Not required
Cash deposits and Cash instruments	Level 1	Closing bid value on published exchanges	Not required	Not required
Pooled investments - property	Level 2	Average of broker prices	Evaluated price feeds	Not required
Pooled Investments – Multi Asset Credit	Level 2	Fixed income securities are priced based on evaluated prices provided by independent pricing services.	Evaluated price feeds	Not required

Pooled investments – infrastructure funds	Level 3	Latest available fair value provided by the manager, adjusted for cash movements subsequent to that date as required.	Different valuation techniques can be used, the market, income or cost approach. The appropriateness of each approach depends on the type of asset or business being valued.	Risks to the valuation involve a number of local, national and international economic conditions. Timing difference between the date of the last reported valuation and the date of the Funds financial statements means that valuations may have increased or decreased by a significant amount
Unquoted equities	Level 3	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines	EBITDA multiple Revenue multiple Discount for lack of marketability Control premium	Valuations could be affected by post balance sheet events, changes to expected cash flows, or by any differences between audited and unaudited accounts

The valuation of financial instruments is classified into three levels, according to the quality and reliability of information used to determine fair values.

Level 1 - where fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities (quoted equities, quoted fixed securities, quoted index linked securities and unit trusts). Listed investments are shown at bid prices. The bid value is based on the market quotation of the relevant stock exchange.

Level 2 - where market prices are not available, for example, where an instrument is traded in a market that is not considered to be active or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3 – where at least one input that could have a significant effect on the instrument’s valuation is not based on observable market data. Such instruments would include infrastructure, which the Fund holds assets in, unquoted equity investments and hedge fund of funds, neither of which the Fund currently invests in.

Note 14a Level 3 Assets Sensitivity

The fund has considered the current market trends, and also consulted with independent investment advisors, and has determined that the valuation methods described above are likely to be accurate to within the following ranges and has set out below the resulting potential impact on the closing value of investments held at 31 March 2026.

Assets type	Value £000's	1 year expected Volatility %	Value on Increase £000's	Value on decrease £000's
As at 31 March 2026				
Private Debt	61,401	7.4	65,944	56,857
Infrastructure	76,989	14.6	88,152	65,825
Private Equity	4,037	27.0	5,127	2,947
Pooled Property	40,412	15.9	46,837	33,986
Total	**182,839**		**206,061**	**159,616**
As at 31 March 2025				
Private Debt	55,278	7.6	59,479	51,077
Infrastructure	57,388	14.5	65,710	49,067
Private Equity	4,838	26.6	6,125	3,551
Pooled Property	75,119	15.2	86,537	63,701
Total	**192,624**		**217,851**	**167,396**

The value of the bonds of £3.778m and share capital of £220k are not included in the above analysis. The bond portfolio is assessed in its entirety rather than by levels. Share capital has also been excluded as it represents a fixed, non-judgemental input and does not have a direct impact on valuation or cash flow outcomes.

Note 14b Fair Value Hierarchy

The table below provides an analysis of the financial assets and liabilities of the Fund grouped into levels 1 to 3, based on the level at which fair value has been observed:

	31 March 2025			31 March 2026		
	Quoted market price Level 1 £000's	Using observable inputs Level 2 £000's	With significant unobservable inputs Level 3 £000's	Quoted market price Level 1 £000's	Using observable inputs Level 2 £000's	With significant unobservable inputs Level 3 £000's
Financial Assets						
Held at fair value through profit and loss	59,978	1,416,978	196,552	107,956	1,601,918	185,893
Held at amortised cost	43,882			16,867	-	-
Sub Total	**103,860**	**1,416,978**	**196,552**	**124,823**	**1,601,918**	**185,893**
Financial Liabilities						
Payables	(2,882)	-	-	(734)		
Sub Total	**100,978**	**1,416,978**	**196,552**	**124,089**	**1,601,918**	**185,893**
Grand Total			**1,714,508**			**1,911,900**

Note 14c Reconciliation of Fair Value Measurements within Level 3

2025/26	Opening balance £000's	Transfers out Level 3 £000's	Purchases £000's	Sales £000's	Unrealised gains/ (losses) £000's	Realised gains/ (losses) £000's	Closing balance £000's
Pooled investments - Private Debt	55,277	-	19,712	(12,245)	(1,332)	(12)	61,401
Pooled investments - Infrastructure	57,388	-	16,893	(2,464)	4,724	446	76,989
Pooled investments - Private Equity	4,839	-	-	-	(802)	-	4,037
Corporate Bonds	3,778	-	-	-	(943)	-	2,835
Pooled Investments - Property	75,119	-	8	(44,297)	1,442	8,160	40,412
Share Capital	150	-	70	-	-	-	220
Total	**196,552**	**-**	**36,682**	**(59,006)**	**3,069**	**8,594**	**185,894**

The prior year comparator is as follows;

2024/25	Opening balance £000's	Transfers out Level 3 £000's	Purchases £000's	Sales £000's	Unrealised gains/ (losses) £000's	Realised gains/ (losses) £000's	Closing balance £000's
Pooled investments - Private Debt	63,974	-	26,278	(33,577)	(946)	(450)	55,277
Pooled investments - Infrastructure	58,263	-	2,592	-	(4,272)	806	57,388
Pooled investments - Private Equity	5,068	-	-	-	(230)	-	4,839
Corporate Bonds	3,947	-	-	-	(169)	-	3,778
Pooled Investments - Property	32,968	41,402	-	-	750	-	75,119
Share Capital	150	-	-	-	-	-	150
Total	**164,370**	**41,402**	**28,869**	**(33,577)**	**(4,867)**	**356**	**196,552**

Note 14d Classification of Financial Instruments

	31 March 2025			31 March 2026		
	Financial Assets held at Fair Value through Profit and Loss £000's	**Financial Assets held at Amortised cost £000's**	**Financial Liabilities at Amortised cost £000's**	**Financial Assets held at Fair Value through Profit and Loss £000's**	**Financial Assets held at Amortised cost £000's**	**Financial Liabilities at Amortised cost £000's**
Equities	150	-	-	150	-	-
Bonds	319,738	-	-	430,808	-	-
Pooled investment vehicles						
Fixed Income Unit Trusts	13,367	-	-	12,483	-	-
Property	70,979	-	-	122,283	-	-
Infrastructure Funds	62,226			76,989		
Global Equity	1,098,652	-	-	1,010,249	-	-
Private Debt	55,279	-	-	61,401	-	-
Multi Asset Credit	68,510	-	-	72,564	-	
[5]Private Equity	4,837	-	-	4,037	-	
Cash Instruments						
Cash deposits	53,117	-	-	104,731	-	-
Unsettled sales	-	1,600	-	-	-	-
Accrued income	-	6,193	-	-	4,765	-
Total investment assets	**1,673,508**	**7,793**	**- -**	**1,895,765**	**4,765**	**- -**
Investment Liabilities						
Unsettled Purchases	-	-	(2,882)	-	-	(734)
Net Investment assets	**1,673,508**	**7,793**	**(2,882)**	**1,895,765**	**4,765**	**(734)**
Other financial assets						
Contributions due	-	1,976	-	-	6,492	-
Cash balances	-	35,846	-	-	11,541	-
Other debtors	-	242	-	-	561	-
Sub total	**1,673,508**	**45,858**	**(2,882)**	**1,895,765**	**23,359**	**(734)**
Financial Liabilities						
Current liabilities*	-	-	(1,932)	-	-	(2,387)
Sub total	**-**	**-**	**(1,932)**	-	-	(2,387)
Total	**1,673,508**	**45,858**	**(4,814)**	**1,895,765**	**23,359**	**(3,121)**
Grand Total			**1,714,552**			**1,916,003**

* The classification of current liabilities excludes the Fund's liability for PAYE of £952k (2025: £874k). HMRC payments are statutory obligation arising from tax law, and not contractual arrangements, therefore not classified as a financial instrument.

[5]31 March 2025 balances have been revised for consistency with 31 March 2026, to reflect Private Equity and Multi Asset credit separately

Note 15 Net Gains and Losses on Financial Instruments

This table summarises net gains and losses on financial instruments classified by type of instrument.

	31 March 2025 £000's	31 March 2026 £000's
Financial Assets		
Held at fair value through profit and loss	23,460	174,528
Financial Assets held at amortised cost	(1,685)	(2,470)
Total	**21,775**	**172,058**

Note 16 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 to the extent that it is unable to meet its obligations to members as they fall due. Therefore, the aim of investment management is to minimise the risk of an overall reduction in the value of the Fund whilst at the same time maximising the opportunity for investment income. The Fund achieves this through:

- engaging multiple investment management firms with different strategies, philosophies and expertise to manage the various assets in the Fund;
- setting each investment manager clear performance benchmarks and incentivising outperformance against those benchmarks once agreed;
- reporting investment performance to the Panel on a quarterly basis so that Panel Members can review performance, question investment managers and seek explanations as necessary; and
- monitoring investment performance against independent benchmarks and actual performance achieved by a peer group of other local authorities.

Responsibility for the Fund's risk-management strategy rests with the Panel. Risk management policies are established as part of the Funding Strategy Statement and the Investment Strategy Statement which aim to identify and analyse the investment risks faced by the Fund. These are regularly reviewed in light of changing market and other conditions.

MARKET RISK

Market risk represents the risk that the fair value of the Fund's investments will fluctuate as a result of changes in market variables such as equity and commodity prices, interest rates, and foreign exchange rates. The Fund is exposed to market risk across all of its investment activities. Market risk is managed primarily through portfolio diversification by asset class, geographic region, and sector, together with limits on exposure to individual securities. In addition, equity managers operate under active mandates, which seek to manage risk by focusing on the selection and performance of individual investments rather than overall market or sector movements.

To manage this risk, the Panel, together with its investment advisers, undertakes regular monitoring of market conditions and performance against benchmarks.

PRICE RISK

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 by factors affecting all similar instruments in the market.

The Fund is exposed to direct share price risk because its investments, excluding cash holdings, are traded on open markets where the future price is uncertain. The Fund is also exposed to direct price risk arising from unquoted equities held as part of its equity pooled holdings. All securities represent a potential risk of loss of capital, with the maximum risk determined by the fair value of each financial instrument. The Fund's investment managers aim to mitigate this price risk through diversification in the selection of securities and other financial instruments.

Based on the analysis of historical data and expected movements in investment returns during the financial year, and following consultation with the Fund's performance management advisers, the Fund has determined that the following movements in market price risk are reasonable for 2025/26. The analysis excludes debtors, creditors, and non-equity investment balances as these financial instruments are not subject to price risk. It also assumes that all other variables, in particular foreign currency exchange and interest rates, remain the same:

Asset class	**Asset Value 31 March 2026 £'000s**	**1 year expected volatility (%)**	**Value on price increase £'000s**	**Value on price decrease £'000s**
Global Equity	1,010,250	18.6	1,198,157	822,344
Property	123,235	15.9	142,830	103,641
Corporate Bonds	271,172	6.3	288,255	254,088
Index linked gilts	177,968	6.7	189,891	166,044
Cash Instruments	101,962	0.3	102,268	101,656
Infrastructure	76,989	14.6	88,229	65,748
Diversified credit	72,564	6.1	76,990	68,138
Private Debt	61,401	7.4	65,943	56,856
Private Equity	4,037	27.0	5,127	2,947

Prior year comparator is as follows;

Asset class	Asset Value 31 March 2025 £'000s	1 year expected volatility (%)	Value on price increase £'000s	Value on price decrease £'000s
Global Equity	1,030,143	18.6	1,221,750	838,537
Property	87,748	15.2	101,086	74,410
Corporate Bonds	339,875	6.5	361,967	317,783
Cash Instruments	34,464	0.3	34,568	34,361
Infrastructure	57,389	14.5	65,710	49,068
Diversified credit	68,510	6.3	72,826	64,194
Private Debt	55,279	7.6	59,480	51,078
Private Equity	4,861	26.6	6,154	3,568

INTEREST RATE RISK

The Fund invests in financial assets for the primary purpose of obtaining a return in terms of both investment income and increased capital value. Cash based deposits and investments in fixed income 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 Panel and its investment advisors regularly monitor the Fund's interest rate risk exposure during the year. The fund has determined that a +/- 100bps change in interest rates is sensible for the interest rate risk sensitivity analysis.

The table below demonstrates the change in value of these assets had the interest rate increased or decreased by 100bps. It should be noted that an increase in the interest rates results in a decrease in the value of the portfolio and vice versa. The analysis assumes that all other variables, in particular exchange rates, remain constant.

Assets exposed to interest rate risk	Interest rate risk	Value £000's	Value on interest rate increase £000's	Value on interest rate decrease £000's
As at 31 March 2026	100bps	681,986	675,166	688,806
As at 31 March 2025	100bps	510,010	504,910	515,110

CURRENCY RISK

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than Sterling but diversifies this risk by investing in securities in multiple currencies. Management recognises that a strengthening or weakening of the pound against the various currencies in which the Fund holds investments would increase or decrease the net assets available to pay benefits accordingly.

The Fund does not hedge against currency risk on a long-term basis, as the movements in foreign exchange rates can lead to losses as well as gains. Overseas equities, some private debt and infrastructure securities, cash in foreign currencies, and some elements of the pooled investment vehicles are exposed to currency risk.

The table below shows the impact on the value of these assets of an 8.7% strengthening or weakening of sterling against foreign currencies. The analysis assumes that all other variables remain unchanged.

Assets exposed to currency risk	Value £000s	Currency risk	Value on foreign exchange rate increase £000s	Value on foreign exchange rate decrease £000s
As at 31 March 2026	1,101,112	8.7%	1,196,909	1,005,316
As at 31 March 2025	1,115,930	9.1%	1,217,480	1,014,380

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. The selection of high-quality fund managers, counterparties, brokers, and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner. The Fund sets both maximum investment limits and minimum credit rating limits.

There is a risk that some admitted bodies may not honour their pension obligations with the result that any ensuing deficit might fall upon the Fund. To mitigate this risk, the Fund regularly monitors the state of its admitted bodies and bond agreements are in place for scheme employers to ensure liabilities would be met in the event of an employer being dissolved, wound up, liquidated, or otherwise ceasing to exist.

The Fund has no financial assets past their due date as at 31 March 2026 and has not identified any events or conditions to date that would suggest that any impairment or provision in respect of credit risk is required.

The investment credit exposure is summarised in the table below;

Summary	Rating	Balances as at 31 March 2025 £000's	Balances as at 31 March 2026 £000's
Bank Current Accounts			
Lloyds Bank	A+	35,846	11,541
Money Market Funds			
BNY Mellon Goldman Sachs MMF	AAA	13,691	100,137
Total		**49,537**	**111,678**

LIQUIDITY RISK

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Panel monitors cash flows and takes steps to ensure that there are adequate cash resources to meet its commitments.

The Fund has immediate access to its cash holdings; cash held on deposit is highly liquid and readily available to the Fund as required. In the event that the Fund was unable to meet its immediate obligations from available cash resources, additional liquidity could be generated through the sale of liquid investments.

Note 17 Current Assets

Item	31 March 2025 £000's	31 March 2026 £000's
Debtors:		
Contributions due - employers	1,789	5,196
Contributions due - employees	186	1,296
Sundry debtors	242	561
Sub total	**2,218**	**7,053**
Cash balances - Lloyds Bank	35,846	11,541
Total	**38,064**	**18,594**

Analysis of Debtors	31 March 2025 £000s	31 March 2026 £000s
Central government bodies	273	250
Local authorities	1,351	6,219
Other entities and individuals	594	584
Total	**2,218**	**7,053**

Note 18 Current Liabilities

Item	31 March 2025 £000's	31 March 2026 £000's
Sundry creditors and accrued expenses	(2,806)	(3,339)
Total	**(2,806)**	**(3,339)**
Analysis of Current Liabilities	**31 March 2025 £000's**	**31 March 2026 £000's**
Central government bodies	(913)	(952)
Local authorities	(1,522)	(1,515)
Other entities and individuals	(371)	(872)
Total	**(2,806)**	**(3,339)**

Note 19 Additional Voluntary Contributions

The Fund's Additional Voluntary Contributions (AVC) providers are Scottish Widows and Utmost. The table below shows information about these separately invested AVCs. The AVC providers secure benefits on a money purchase basis for those members electing to pay AVCs. Members of the AVC schemes each receive an annual statement confirming the amounts held in their account and the movements in the year.

Provider	Contributions 31 March 2025 £000's	Market Value 31 March 2025 £000's	Contributions 31 March 2026 £000's	Market Value 31 March 2026 £000's
Scottish Widows (31 March 2026)	57	634	177	991
Utmost (31 October 2025)	-	221	-	187
Total	**57**	**855**	**177**	**1,178**

Note 20 Related Party Transactions

The Fund is administered by the London Borough of Ealing (the council). In 2025/26, the council charged the Pension Fund £1.146m (£0.977m: 2024/25) for expenses incurred in administering the Fund. The council owed the Pension Fund £6.212m at 31 March 2026 (£1.345m at 31 March 2025). Through its administration of the Fund, the council has a related party interest with the Pension Fund.

The Fund owed the council £1.515m at 31 March 2026 (£1.522m as at 31 March 2025).

Members of the Panel and Board are required to declare interests at every meeting. In the year, five members (4 Board members and 1 PFP member) were scheme members during the year, compared with two in 2024/25.

The council is the largest employer participating in the Fund and contributed £54.392m to the Fund during 2025/26 (£50.782m in 2024/25). At 31 March 2026, £4.660m was outstanding in respect of contributions due from the council; there were no outstanding contributions at 31 March 2025.

The Fund holds a minority shareholding in the London CIV Asset Pool (LCIV), with shares valued at £0.220m as at 31 March 2026 included within the net assets statement. A proportion of the Fund's investment portfolio is managed by the LCIV, as disclosed in Note 12.

Note 21 Key Management Personnel Remuneration

Key management personnel for the Fund include Members of the Pension Fund Panel and Pension Board, together with the Strategic Director of Resources. There was no remuneration paid to Members in relation to their roles during the year, (£0.001m: 2024/25).

The Strategic Director Resources' remuneration is not paid directly by the Fund; costs are instead recovered as part of the management charges disclosed in note 8, this amounted to £0.039m in 2025/26 (£0.036m: 2024/25).

Note 22 Contingent Liabilities and Contractual Commitments

Total capital commitments as at 31 March 2026 amounted to £149.531m (31 March 2025: £22.856m). These commitments relate to uncalled capital on the Private Debt and Infrastructure portfolios. Drawdowns from these funds are irregular in both amount and timing, typically occurring over a period of four to six years from the date of each initial commitment. As at 31 March 2026, the Fund had no other material contingent assets or liabilities.

Note 23 Events After the Net Asset Statement Date

Subsequent to the year end, the government's Fit for the Future Bill received Royal Assent. The legislation introduced reforms to the governance and operation of Local Government Pension Scheme investment pooling arrangements.

The Fund is working with London CIV and other London authorities to implement the requirements arising from the legislation. As part of this process the Fund expects to enter into an Investment Management Agreement (IMA) with London CIV under which the pool will undertake investment management activities on behalf of the Fund.

The Fund will remain responsible for setting its Investment Strategy Statement, strategic asset allocation and funding objectives as well as monitoring pool performance.

No adjustment is required to the amounts recognised in these financial statements.

Note 24 Funding Arrangements and Actuarial Present Value of Promised Retirement Benefits

The London Borough of Ealing Pension Fund is financed through contributions from employees, the administering authority, and other participating employers, as well as returns on investments. The funding policy aims to ensure that sufficient assets are available to meet the benefits promised to members as they fall due. Employer contributions are determined by an independent triennial actuarial valuation, the last of which was undertaken as at 31 March 2022. A subsequent valuation as at 31 March 2025 has now been completed, and its results will inform future contribution rates from 1 April 2026.

As at 31 March 2026, the actuarial present value of promised retirement benefits, calculated under IAS 26 principles, was £1,517m (£1,481m at 31 March 2025). The Fund's net assets available to pay benefits at the same date were £1,915m (£1,714m at 31 March 2025). This results in a funding position of approximately 126%, indicating that the Funds available assets slightly exceed the present value of promised benefits. Further details and assumptions underpinning this valuation are provided in Appendix A2.

Appendix A - Actuarial Statement

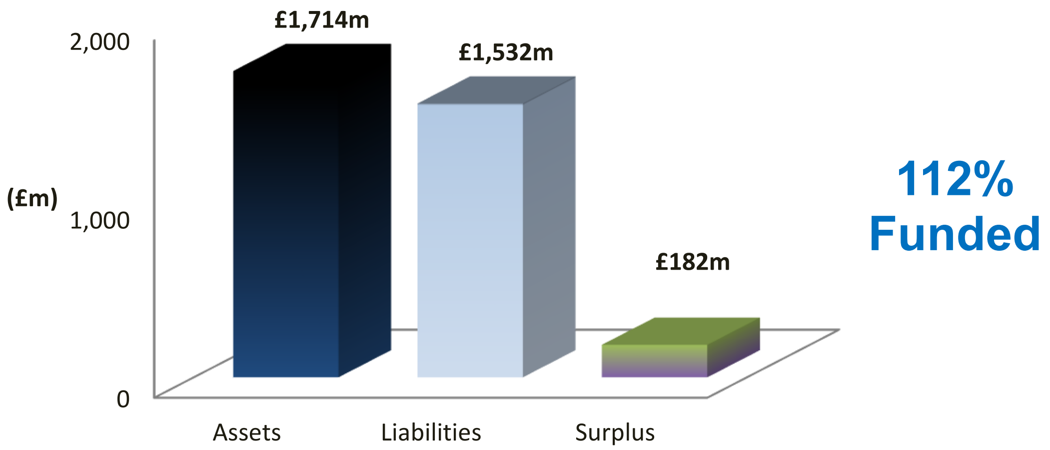
LONDON BOROUGH OF EALING PENSION FUND

Accounts for the year ended 31 March 2026 – Statement by the Consulting Actuary

This statement has been provided to meet the requirements under Regulation 57(1)(d) of The Local Government Pension Scheme Regulations 2013.

An actuarial valuation of the London Borough of Ealing Pension Fund was carried out as at 31 March 2025 to determine the contribution rates with effect from 1 April 2026 to 31 March 2029.

On the basis of the assumptions adopted, the Fund's assets of £1,714 million represented 112% of the Fund's past service liabilities of £1,532 million (the "Solvency Funding Target") at the valuation date. The surplus at the valuation was therefore £182 million.



The valuation also showed that a Primary Contribution Rate of 16.7% of pensionable pay per annum was required from employers. The Primary Rate is calculated as being sufficient, together with contributions paid by members, to meet all liabilities arising in respect of service after the valuation date.

The funding objective as set out in the FSS is to achieve and maintain a solvency funding level of 100% of liabilities (the solvency funding target). In line with the FSS, where a shortfall exists at the effective date of the valuation a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall. Equally, where there is a surplus, it may be appropriate to offset this against contributions for future service, in which case contribution reductions will be put in place to allow for this.

The FSS sets out the process for determining the contributions in respect of any deficit / surplus for each employer. At the 2025 actuarial valuation the average recovery period adopted for employers in deficit was 12 years, and the runoff period for employers with a recoverable surplus was also 12 years. The resulting total "Secondary Rate" for 2026/29 was, on average, a surplus offset of approximately £3m per annum (which allows for the contribution plans which have been set for individual employers under the provisions of the FSS), although this varies year on year.

Further details regarding the results of the valuation are contained in the formal report on the actuarial valuation dated March 2026. In practice, each individual employer's position is assessed separately and the contributions required are set out in the report. In addition to the certified contribution rates, payments to cover additional liabilities arising from early retirements (other than ill-health retirements) will be made to the Fund by the employers.

The valuation was carried out using the projected unit actuarial method. Full yield curves were used in calculating the liabilities and the approximate single equivalent rates for the main actuarial assumptions used for assessing the Solvency Funding Target and the Primary Contribution Rate, were as follows:

	For past service liabilities (Solvency Funding Target)	For future service liabilities (Primary rate of contribution)
Rate of return on investments (discount rate)	5.35% per annum	4.85% per annum
Rate of pay increases (long term)	3.85% per annum	3.85% per annum
Rate of increases in pensions in payment (in excess of GMP)	2.60% per annum	2.60% per annum

The assets were assessed at market value.

The next triennial actuarial valuation of the Fund is due as at 31 March 2028. Based on the results of this valuation, the contribution rates payable by the individual employers will be revised with effect from 1 April 2029.

Actuarial Present Value of Promised Retirement Benefits for the Purposes of IAS 26

IAS 26 requires the present value of the Fund's promised retirement benefits to be disclosed, and for this purpose the actuarial assumptions and methodology used should be based on IAS 19 rather than the assumptions and methodology used for funding purposes. The assumptions adopted are shown in "**Appendix B2 - additional considerations**" below.

The movement in the value of the Fund's promised retirement benefits for IAS 26 is as follows:

	£m
Start of period liabilities	1,481
Interest on liabilities	84
Net benefits accrued / paid over the period*	(23)
Actuarial (gains) / losses (see below)	(25)
End of period liabilities	**1,517**

*this includes any increase in liabilities arising as a result of early retirements

Key factors leading to actuarial gains above are:

- **Change in financial assumptions:** Corporate bond yields increased over the year, with a corresponding increase in discount rate from 5.8% p.a. to 6.2% p.a. The long-term assumed CPI also increased over the year from 2.6% p.a. to 2.9% p.a. The net effect is a small reduction in liabilities.
- **Change in demographic assumptions:** As noted in Appendix A2, the mortality assumptions have been updated to reflect the latest mortality study carried out for the 2025 actuarial valuation. This acts to slightly reduce the liabilities.
- **Pension increases / inflation experience:** The figures allow for the impact of actual CPI over the year compared to the start of period assumption (experience to September 2025 fed into the April 2026 pension increase of 3.8%, and actual inflation from that point will feed into the 2027 increase). As inflation over the year was higher than the long-term assumption, this slightly increases the liabilities.
- **Allowance for 2025 actuarial valuation results:** The figures allow for the now completed 2025 actuarial valuation of the Fund. The effect of this is a small reduction in liabilities.

Michelle Doman

Fellow of the Institute and Faculty of Actuaries

Clive Lewis

Fellow of the Institute and Faculty of Actuaries

Mercer Limited

June 2026

Appendix B1- additional considerations

The "McCloud judgment": The figures above allow for the impact of the judgment based on the remedy and the data provided for the 2025 actuarial valuation.

GMP indexation: The above figures allow for the provision of full CPI pension increases on GMP benefits for members who reach State Pension Age after 6 April 2016.

Market volatility: There was significant volatility in markets both shortly before and after the accounting date. The period-end figures reflect market conditions as at the accounting date, but do not allow for any subsequent experience.

Virgin Media Court Case: Our current understanding is that, while HM Treasury are still assessing the implications, they do not believe the case is relevant to public service pension schemes. Given this, and the unknown impact on benefits even if it were to be required, we have not made any allowance for the Virgin Media judgment.

Appendix B2 – financial and demographic assumptions

To assess the liability value of the benefits, we have used the following assumptions as at 31 March 2026 (the 31 March 2025 assumptions are included for comparison):

Financial assumptions

	31 March 2025	31 March 2026
Rate of return on investments (discount rate)	5.80% per annum	6.20% per annum
Rate of CPI Inflation / CARE benefit revaluation	2.60% per annum	2.90% per annum
Rate of pay increases	3.85% per annum	4.15% per annum
Increases on pensions (in excess of GMP) / Deferred revaluation	2.70% per annum	3.00% per annum

Post retirement mortality (normal health)

	31 March 2025 (M/F)	31 March 2026 (M/F)
Base mortality table	SAPS 4 / SAPS 4 middle	SAPS 4 / SAPS 4 middle
Future improvements	CMI 23 1.5%	CMI 24 1.5%
Other choices	S=7, A=0 W20=W21=0%, W22=W23=15%	Core Underlying
Non-retired members (currently age 45):		
Weightings	103% / 97%	110% / 100%
Life expectancies at age 65	22.9 / 25.7	22.7 / 25.6
Retired members (current age 65):		
Weightings	99% / 95%	101% / 95%
Life expectancies at age 65	21.6 / 24.1	21.7 / 24.2

The start of period assumption is set based on the most recent mortality analysis as at the previous accounting date (so from the 2022 actuarial valuation), but with:

- a best estimate long-term improvement rate of 1.5%
- an update to the future improvement model (CMI 2023)
- an update to the base tables (S4 tables, with a reweighting to maintain consistency with the underlying mortality analysis)

The end of period base tables is set based on the updated analysis undertaken as part of the 2025 actuarial valuation (note that the 1.5% improvement rate is still our best estimate assumption).

Other demographic assumptions

The other demographic assumptions as at the start of period are the same as those used for 2022 actuarial funding valuation – full details are set out in the formal report on the actuarial valuation dated March 2023.

Those as at the end of period are the same as those used for 2025 actuarial funding valuation – full details are set out in the formal report on the actuarial valuation dated March 2026.

5. Group Accounts

Introduction

The CIPFA Code of Practice sets out a requirement for authorities to prepare group accounts where the council has interests in subsidiaries, associates and/or joint ventures, subject to consideration of materiality.

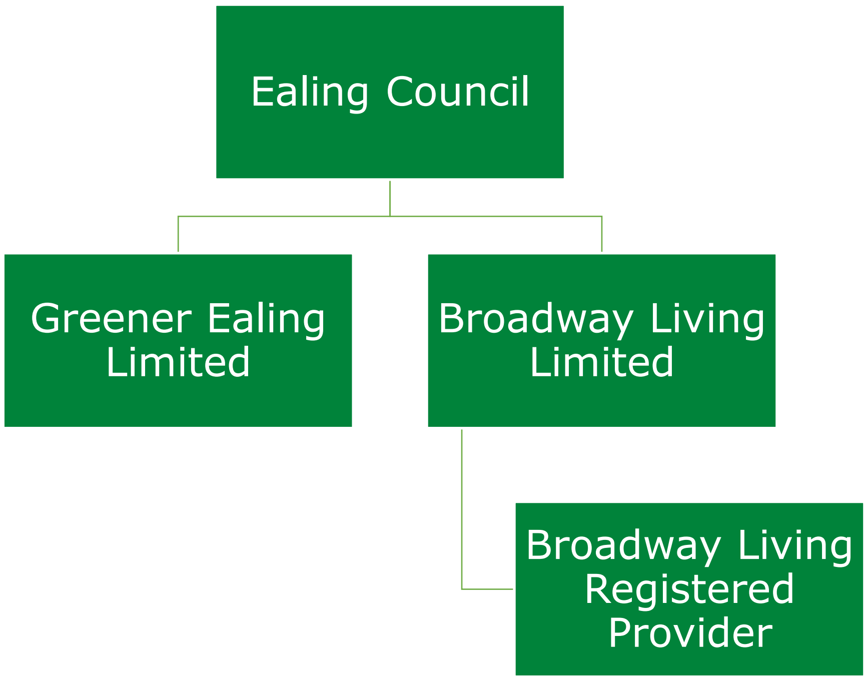
The council has consolidated its subsidiaries Broadway Living Limited, Broadway Living RP Limited and Greener Ealing Ltd on a line-by-line basis with all intra-group transactions and balances removed.

The 2024/25 group accounts have been restated from the 2024/25 published financial statements as a result of the approval of the 2024/25 financial statements of Broadway Living Ltd and Broadway Living RP Ltd.

Group Structure

The Group structure is as set out below. Greener Ealing is a wholly owned subsidiary of the council. Broadway Living Ltd is a wholly owned subsidiary of the council, and Broadway Living RP Limited is a wholly owned subsidiary of Broadway Living Limited.

The council has investment in Future Ealing Ltd (20% minority shareholding). The council's group accounts does not consolidate the Future Ealing Ltd balances due to immaterial balances and include any trading transactions in the council's single entity accounts.



GROUP CORE FINANCIAL STATEMENTS

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

	2024/25			2025/26		
COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT	**Gross Expenditure £000's**	**Gross Income £000's**	**Net Expenditure £000's**	**Gross Expenditure £000's**	**Gross Income £000's**	**Net Expenditure £000's**
Continuing Services						
Adults´ Services & Public Health	201,716	(90,201)	111,515	214,206	(97,029)	117,177
Children´s Services	590,474	(476,869)	113,605	610,715	(484,994)	125,721
Corporate Budgets	4,671	(4,892)	(221)	4,263	(4,147)	116
Economy & Sustainability	28,075	(15,781)	12,294	27,458	(16,057)	11,401
Housing & Environment	338,014	(262,312)	75,702	299,010	(258,855)	40,155
Resources	180,679	(141,659)	39,020	190,228	(147,179)	43,049
Strategy And Change	13,569	(3,727)	9,842	11,791	(4,425)	7,366
Cost of Services	**1,357,198**	**(995,442)**	**361,757**	**1,357,671**	**(1,012,686)**	**344,985**
Other Operating Expenditure & Income						
Precepts and Levies			15,092			17,140
(Gains)/Losses on Disposal of Non-Current Assets			9,418			(11,888)
			24,510			**5,252**
Financing and Investment Income & Expenditure						
Interest Payable and Similar Charges			41,742			39,479
Net Interest on the Net Defined Benefit Liability (Asset)			1,737			1,680
Interest Receivable and Similar Income			(28,578)			(19,059)
Impairment Losses			11,262			24,219
			26,163			**46,319**
Taxation and Non-Specific Grants						
Council Tax Income			(183,798)			(192,243)
Non-Domestic Rates Income and Expenditure			(51,263)			(54,177)
Business Rates Top-Up			(26,385)			(26,703)
Non-Ringfenced Government Grants			(107,833)			(116,932)
Capital Grants and Contributions			(49,401)			(64,828)
Donated Assets Income			(3,552)			-
			(422,232)			**(454,883)**
Tax Expenses of Subsidiaries			**478**			**179**
(Surplus) / Deficit on Provision of Services			**(9,324)**			**(58,148)**
(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets			(501)			(34,752)
Remeasurement of the Net Defined Benefit Liability / (Asset)			934			(34,552)
Other Comprehensive (Income) / Expenditure			**433**			**(69,304)**
Total Comprehensive (Income) / Expenditure			**(8,891)**			**(127,452)**

GROUP MOVEMENT IN RESERVES STATEMENT

MOVEMENT IN RESERVES STATEMENT	General Fund £000's	General Fund Earmarked Reserves £000's	Housing Revenue Account £000's	Housing Revenue Account Earmarked Reserves £000's	Major Repairs Reserve £000's	Capital Receipts Reserve £000's	Capital Grants Unapplied £000's	Total Usable Reserves £000's	Total Unusable Reserves £000's	Total Authority Reserves £000's	Council's Share Reserves of Subsidiaries £000's	Total Group Reserves
	Revenue Reserves				Capital Reserves							
Balance at 31 March 2024	**19,402**	**114,543**	**4,925**	**8,632**	**-**	**58,527**	**814**	**206,843**	**1,647,490**	**1,854,333**	**(7,311)**	**1,847,022**
Movement in Reserves during 2024/25												
Total Comprehensive Income & Expenditure	62,857	-	(23,296)	-	-	-	-	**39,561**	**(433)**	**39,128**	(30,237)	**8,891**
Adjustments Between Accounting Basis & Funding Basis Under Regulations	(24,795)	-	23,674	-	-	(2,682)	(25)	**(3,828)**	**3,828**	**-**	-	**-**
Adjustments between group accounts and authority accounts	(23,810)	-	-	-	-	-	-	**(23,810)**	**-**	**(23,810)**	23,810	**-**
Net Increase/(Decrease) before Transfers to Reserves	**14,252**	**-**	**378**	**-**	**-**	**(2,682)**	**(25)**	**11,923**	**3,395**	**15,318**	**(6,427)**	**8,891**
Transfers (to)/from Reserves	(13,183)	13,051	(378)	378	-	(1,624)	(20)	**(1,776)**	1,776	**-**	-	**-**
Increase/(Decrease) in Year 2024/25	**1,069**	**13,051**	**-**	**378**	**-**	**(4,306)**	**(45)**	**10,147**	**5,171**	**15,318**	**(6,427)**	**8,891**
Balance at 31 March 2025	**20,471**	**127,594**	**4,925**	**9,010**	**-**	**54,221**	**769**	**216,990**	**1,652,661**	**1,869,651**	**(13,738)**	**1,855,913**
Movement in Reserves during 2025/26												
Total Comprehensive Income & Expenditure	**75,277**	**-**	**11,763**	**-**	**-**	**-**	**-**	**87,040**	**69,164**	**156,204**	(28,752)	**127,452**
Adjustments Between Accounting Basis & Funding Basis Under Regulations	(47,144)	-	(8,390)	-	-	(813)	(192)	**(56,539)**	**56,539**	**-**	-	**-**
Adjustments between group accounts and authority accounts	(28,753)	-	-	-	-	-	-	**(28,753)**	**-**	**(28,753)**	28,753	**-**
Net Increase/(Decrease) before Transfers to Reserves	**(620)**	**-**	**3,373**	**-**	**-**	**(813)**	**(192)**	**1,748**	**125,703**	**127,451**	**1**	**127,452**
Transfers (to)/from Reserves	1,401	10,283	(3,373)	3,373	-	(1,237)	-	**10,447**	**(10,447)**	**-**	**-**	**-**
Increase/(Decrease) in Year 2025/26	**781**	**10,283**	**-**	**3,373**	**-**	**(2,050)**	**(192)**	**12,195**	**115,256**	**127,451**	**1**	**127,452**
Balance at 31 March 2026	**21,252**	**137,877**	**4,925**	**12,383**	**-**	**52,171**	**577**	**229,185**	**1,767,917**	**1,997,102**	**(13,737)**	**1,983,365**

Note: The council’s share reserves of subsidiaries includes £3.136m (2024/25 £2.997m) of Revaluation Reserve balances from Broadway Living Ltd.

GROUP BALANCE SHEET

BALANCE SHEET	31 March 2025 £000's	31 March 2026 £000's
Property, Plant & Equipment	2,658,209	2,823,437
Intangible Assets	8,721	7,612
Heritage Assets	4,582	4,582
Long-Term Debtors	20,445	19,372
Long-term Assets	**2,691,957**	**2,855,003**
Short-Term Investments	18,059	118,716
Short-Term Debtors	132,298	162,815
Cash and Cash Equivalents	428,365	165,777
Inventories	1,940	1,939
Current Assets	**580,662**	**449,247**
Short-Term Borrowings	(71,626)	(75,368)
Short-Term Creditors	(227,396)	(211,384)
Short-Term Provisions	(9,142)	(5,739)
Grants Receipts in Advance - Revenue	(13,984)	(12,080)
Current Liabilities	**(322,148)**	**(304,571)**
Long-Term Borrowings	(797,751)	(773,984)
Long-Term Creditors	(168,110)	(159,314)
Grants Receipts in Advance - Capital	(74,504)	(80,117)
Long-Term Provisions	(2,566)	(2,589)
Pensions Liability	(50,762)	726
Deferred Tax Liability	(865)	(1,036)
Long- term Liabilities	**(1,094,558)**	**(1,016,314)**
Net Assets	**1,855,913**	**1,983,365**
Represented by:		
General Fund	20,471	21,252
Earmarked Reserves	127,594	137,877
Housing Revenue Account	4,925	4,925
Capital Receipts Reserve	54,221	52,171
Capital Grants Unapplied	769	577
Housing Revenue Account Earmarked Reserves	9,010	12,383
Profit and Loss Account	(16,735)	(16,873)
Usable Reserves	**200,255**	**212,312**
Unusable Reserves	**1,655,658**	**1,771,053**
Total Reserves	**1,855,913**	**1,983,365**

GROUP CASH FLOW

CASH FLOW STATEMENT	**2024/25 £000's**	**2025/26 £000's**
Net Surplus / (Deficit) on the Provision of Services	9,324	58,148
Adjustments to Net Surplus / (Deficit) on the Provision of Services for Non-Cash Movements	100,317	51,038
Adjustments for Items Included in Net Surplus / (Deficit) on the Provision of Services that are Investing or Financing Activities	(71,800)	(86,643)
Net Cash Inflows from Operating Activities	**37,841**	**22,543**
Investing Activities	261,904	(223,383)
Financing Activities	(43,407)	(61,747)
Net Increase or (Decrease) in Cash and Cash Equivalents	**256,338**	**(262,588)**
Cash and Cash Equivalents at the Beginning of the Reporting Period	172,027	428,365
Cash and Cash Equivalents at the End of the Reporting Period	**428,365**	**165,777**

GROUP NOTES TO THE CORE FINANCIAL STATEMENTS

Where figures in the group accounts differ materially from the council's single entity accounts, the relevant explanatory notes have been prepared on a consolidated basis. The notes below give information on the areas that have materially changed on consolidation of the group entities into the council's accounts.

ACCOUNTING POLICIES

The Accounting Policies of the council's subsidiary companies have been aligned with the council's Accounting Policies contained in Section 6. Any statutory adjustments between accounting basis and funding basis included in the council's Accounting Policies do not apply to the subsidiary companies.

Note 1 Audit Cost

External Audit Costs	2024/25 £000's	2025/26 £000's
Fees payable to Forvis Mazars with regard to external audit services carried out by the appointed auditor for the year	469	482
Fees payable to Beever and Struthers Services Ltd with regard to external audit services carried out for the year	118	72
Fees payable to KPMG for the certification of grant claims and returns for the year	45	51
Total	**632**	**605**

Note 2 Cash Flow Statement

OPERTING ACTIVITIES (Note 2)

The cash flows for operating activities include the following items:

	2024/25 £000's	2025/26 £000's
Interest Received	29,905	19,249
Interest Paid	(40,603)	(40,095)
Dividends Received	1,626	610

The Surplus/(Deficit) on the Provision of Services has been Adjusted for the Following Non-Cash Movements:	**2024/25 £000's**	**2025/26 £000's**
Depreciation and Amortisation	77,865	72,596
Impairment and Downward Valuations	29,749	28,542
Increase/(Decrease) in Impairment for Bad Debts	(379)	16,512
Increase/(Decrease) in Creditors	(5,162)	(9,650)
(Increase)/Decrease in Debtors	(18,183)	(45,046)
(Increase)/Decrease in Inventories	-	1
Movement in Pension Liability	(6,315)	(16,935)
Carrying Amount of Non-Current Assets and Non-Current Assets Held for Sale, Sold or Derecognised	25,668	8,246
Other Non-Cash Items Charged to the Net Surplus or (Deficit) on the Provision of Services		
Increase/(Decrease) in Provisions	(4,720)	(3,379)
Increase/(Decrease) in Accumulated Absences	1,794	152
Total	**100,317**	**51,038**

The Surplus/(Deficit) on the Provision of Services has been Adjusted for the Following Items that are Investing and Financing Activities:	**2024/25 £000's**	**2025/26 £000's**
Proceeds from the Sale of Property Plant and Equipment, Investment Property and Intangible Assets	(14,013)	(18,100)
Grant Receipts for the Financing of New Capital Expenditure	(57,787)	(68,543)
Net cash flows from operating activities	**(71,800)**	**(86,643)**

INVESTING ACTIVITIES (Note 2B)

The cash flows for investing activities include the following items:

Investing Activities	**2024/25 £000's**	**2025/26 £000's**
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	(160,244)	(220,094)
Purchase of Short-Term and Long-Term Investments	(3,799,122)	(3,113,617)
Payments for Other Long Term Loans	(6,585)	(1,489)
Proceeds From the Sale of Property, Plant and Equipment, Investment Property and Intangible Assets	14,013	18,101
Proceeds from Short-Term and Long-Term Investments	4,166,330	3,012,741
Proceeds from Other Long-Term Loans	1,175	1,932
Grant Receipts for the Financing of New Capital Expenditure	46,337	79,043
Net cash flows from investing activities	**261,904**	**(223,383)**

FINANCING ACTIVITIES (NOTE 2C)

The cash flows for financing activities include the following items:

Financing Activities	2024/25 £000's	2025/26 £000's
Cash Receipts of Short-Term and Long-Term Borrowing	4,011	6,856
Cash Receipts from Other Short-Term and Long-Term Liabilities	366	325
Cash Payments for the Reduction of Outstanding Liabilities Relating to Finance Leases and on-Balance Sheet PFI Contracts	(34,758)	(36,526)
Repayments of Short-Term and Long-Term Borrowing	(2,506)	(20,382)
Repayments of Other Short-Term and Long-Term Liabilities	(425)	(558)
Billing Authorities - Council Tax and NDR Adjustments	(10,096)	(11,462)
Net cash flows from financing activities	**(43,407)**	**(61,747)**

Note 3 Property, Plant and Equipment

Property, Plant & Equipment Movements in 2025/26	Council Dwellings £000's	Other Land & Buildings £000's	Other Land & Buildings (PFI) £000's	Vehicles, Plant & Equipment £000's	Community Assets £000's	Surplus Assets £000's	Assets Under Construction £000's	Total Property, Plant & Equipment £000's	Intangible Assets £000's
Cost or Valuation									
At 1 April 2025	**942,295**	**1,056,612**	**223,123**	**75,417**	**50,109**	**3,294**	**210,462**	**2,561,312**	**15,962**
Additions	38,437	43,708	1,335	5,462	1,768	-	135,208	**225,918**	152
* Revaluation increases/(decreases) recognised in the Revaluation Reserve	(16,678)	20,335	(3,391)	-	70	232	-	**568**	-
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(29,799)	(8,922)	-	-	1,775	(5)	-	**(36,951)**	-
Derecognition - disposals	(7,551)	-	-	-	-	-	-	**(7,551)**	-
Derecognition - other	(61)	(7,886)	-	(426)	-	-	(64)	**(8,437)**	-
Other Reclassifications	8,149	2,374	-	-	-	-	(11,745)	**(1,222)**	-
At 31 March 2026	**934,792**	**1,106,221**	**221,067**	**80,453**	**53,722**	**3,521**	**333,861**	**2,733,637**	**16,114**
Accumulated Depreciation and Impairment									
At 1 April 2025	**(4,118)**	**(24,978)**	**-**	**(54,134)**	**(116)**	**(6)**	**(11,225)**	**(94,577)**	**(7,241)**
Depreciation charge	(13,655)	(35,760)	(3,999)	(4,668)	(750)	(84)	-	**(58,916)**	(1,259)
* Depreciation written out to the Revaluation Reserve	10,322	20,110	3,999	-	-	18	-	**34,449**	-
Depreciation written out to the Surplus/Deficit on the Provision of Services	3,572	4,680	-	-	-	19	-	**8,271**	-
Impairment losses/reversals to Surplus/Deficit on Provision of Services	(58)	-	-	-	-	-	-	**(58)**	-
Derecognition - disposals	86	-	-	-	-	-	-	**86**	-
Derecognition - other	3	5,493	-	385	-	-	-	**5,881**	-
At 31 March 2026	**(3,848)**	**(30,455)**	**-**	**(58,417)**	**(866)**	**(53)**	**(11,225)**	**(104,864)**	**(8,500)**
Net Book Value									
At 31 March 2026	**930,944**	**1,075,766**	**221,067**	**22,036**	**52,856**	**3,468**	**322,636**	**2,628,773**	**7,614**
At 31 March 2025	**938,176**	**1,031,634**	**223,123**	**21,285**	**49,993**	**3,288**	**199,236**	**2,466,735**	**8,721**

Note: The opening net book value in 2024/25 includes £74,801k on transition of IFRS 16 Leases.

Property, Plant & Equipment Movements in 2024/25	Council Dwellings £000's	Other Land & Buildings £000's	Other Land & Buildings (PFI) £000's	Vehicles, Plant & Equipment £000's	Community Assets £000's	Surplus Assets £000's	Assets Under Construction £000's	Total Property, Plant & Equipment £000's	Intangible Assets £000's
Cost or Valuation									
At 1 April 2024	**966,842**	**1,051,349**	**217,071**	**139,243**	**52,031**	**6,361**	**127,991**	**2,560,888**	**16,718**
Additions	33,964	22,554	17,584	3,278	1,579	255	92,201	**171,415**	18
* Revaluation increases/(decreases) recognised in the Revaluation Reserve	(15,559)	(2,902)	(11,532)	-	(138)	70	-	**(30,061)**	-
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(23,081)	(973)	-	-	(3,363)	(3,392)	-	**(30,809)**	-
Derecognition - disposals	(4,213)	-	-	-	-	-	-	**(4,213)**	-
Derecognition - other	(19,791)	(13,571)	-	(63,387)	-	-	(112)	**(96,861)**	(848)
Other Reclassifications	4,132	155	-	414	-	-	(7,851)	**(3,150)**	75
Other movements	-	-	-	(4,130)	-	-	(1,768)	**(5,898)**	**-**
At 31 March 2025	**942,294**	**1,056,612**	**223,123**	**75,418**	**50,109**	**3,294**	**210,461**	**2,561,311**	**15,963**
Accumulated Depreciation and Impairment									
At 1 April 2024	**(1,270)**	**(4,615)**	**-**	**(117,252)**	**(72)**	**-**	**(5,222)**	**(128,431)**	**(6,760)**
Depreciation charge	(13,808)	(43,126)	(3,697)	(4,358)	(425)	(152)	-	**(65,566)**	(1,330)
* Depreciation written out to the Revaluation Reserve	10,800	15,903	3,697	-	150	66	-	**30,616**	-
Depreciation written out to the Surplus/Deficit on the Provision of Services	2,847	1,714	-	-	231	80	-	**4,872**	-
Impairment losses/reversals to Surplus/Deficit on Provision of Services	(2,959)	-	-	-	-	-	(6,003)	**(8,962)**	-
Derecognition - disposals	47	-	-	-	-	-	-	**47**	-
Derecognition - other	225	5,146	-	63,347	-	-	-	**68,718**	848
Other movements in depreciation and impairment	-	-	-	4,130	-	-	-	**4,130**	**-**
At 31 March 2025	**(4,118)**	**(24,978)**	**-**	**(54,133)**	**(116)**	**(6)**	**(11,225)**	**(94,576)**	**(7,242)**
Net Book Value									
At 31 March 2025	**938,176**	**1,031,634**	**223,123**	**21,285**	**49,993**	**3,288**	**199,236**	**2,466,735**	**8,721**
At 31 March 2024	**965,572**	**986,567**	**217,071**	**18,519**	**51,959**	**6,361**	**122,769**	**2,368,818**	**9,958**

In accordance with the temporary relief offered by the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022, this note does not include disclosure of gross costs 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 statement.

The council has chosen not to disclose the information as the previously reported practices and resultant information deficits mean that gross costs 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 the infrastructure assets.

3a Property, Plant & Equipment Infrastructure Assets Movements	**Non PFI £000's**	**PFI £000's**	**TOTAL Infrastructure Assets £000's**
Net Book Value 1 April 2025	**169,294**	**22,182**	**191,476**
Additions	14,422	34	14,456
Revaluation increases/(decreases) recognised in the Revaluation Reserve	-	-	-
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	-	-	-
Reclassification from Asset Under Construction	1,222	-	1,222
Depreciation	(11,829)	(661)	(12,490)
Derecognition and Disposals	-	-	-
Net Book Value 31 March 2026	**173,109**	**21,555**	**194,664**

3b Property, Plant & Equipment Infrastructure Assets Movements	**Non PFI £000's**	**PFI £000's**	**TOTAL Infrastructure Assets £000's**
Net Book Value 1 April 2024	**160,069**	**22,091**	**182,160**
Additions	16,809	730	17,539
Revaluation increases/(decreases) recognised in the Revaluation Reserve	-	-	-
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	-	-	-
Reclassification from Asset Under Construction	3,075	-	3,075
Depreciation	(10,659)	(639)	(11,298)
Derecognition and Disposals	-	-	-
Net Book Value 31 March 2025	**169,294**	**22,182**	**191,476**

3c Reconciliation to Property, Plant & Equipment	**1 April 2024 £000's**	**31 March 2025 £000's**	**31 March 2026 £000's**
Infrastructure Assets	182,160	191,476	194,664
Property Plant Equipment	2,368,818	2,466,735	2,628,773
Total	**2,550,978**	**2,658,211**	**2,823,437**

6. Accounting PoliciesGENERAL PRINCIPLES

The Statement of Accounts summarises the council's transactions for the 2025/26 financial year and its position at the year-end of 31 March 2026.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The council is required to prepare an annual statement of accounts in accordance with proper accounting practice by the Accounts and Audit Regulations 2015. These practices under Section 21 of the Local Government Act 2003 (the Act) primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, supported by International Financial Reporting Standards (IFRS).

The accounts have been prepared on a going concern basis, under the assumption that the functions of the council will continue in operational existence for the foreseeable future.

I. ACCRUALS OF EXPENDITURE & INCOME

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

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

II. 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 mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the council's cash management.

III. PRIOR PERIOD ADJUSTMENTS, CHANGES IN ACCOUNTING POLICIES AND ESTIMATES AND ERRORS

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Exceptionally, the 2025/26 Code provides that changes to the valuation of non-investment assets as set out in the Code will be applied prospectively, with no restatement of prior year figures.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

IV. CHARGES TO REVENUE FOR NON-CURRENT ASSETS

Services, support services, and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service.
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Amortisation of intangible assets attributable to the service.

The council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund (Minimum Revenue Provision (MRP)) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

V. COUNCIL TAX AND NON-DOMESTIC RATES

In its capacity as a billing authority the council acts as agent; it collects and distributes council tax and non-domestic (business) rates (NDR) income on behalf of the preceptors (the Greater London Authority (GLA) and the Ministry of Housing, Communities and Local Government (MHCLG)) and itself. Billing authorities in England are required by statute to maintain a separate fund for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

ACCOUNTING FOR COUNCIL TAX AND NDR

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement 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 Comprehensive Income and Expenditure Statement 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 Balance Sheet includes the council's share of the end of year balances in respect of council tax and NDR relating to arrears, expected credit losses, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from an assessment of local and national and service factors over the proceeding 12 months or lifetime basis under the statutory arrangements will not be made the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line in the Comprehensive Income and Expenditure Statement. The expected credit loss is measured as the difference between the carrying amount and the revised future cash flows.

VI. EMPLOYEE BENEFITS

BENEFITS PAYABLE DURING EMPLOYMENT

Short-term employee benefits are those due to be settled 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 for services 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 made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, then reversed out through the Movement in Reserves Statement to the accumulated absences account so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

TERMINATION BENEFITS

Termination benefits are amounts payable as a result 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 and are charged on an accruals basis to the relevant service in the Comprehensive Income and Expenditure Statement when the council is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund or Housing Revenue Account balance to be charged with the amount payable by the council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

POST-EMPLOYMENT BENEFITS

Employees of the council may be members of three separate pension schemes:

i) The Teachers' Pension Scheme administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).
ii) NHS Pension Scheme administered by NHS Pensions.
iii) The Local Government Pensions Scheme administered by Ealing Council.

These schemes provide defined benefits to members (retirement lump sums and pensions), earned whilst employees worked for the council.

However, the arrangements for the teachers' and NHS scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the council. The scheme is therefore accounted for as if it was a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Children and Schools' line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year. The Adults & Public Health line incurs the NHS Pension employer costs.

THE LOCAL GOVERNMENT PENSION SCHEME

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

- The liabilities of the Ealing Council pension fund attributable to the council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bonds.
- The assets of Ealing Council pension fund attributable to the council are included in the Balance Sheet at their fair value:
  (1) quoted securities – current bid price.
  (2) unquoted securities – professional estimate.
  (3) unitised securities – current bid price.
  (4) property – market value.

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

- Service cost comprising:
  - Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
  - Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years

– debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.

- Net interest on the net defined benefit liability/(asset), the net interest expense for the council – the change during the period in the net defined benefit liability/(asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability/(asset) at the beginning of the period – taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contribution and benefit payment
- Re-measurements comprising:
  - Return on plan assets – excluding amounts included in net interest on the net defined benefit liability/(asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
  - Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
  - Contributions paid to the pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense
  - any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

DISCRETIONARY BENEFITS

The council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result 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 using the same policies as are applied to the Local Government Pension Scheme.

VII. 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.

VIII. FINANCIAL INSTRUMENTS

FINANCIAL LIABILITIES

Financial liabilities are recognised on the Balance Sheet when the council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective rate of interest is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest), and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it is repaid. The reconciliation of the amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instrument Adjustment Account in the Movement in Reserves Statement.

FINANCIAL ASSETS

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. The council has two main classes of financial assets measured at:

- Amortised cost, and
- Fair value through other comprehensive income (FVOCI).

The council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

FINANCIAL ASSETS MEASURED AT AMORTISED COST

Financial assets measured at amortised cost are recognised on the Balance Sheet when the council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most financial assets held by the council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

EXPECTED CREDIT LOSS MODEL

The council recognises expected credit losses on all of its financial assets held at amortised cost either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets that are measured at FVOCI are recognised on the Balance Sheet when the council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are accounted for through a reserve account and recognised in the Comprehensive Income and Expenditure Statement when the asset is disposed of.

FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction

between market participants at the measurement date. The fair value measurements of the financial assets are based on the following techniques:

- Instruments with quoted market prices – the market price

- Other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

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

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

IX. GOVERNMENT GRANTS AND CONTRIBUTIONS

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

- The council will comply with the conditions attached to the payments; and
- The grants or contributions will be received.

Amounts recognised as due to the council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied.

Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

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

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

X. INFRASTRUCTURE ASSETS

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

Recognition

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

Measurement

Highways infrastructure assets are generally measured at depreciated historical cost. However, this is a modified form of historical cost – opening balances for highways infrastructure assets were originally recorded in balance sheets at amounts of capital undischarged for sums borrowed as at 1 April 1994, which was deemed at that time to be historical cost.

Where impairment losses are identified, they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

Depreciation

Depreciation is provided on the parts of the highways network infrastructure assets that are subject to deterioration or depletion and by the systematic allocation of their depreciable amounts over their useful lives. 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 are assessed by the Chief Highways Engineer using industry standards where applicable as follows:

Part of the Highways Network	Useful Life
Carriageways/Roads	10 to 41 years
Community infrastructure	10 to 30 years
Drainage systems	20 to 75 years
Footways and cycle tracks	10 to 30 years
Street Furniture	10 to 30 years
Street Lighting	20 years
Structure (bridges and footbridge)	15 to 25 years
Traffic Management Systems	10 to 40 years

Disposals and derecognition

When a component of the network is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet is written off to the Other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal.

Receipts from disposals are credited to the same line in the Comprehensive Income and Expenditure Statement, also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal).

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

XI. HERITAGE ASSETS

Heritage assets are assets with historic, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture, and this purpose is central to the objectives of the entity holding them.

Heritage assets (other than operational heritage assets) will be measured at valuation in accordance with FRS 30. Where this is not practicable, they will be valued at historical cost (less any accumulated depreciation, amortisation and impairment losses). Where possible the council's heritage assets have been reported in the Balance Sheet at insurance valuation, which is based on market values. This is because to procure valuers to carry out detailed valuation work would involve a disproportionate cost in comparison to the benefits to the users of the council's financial statements and consequently the council uses the insurance valuation as its basis for estimating the carrying value. There is no requirement for valuations to be carried out or verified by external valuers, nor is there any prescribed minimum period between valuations. However, where heritage assets are measured at valuation, the carrying amounts have been reviewed with sufficient frequency to ensure the valuations remain current. The council does not consider that reliable cost or valuation information can be obtained for some of its heritage assets, which are detailed in the disclosure notes. The cost of obtaining professional valuations is prohibitive due to the diverse nature of the assets held and the lack of comparable values on some collections. Consequently, the council does not recognise all its heritage assets on the Balance Sheet.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment, e.g. 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 proceeds of such items are accounted for in accordance with the council's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

All the council's heritage assets are considered to have an indefinite useful life and are not depreciated.

XII. INTANGIBLE ASSETS

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

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

Intangible Assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the council can be determined by reference to an active market. No intangible asset held by the council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service lines in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on Intangible Assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund. The gains and losses are therefore reversed out of the General Fund in the Movement in Reserves Statement and posted to the Capital Adjustment Account of the Capital Receipts Reserve for any sale proceeds greater than £10,000.

XIII. INTERESTS IN COMPANIES AND OTHER ENTITIES

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

XV. JOINT OPERATIONS

Joint operations are arrangements where the parties that have joint control of the arrangements have rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken by the council in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the council as a joint operator recognises:

- Its assets, including its share of any assets held jointly
- Its liabilities, including its share of any liabilities incurred jointly
- Its share of the revenue from the sale of the output by the joint operation
- Its expense, including its share of any expenses incurred jointly.

XVI. LEASES

THE COUNCIL AS LESSEE

The council classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use.

The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The council initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the council's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the council is reasonably certain to exercise
- lease payments in an optional renewal period if the council is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the council is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentive received.

However, for peppercorn, nominal payments or nil consideration leases, the asset is initially measured at fair value.

Subsequent measurement

The right-of-use asset, including peppercorn or nil consideration lease, is subsequently measured using the fair value model. The council considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using equivalent assets with similar lease terms in place, such as market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- The council changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Low value and short lease exemption

As permitted by the Code, the council excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the council is reasonably certain to exercise and any termination options that the council is reasonably certain not to exercise).

Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment from the General Fund balance in the Movement in Reserves Statement

THE COUNCIL AS LESSOR

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Finance Leases

Where the council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund to the Deferred Capital Receipts Reserve. When future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

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 therefore appropriated to the Capital Adjustment Account from the General Fund in the Movement in Reserves Statement.

Operating Leases

Where the council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits 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 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.

XVII. OVERHEADS AND SUPPORT SERVICES

The cost of overheads and support services are charged to service segments in accordance with the council's arrangements for accountability and financial performance.

XVIII. 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.

RECOGNITION

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

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 council does not capitalise borrowing costs incurred whilst assets are under construction.

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. 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 Comprehensive Income and Expenditure Statement, 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 Comprehensive Income and Expenditure Statement, 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 bases:

- Community assets, infrastructure assets and assets under construction – depreciated historical cost
- Dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH)
- School buildings – current value, determined as the amount that would be paid for the asset in its existing use (existing use value (EUV)) or where there is no market because of their specialist nature, are measured at depreciated replacement cost (DRC) which is used as an estimate of current value
- Surplus asset – the current value measurement base is fair value,

estimated at highest and best use from a market participants perspective

- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, DRC is used as an estimate of current value.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

From 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant and equipment. Where the council does not have a rolling programme of revaluations in place and/or the assets are not non-property assets subject to indexation, the council revalue their assets every five years, with annual indexation applied to assets during the four intervening years. Where the council cannot obtain indices without undue cost or effort, the council revalue those assets using a quinquennial revaluation, with a desktop revaluation in year three.

Where decreases in value are identified, they are accounted for by:

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

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

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 by:

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

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

DEPRECIATION

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

Depreciation is calculated on the following bases:

- Dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- Vehicles, plant, furniture and equipment – straight-line allocation over the useful life of the asset
- Intangible assets – straight-line allocation over the useful life of the asset, as advised by a suitably qualified officer.

Assets are depreciated from the year after their acquisition or completion and are depreciated in the year of disposal.

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 if they have different economic useful lives. However, the major components of land and buildings are separated, with no depreciation being applied to the land element.

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.

DISPOSALS AND NON-CURRENT ASSETS HELD FOR SALE

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. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on the Provision of Services. Depreciation is not charged on assets held for sale.

If assets no longer meet the criteria to be classified as assets held for sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as assets held for sale.

When as asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line of the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). 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. The receipt is credited to the Capital Receipts Reserve 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 are appropriated to the Capital Receipts Reserve from the General Fund in the Movement in Reserves Statement.

The written off value of disposals is not a charge against council tax, as the cost of the 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 in the Movement in Reserves Statement.

XIX. PRIVATE FINANCE INITIATIVES (PFI) AND SIMILAR CONTRACTS

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 passes 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 contracts 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 original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the council.

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

- Fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement.
- Finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- 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 Comprehensive Income and Expenditure Statement.
- 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 – expensed in-year and debited to the relevant service in the Comprehensive Income and Expenditure Statement.

XX. PROVISIONS AND CONTINGENT LIABILITIES

PROVISIONS

Provisions are made where an event has taken place that gives the council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the council has an obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service line in the Comprehensive Income and Expenditure Statement.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (such as from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that the reimbursement will be received if the council settles the obligation.

CONTINGENT LIABILITIES

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 liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts where material.

XXI. RESERVES

The council sets aside specific amounts as reserves for future policy purposes or to cover future contingencies and risks. Reserves are created by transferring amounts out of the General Fund. 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 or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the council – these reserves are explained in the relevant policies.

XXII. 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 has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. 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 from the General Fund to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

XXIII. SCHOOLS

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

XXIV. VALUE ADDED TAX

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

XXV. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

The council's accounting policy for fair value measurement of financial assets is set out in note IX. The council measures some of its non-financial assets such as surplus assets and some of its financial instruments such as equity shareholdings at fair value at the end of the reporting date. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

a) in the principal market for the asset or liability, or
b) 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, assuming that market participants act in their economic best interest.

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

The council uses valuation techniques that are appropriate in the circumstances and for which suitable 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.

7. Glossary of Terms

ACCOUNTING PERIOD

The 12-month period covered by the accounts, running from 1 April to 31 March.

ACCRUAL

Recording income when it is earned and costs when they are incurred, rather than when cash is received or paid.

ACTUARIAL GAINS AND LOSSES

Changes in a pension fund's surplus or deficit because actual events were different from the assumptions used, or because those assumptions have changed.

AGENCY SERVICES

Services the council provides on behalf of another organisation, which then pays the council back for the work.

ANNUAL GOVERNANCE STATEMENT (AGS)

A formal statement that explains how the council is governed and how its decision-making arrangements work.

ASSET

Something the council controls that is expected to provide value or support services in the future.

AUDITOR'S OPINION

The external auditor's view on whether the accounts give a fair and accurate picture of the council's finances.

BALANCE SHEET

A summary of what the council owns, owes and holds at the end of the financial year.

BALANCES

Money the council has set aside from previous years when income was higher than spending.

BUDGET

The council's plan for how much it expects to spend over a set period.

CAPITAL ADJUSTMENT ACCOUNT

An account showing money used to pay for long-term assets or to repay borrowing linked to capital spending.

CAPITAL CHARGE

A cost charged to services to reflect the use of buildings, equipment or other long-term assets.

CAPITAL EXPENDITURE

Spending on buying, creating or significantly improving long-term assets. If spending does not meet the rules for capital spending, it must be treated as day-to-day revenue spending.

CAPITAL FINANCING COSTS

The yearly cost of funding capital spending, including loan repayments, interest, lease costs and similar charges.

CAPITAL GRANTS UNAPPLIED

Capital grants or contributions that the council has received or is entitled to, but has not yet used by the end of the year.

CAPITAL RECEIPTS

Money received from selling long-term assets. It can only be used for purposes allowed by regulation, such as funding new capital spending.

CAPITAL RECEIPTS - DEFERRED

Money from selling assets that will be received in agreed instalments over time.

CARRYING AMOUNT

The value of an asset shown in the accounts after deducting depreciation and any loss in value.

CIPFA

The professional body that provides guidance on how local authority accounts should be prepared.

CIPFA PRUDENTIAL CODE

Guidance that helps councils decide whether their borrowing and capital spending plans are affordable, sensible and sustainable.

CODE OF PRACTICE

The Code sets out the accounting rules councils must follow so their accounts give a fair and accurate picture of their financial position and transactions.

The Code explains the accounting practices councils must use for:

- Statements of Accounts prepared under the legal rules for England.
- Audits of those accounts carried out under the legal audit rules.

The Code explains how councils should record and disclose transactions, using recognised accounting standards.

- International accounting standards used for financial reporting.
- International accounting standards for public sector organisations.
- UK accounting standards and accepted accounting practice.

The Code has applied since 1 April 2010 and is updated each year.

COLLECTION FUND

The Collection Fund records council tax and business rates collected by the council and how that money is passed on to the council, government, the Greater London Authority and other bodies.

COMMUNITY ASSETS

Assets the council plans to keep for the community for the long term, such as parks or historic buildings, which may be difficult or restricted to sell.

CONSISTENCY

Using the same accounting approach for similar items each year, so the accounts can be compared fairly.

CONSOLIDATED BALANCE SHEET

A combined summary of the council's different fund balance sheets.

CONTINGENCY SUM

Money set aside for costs that may be needed during the year, especially where the exact amount is not yet known.

CONTINGENT LIABILITY

A contingent liability is a possible cost or obligation that may arise, depending on what happens in the future.

(a) It may depend on uncertain future events that the council does not fully control, or

(b) It may already exist, but the council may not need to pay it, or the amount cannot yet be measured reliably.

CORPORATE GOVERNANCE

The rules, processes and controls that help the council make decisions openly, fairly, responsibly and with proper accountability.

COST OF MANAGEMENT AND ADMINISTRATION

The share of central support costs, such as finance, legal and administration, allocated to council services.

CREDITORS

Amounts the council owes for goods, services or other benefits it has received and agreed to pay for.

CURRENT ASSET

An asset expected to turn into cash, be sold or be used within 12 months, such as money owed to the council.

CURRENT LIABILITY

Money the council expects to pay, or may be required to pay, within the next 12 months.

CURRENT SERVICE COST (PENSIONS)

The extra pension cost built up from employees' service during the current year.

DEBT REDEMPTION

Repaying loans that were previously taken out to fund capital spending.

DEBTORs

Money owed to the council that it expects to receive.

DEFERRED DEBTORS

Long-term amounts owed to the council that will be repaid over more than one financial year, such as mortgages.

DEPRECIATION

The reduction in the value of an asset over time as it is used, wears out, becomes outdated or has a shorter useful life.

EXCEPTIONAL ITEMS

Large or unusual items that are part of normal council business but need to be shown separately so the accounts are clear.

EXPECTED RATE OF RETURN ON PENSIONS ASSETS

The expected average return from pension scheme investments, after costs, over the life of the pension obligation.

EXPENSES

Decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or increases of liabilities that result in decreases in reserves. Expenses include expenses that arise in the course of the ordinary activities and losses such as revaluation of property, plant and equipment.

FAIR VALUE

Is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms-length transaction.

FINANCE LEASE

A finance lease is one that transfers substantially all of the risks and rewards of ownership of property, plant and equipment to the lessee. It should be presumed that such a transfer of risks and rewards occurs if at the inception of a lease the present value of the minimum lease payments including any initial payment amounts to substantially all (normally 90% or more) of the fair value of the leased asset.

FINANCIAL YEAR

In the context of a local authority this means the period from 1 April to the following 31 March inclusive.

GENERAL FUND

The main revenue fund of the council. Day-to-day spending on services is met from the fund.

GOING CONCERN

The council's financial statements have been prepared on a going concern basis; that is, the accounts have been prepared on the assumption that the functions of the council will continue in operational existence for the foreseeable future.

GROSS EXPENDITURE

The cost of service provision before allowing for government grants, council taxes and other income like fees and charges.

HISTORICAL COST

Is deemed to be the carrying amount of an asset as at 1 April 2007 (brought forward from 31 March 2007) or at the date of acquisition, whichever date is the later, and adjusted for subsequent depreciation or impairment (if applicable).

IMPAIRMENT

This is where the useful working life of an asset is significantly reduced – for example, because of damage to a piece of equipment or changes in technology which mean that a service can be provided more efficiently in other ways.

INCOME

Is the gross inflow of economic benefits or service potential during the reporting period when those inflows or enhancements of assets or decreases of liabilities result in an increase in reserves. Income includes both revenue arising in the course of ordinary activities and gains such as the revaluation of property, plant and equipment.

INFRASTRUCTURE ASSETS

Property, plant and equipment that is inalienable, expenditure on which are recoverable only by continued use of the asset created. Examples of infrastructure assets are highways and footpaths.

INTANGIBLE ASSET

An intangible asset is an identifiable non-monetary asset without physical substance. It must be controlled by the council as a result of past events, and future economic or service benefits must be expected to flow from the intangible asset to the council. The most common class of intangible asset in local authorities is computer software.

INTEREST COST (PENSIONS)

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

INVENTORIES

Items of stores and raw materials which have been procured for use on an on-going basis and which have not yet been used at the end of the accounting period.

INVESTMENT PROPERTY

An investment property is one that is used solely to earn rentals or for capital appreciation or both.

LEASING

A method of utilising assets where a rental charge is paid for a specified period of time, instead of outright purchase.

LIABILITIES

Are present obligations of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits or service potential.

LOANS OUTSTANDING

The total amounts borrowed from external lenders for capital and temporary revenue (cashflow) purposes but not repaid at the balance sheet date.

MATERIALITY

The relevance of information contained in the financial statements is affected by its nature and materiality. Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the item, or a combination of both, could be the determining factor. Therefore, materiality provides a threshold or cut-off point rather than a primary qualitative characteristic which information must have if it is to be useful. An authority need not comply with the Code, as to both disclosure and accounting principles, if the information is not material to the true and fair view of the financial statements and to the understanding of users.

MINIMUM REVENUE PROVISION

The minimum amount that the council must charge to the income and expenditure account to provide for the repayment of debt.

NON-DOMESTIC RATES (NDR)

With effect from April 1990 all non-domestic properties were revalued and the government determines a national non-domestic rating multiplier every year which is applicable to all local authorities. The rateable values are set by the Valuation Office Agency of HM Revenue & Customs, and there is a statutory revaluation every 3 years. The proceeds of the business rates are partly retained by the council and the balance is redistributed to the government and Greater London Authority.

NET EXPENDITURE

Gross expenditure less specific government grants and other income.

NET BOOK VALUE

The amount at which property, plant and equipment are included in the balance sheet, their historical cost or current value, less the cumulative amounts provided for depreciation.

NON-OPERATIONAL ASSETS

Property, plant and equipment held by the council but not directly occupied, used or consumed in the delivery of services. Examples of non-operational assets are investment property and assets that are surplus to requirements, pending sale or redevelopment.

OPERATING LEASE

A lease under which the ownership of the asset remains with the lessor; for practical purposes it is equivalent to contract hiring.

OPERATIONAL ASSETS

Property, plant and equipment held and occupied, used or consumed by the council in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

PAST SERVICE COST

For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

PRECEPT

The levy made by precepting authorities, in the council's case the Greater London Authority, on the council, requiring the council to collect income from council taxpayers on behalf of the precepting authorities and paying over the cash collected to them. For business rates the Ministry of Housing, Communities and Local Government (MHCLG) is also a preceptor.

PROPERTY, PLANT & EQUIPMENT

Tangible assets that yield benefits to the council and the services it provides for a period of more than one year.

PROVISION

An amount set aside in the accounts for liabilities which are certain to be incurred in the future but cannot be quantified accurately at the balance sheet date.

PRUDENCE

Accounts should be prepared in accordance with the concept of prudence. Income should only be anticipated to the extent that it will be received, as cash or other assets, with reasonable certainty and full and proper allowance should be made for all known and foreseeable losses and liabilities.

PRUDENTIAL FRAMEWORK

One of the principal features of the Local Government Act 2003 was to provide the primary legislative requirements to introduce a new prudential regime for the control of local authority capital expenditure. The regime relies upon both secondary legislation in the form of regulations, and a prudential code which has been published by CIPFA.

Under the prudential framework local authorities are free to borrow without specific government consent if they can afford to service the debt without extra government support. The basic principle is that authorities will be free to invest as long as their capital spending plans are affordable, sustainable and prudent. As a control mechanism to ensure this occurs all authorities must follow the Prudential Code. This involves setting various prudential limits and indicators that must be approved by Full Council.

PUBLIC WORKS LOAN BOARD (PWLB)

A body, now part of the Debt Management Office (a government agency), which lends money to public bodies for capital purposes. At present nearly all borrowers are local authorities. Monies are drawn from the National Loans Fund and rates of interest are determined by the Treasury.

RELATED PARTIES

Two or more parties are related parties when at any time during the financial period:

- One party has direct or indirect control of the other party or
- The parties are subject to common control from the same source or
- One party has influence over the financial and operational policies of the other party to an extent that the other party might be inhibited from pursing at all times its own separate interests or
- The parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.

RELATED PARTY TRANSACTIONS

A related party transaction is the transfer of assets or liabilities or the performance of services by, to, or for, a related party irrespective of whether a charge is made. The materiality of related party transactions should be judged not only in terms of their significance to the council, but also in relation to its related party.

RENT ALLOWANCE

A subsidy (housing benefit) payable by the council to low-income tenants in private rented accommodation.

RESERVE

The residual interest in the assets of the council after deducting all its liabilities. The Movement in Reserves Statement shows the true economic cost of providing the council's services, represented by the line 'Surplus or (deficit) on the provision of services. Some income and expenditure is required to be recognised on a different basis or in a different accounting period (in accordance with legislation) in the General Fund. These differences are shown in the line 'Adjustments between accounting basis and funding basis under regulations. Voluntary transfers to or from the General Fund balance also affect the amount to be funded from council tax; these are shown in the line 'Transfers to or from reserves available to fund services. The Movement in Reserves Statement also shows Other Comprehensive Income and Expenditure, for example revaluation gains.

RESIDUAL VALUE

Of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

REVALUATION RESERVE

From April 2007, this replaced the former Fixed Asset Restatement Account. The Revaluation Reserve, like the Fixed Asset Restatement Account, measures the gains or losses on assets where a revaluation has taken place.

REVENUE ACCOUNT

An account that records a council's day-to-day expenditure and income on such items as salaries and wages and other running costs of services.

REVENUE EXPENDITURE FINANCED FROM CAPITAL UNDER STATUTE (REFFCUS)

Expenditure to be classified as capital for funding purposes when it does not result in it being carried on the balance sheet as property, plant and equipment.

REVENUE SUPPORT GRANT (RSG)

A grant paid by government to every local authority to help to finance its expenditure generally and not specific services. It is based on the government's assessment of how much the council needs to spend in order to provide a standard level of service.

TEMPORARY LOANS

Loans where repayment is due to be made or repayment can be demanded, within one year from the date of advance.

TREASURY MANAGEMENT

This relates to borrowing and cash activities (including investment) of the council, and the effective management of any associated risks. Local authorities' treasury management activities are prescribed by statute. In England & Wales the source of such powers is the Local Government Act 2003, which simplified past complexities and gave further clarification. A local authority may borrow or invest for any purpose relevant to its functions, under any enactment (law) for the purpose of the prudent management of its financial affairs. The council also applies the CIPFA code of practice on treasury management in public services

8. Annual Governance Statement

ANNUAL GOVERNANCE STATEMENT

Introduction

Ealing Council (The council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. the council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The council has approved and adopted a Code of Corporate Governance (the code), which is consistent with the principles of the CIPFA / SOLACE Framework Delivering Good Governance in Local Government 2016 Edition. A copy of the code can be located on the council's website at Chapter 7 - Ethical Governance section 29, page 30.

This statement explains how the council has complied with the code and also meets the requirements of regulation 6(2) Accounts and Audit Regulations 2015, in relation to the Annual Governance Statement. It also highlights how the council's financial management arrangements conform to the governance requirements of CIPFA's Statement on the Role of the Chief Finance Officer in Local Government (2016).

The Annual Governance Statement considers the CIPFA/SOLACE Framework and the Addendum published in May 2025.

Key Elements of the council’s Governance Framework

<table>
<tr><th colspan="3">Key Elements of the council’s Governance Framework are:</th></tr>
<tr>
<td>Council, Cabinet and the Leader
Provide leadership, develop and set policy.
Support diverse communities and distinctive neighbourhoods to thrive and succeed.</td>
<td>Decision Making
All meetings are held in public.
Decisions are recorded on the council website.
Decisions are supported by detailed officer reports which consider the financial, legal and other implications.
A scheme of delegation is included in the Constitution.</td>
<td>Risk Management
Risk registers identify operational and strategic risks.
Key risks are considered by Strategic Leadership Team (SLT) and reported to Audit Committee.
Oversight of financial outcomes, governance and key partnership arrangements.</td>
</tr>
<tr>
<td>Scrutiny and Review
Scrutiny Committees review council policy and can challenge decisions.</td>
<td colspan="2">Strategic Leadership Team (SLT) and Statutory Officers
SLT is responsible for overall management of the council.
Chief Executive is the Head of Paid Service who is responsible for all council staff and leading SLT.
Strategic Director, Resources is the Section 151 officer and responsible for safeguarding the council’s financial position.
Director of Legal and Democratic Services is the council’s Monitoring Officer.</td>
</tr>
</table>

How we Comply with the CIPFA/Solace Framework

Standard	Council Framework
Behave with Integrity	The Code of Conduct for Councillors is contained within the Constitution. The council operates a Standards Committee, which oversees and promotes high standards of conduct for members. During 2024/25 the Standards Committee adopted a new process to manage code of conduct complaints against members, all complaints are now managed within the new process. The process is closely aligned with the LGA guidance and seeks to ensure that complaints are dealt with swiftly. All Strategic Directors and Directors are required to complete statements relating to related party transactions. Additionally, members must complete a register of members' interests which is maintained by the Monitoring Officer and published on the council's website. In addition, Members' interests are considered as an agenda item at every committee. The Employee Code of Conduct was updated in October 2024. The Employee Code of Conduct is available on the staff internet and a copy of this is provided to all new employees when they start work for the council. Organisational values and behaviours demonstrate expectations with regards approach, attitude and underpinning of our people processes and training interventions. All staff are required to complete a declaration of interest annually and keep this up to date. This includes a requirement to record gifts and hospitality.

Standard	Council Framework
	The Constitution sets out the responsibilities of both members and officers. The council has identified the following statutory posts relating to governance: • Head of Paid Service – Chief Executive • Chief Financial Officer (Section 151 Officer) – Strategic Director, Resources • Monitoring Officer – Director of Legal and Democratic Services These officers hold a regular "statutory officers meeting" where any governance concerns are raised, and approaches agreed. This considers the application of the Code of Practice on Good Governance for Local Authorities. The Chief Financial Officer and Monitoring Officer are also part of the working group for the Annual Governance Statement which consider the Code of Practice for Good Governance. During 2025/26, the interim Monitoring Officer continually reviewed and updated the Constitution as necessary. Whistle-blowing, anti-fraud and anti-corruption / bribery policies are in place and publicised. A counter fraud team is in place and the service operates in line with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014)
Engage with Stakeholders	The council works within the Local Strategic Partnership (LSP) to ensure priorities within the borough are aligned. The council is therefore better able to relate its own performance to the outcomes it seeks for the borough. This also facilitates greater alignment of priorities between the council and other key partners and service delivery agencies, such as the NHS and the Police.

Standard	Council Framework
	The Ealing Borough Based Partnership (BBP) brings together the NHS, Ealing Council, the Voluntary and Community Sector and local residents, to improve health and care outcomes for all the people in the borough. The partnership does not replace or merge organisations but will bring together organisations and teams to work more effectively around a shared purpose. Partners collaborate at borough level to tackle local challenges, improve the health and wellbeing of the local population and reduce the health inequalities that exist within the borough. The Safer Ealing Partnership (SEP) acts as the formal Community Safety Partnership for the borough, which is a statutory requirement as set out by the Crime and Disorder Act 1998. The board is made up of statutory partners including Police; Directors from social care and public health; the London Fire Brigade borough commander, MOPAC (Mayor's Office for Crime and Policing), Probation service, Drug and Alcohol Intervention services and representatives from the Voluntary and Community Sector. The focus of the SEP is working collectively to set the strategic direction to address the key drivers of crime, violence, Anti-Social Behaviour and exploitation within the borough and ensure that partners are accountable to each other and residents. The SEP also works to ensure that services are working to deliver shared objectives like delivering an inclusive and proportionate based policing and wider enforcement approach when keeping residents safe and ensuring we are maximising the opportunities to prevent victimisation and offending taking place in the first instance. We engage with residents through an annual Residents' Survey, the Ealing Citizens Tribunal and Your Voice Your Town forums to ensure our plans are aligned with residents' priorities for the

Standard	Council Framework
	borough. With residents and voluntary sector groups we have developed a new Community Charter which sets out our shared principles about how we work together, and our expectations for genuine and meaningful participation, engagement, and decision-making with communities within the borough. An equalities impact assessment is completed for all appropriate decisions to help ensure fair access to services.
Define Outcomes	The council has put in place arrangements for the key systems and processes that comprise its governance framework. The administration's three priorities form the basis of the council Plan and provide focus for improvement. The council Plan specifies three strategic objectives: • Creating good jobs • Tackling the climate crisis • Fighting inequalities The council Plan is supported by an annual Delivery Plan 2025/26 and progress against this and other key performance indicators are reported to Cabinet on a quarterly basis and any amendments or updates to it are considered and approved by Full Council.
Ensure planned outcomes are achieved	All Cabinet and Committee reports include a link to the council Plan and reference to one or more of the three priorities. The council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control.

Standard	Council Framework
	The council's review of the effectiveness of its system of internal control is informed by: • Annual Assurance Opinion of the Head of Internal Audit • Performance against targets • Annual Assurance Statements completed by Strategic Directors • A review of the previous year's Annual Governance Statement. A shareholder committee for council-owned companies was established in April 2025. This has been used to gain assurance over Greener Ealing Limited. No reports in respect of Broadway Living or BLRP have been received by this committee to date.
Develop capacity, capability and leadership	A member training and development programme is in place and there is an induction programme for all councillors within the first few weeks of their election to office. The council has adopted specific codes of conduct for councillors involved in planning or licensing decision-making and these councillors receive additional training in these areas as a pre-condition of their participation. The New Starters Induction Programme requires all new joiners, whether council employees or agency staff, to undertake a corporate induction when they join the council. If employees have managerial responsibility, they are required to attend the manager's induction programme. In addition, several mandatory courses are run for all staff. A workforce strategy is in place and includes actions to help address recruitment and retention in areas which are known to be hard to recruit.

Standard	Council Framework
	There is a corporate learning programme which consists of a variety of learning resources available to staff. During 2025/26, the council introduced a compulsory Managers Fundamentals course for all managers up to grade 15. Additionally, Legal and Democratic Services have introduced training on report writing which covers good governance ensuring decision making is understood and requirements are fully complied with. A Wellbeing Policy is in place. There is compulsory training on key areas to support this as well as optional training available to all. Stress risks assessments are undertaken to help manage this risk. Sickness monitoring is in place and there is medical support through Occupational health, where required.
Manage risk and performance effectively	The council has an Audit Committee that provides independent, effective assurance on the adequacy of the council's governance environment. The Audit Committee has clear terms of reference and an annual work programme for internal audit and risk management. Its membership included two independent members since September 2024, following a successful recruitment process. The council maintains an Internal Audit and Risk Management service that operates in accordance with the published internal audit standards expected of a local authority in the United Kingdom. The Assistant Director Internal Audit and Investigation has direct access to the Chief Executive, the Strategic Director, Resources (Section 151 Officer), the Monitoring Officer and the Chair of the Audit Committee.

Standard	Council Framework
	Cyber assurance comes from PSN Compliance as well as second-line assurance through a Cyber security provider. Third line internal audits support this. An embedded Risk Management Framework is in place, with each Directorate maintaining a risk register. The risk management framework was approved by SLT and the Audit Committee. A Strategic Risk Register is in place and reviewed at least quarterly by SLT and the Audit Committee, each risk includes mitigations and actions to manage. The highest unmitigated risks identified on the strategic risk register are currently: **Financial Resilience:** There remain demand and market pressures in social care and temporary accommodation driving increased costs **Management Information:** Quality data and insight is not always available to support evidence led decisions **Non-compliance with housing regulatory framework** could result in regulatory challenge, reputational and/or financial penalties **Risk of resident harm due to non-compliance** around health and safety, building safety and Awaab's law **Cyber:** The risk of a major successful cyber-attack and /or data loss resulting in the inability for the council to continue operations and deliver statutory services.

Standard	Council Framework
	The council has a four-year Medium Term Financial Strategy, which is reviewed and updated annually as part of the budget setting process to support the achievement of the council's corporate priorities. The Strategy and Change directorate works with all directorates to monitor performance against the agreed corporate performance indicator suite. Regular performance reports are taken to the SLT. In addition, a number of governance mechanisms are in place to support performance management across the council, including monitoring the delivery of the revenue budget and capital programme. Members play a regular role in performance management, providing challenge to officers. Cabinet receives a report on performance each quarter. Cabinet portfolio holders have regular meetings with Strategic Directors and review finance and performance indicators.
Demonstrate transparency and accountability	The key decision list is published monthly on the internet, and details all key decisions proposed to be made by the council during the relevant period. Any key decision which is not on the key decision list may not be taken within that period, unless the report author is able to demonstrate to the Monitoring Officer and relevant members that urgency procedure requirements are met. All urgent decisions taken are monitored by the Monitoring Officer and reported to Full Council. Senior officers' remuneration is published on the council website and within the statutory Statement of Accounts and other transparency data is published on the council's website.

Standard	Council Framework
	Reports and minutes of formal meetings are published on the council's website. This includes all decisions made by individual Cabinet Members, and key decisions taken by officers. Social value requirements are included in the council's Commercial Strategy and are a requirement of every tender. The Joint Contract Board monitor this requirement as part of approval to each Commercial Strategy to procure. Monitoring of social value outcomes is undertaken by the Commercial Hub.

Inspection and Regulatory Engagement

During 2025/26 the following significant inspections and regulatory engagements were completed:

Regulator of Social Housing Inspection

Regulator of Social Housing (RSH) - an inspection completed in November 2025 found that the council's housing service is heading in the right direction to ensure its 10,500+ tenants have a safe, healthy home. The council received a C2, the second highest rating. This means that whilst it is delivering most of the requirements, some aspects of the service need further improvements to fully meet the standards.

Following a self-referral to the Regulator of Social Housing in 2022, the council continued to actively engage on the plans agreed at the time and sought to build on the original commitments to ensure the housing service meets the new consumer standards reflecting our tenants' voices. Following the inspection in November this undertaking was removed.

Building Safety Regulator

A non-compliance notice was issued to Ealing Council by the Building Safety Regulator in July 2025. Ealing Council have worked proactively with the Regulator and by March 2026 two of the three failings had been satisfied. Work is ongoing to satisfy the outstanding requirement of the notice.

LGA Corporate Peer Review

The LGA Corporate Peer Review in May 2025 concluded that the council is 'well led' and 'moving in the right direction.' In the final report the team noted that the council:

- is well-led and demonstrates 'effective and collaborative political and managerial leadership,'
- has a 'strong and purposeful vision for change.'
- is focused on improving outcomes for its residents across the 7 towns and the peer review team observed clear evidence of a 'transformative drive within the council' to establish the foundations to achieve this vision.
- has worked hard to strengthen the culture of assurance, governance and risk.

Ofsted Area Special Educational Needs and Disabilities (SEND) Inspection

An Ofsted and Care Quality Commission (CQC) Area SEND Inspection completed in September 2025 recognised that the Ealing Local Area SEND Partnership has strong foundations and a clear commitment to improving outcomes for children and young people with special educational needs and/or disabilities (SEND).

The partnership received the inspection outcome confirming that arrangements largely support positive experiences and outcomes, though further work is required to secure greater consistency across education, health and social care. This outcome reflects a system with clear strengths and ambition, alongside targeted areas for improvement.

Inspectors highlighted an inclusive culture in mainstream education, effective early identification of need, strong leadership, meaningful co-production with families, well-developed support services, and positive outcomes for children and young people, including high participation in education, employment or training. The inspection also identified priority areas for improvement, particularly to strengthen multi-agency coordination, improve the quality and timeliness of Education, Health and Care Plans (EHCPs), and reduce waiting times for some health services, to ensure greater consistency of experience across the system.

In response, the partnership is implementing a post-inspection improvement plan, overseen through established governance arrangements, to build on existing strengths and accelerate further improvement.

Assurances from Internal and External Audit

The Internal Audit service is a key means of assurance and reviews the adequacy of the controls throughout all areas of the council.

The council's Internal Audit service carries out a comprehensive programme of review activity consistent with the Audit Strategy and the Global Internal Audit Standards (GIAS). A self-assessment against the GIAS confirmed that the service largely meets the standard with the exception that the Chief Audit Executive does not report to a direct report of the Chief Executive. The work is based around the core risks faced by the council and includes significant work on the main financial and information management systems, corporate programmes and partnerships. Based upon the programme of work for 2025/26, the internal audit service concludes that:

The council's governance, risk management, and internal control arrangements are effective and support the delivery of statutory duties and strategic priorities. Internal audit reviews conducted across key service areas found that the majority of systems and processes are operating as intended, with 76% of reports receiving positive assurance opinions.

There is, however, evidence that in some areas the level of non-compliance with some of the control processes may put some of the council's objectives at risk. Areas for improvement and themes were identified in:

- Health and Safety due to outstanding actions not implemented promptly in some areas and findings during the year.
- Housing services, with a number of lower assurance reports within that service area.

These issues, while not systemic, require timely management attention. Action plans have been agreed with service leads and will be followed up in the next audit cycle.

External Audit – Forvis Mazars were appointed as the council's external auditor from 2023/24. As well as an examination of the council's financial statements, the work of the council's external auditor includes an assessment of whether significant arrangements to secure economy, efficiency and effectiveness from the use of resources has come to their attention. The audit of 2024/25 was concluded during the year. The council's accounts were again disclaimed, this was because of the national local audit backlog arrangements and the council is working closely with its auditors to return to an unqualified opinion as soon as possible.

Compliance with the Financial Management Code

The self-assessment against the CIPFA Financial Management Code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. All local authorities were required to demonstrate full compliance against the six principles by 31 March 2022. It is the opinion of the Chief Financial Officer that the council is financially resilient and delivers value for money. However, in striving for financial excellence the council has developed a set of actions for improvement:

- Continue the roll out of the best value challenge process in 2026/27 which involves internal and external stakeholder evaluation.
- A review and refresh of the financial regulations during 2026/27.
- Continued additional budget monitoring of high risk/demand led services.
- Continuation of budget holder training programme for all levels of officers with budget responsibility.
- Continuation of the Medium-Term Financial Strategy (MTFS) Board to identify savings through cross-directorate workstreams and ensure the delivery of savings and mitigating actions.
- Establishing MTFS savings and Project Management Office (PMO) assurance processes.

Update on Issues Identified in 2024/25

There was no significant governance issues raised in 2024/25.

Significant Governance Issues 2025/26

As set out in the risk section, there are a number of known risks where mitigations and actions are put in place as identified in the section on risk. There are not considered to be any significant governance issues.

Forward Look

Whilst there are not considered to be any significant governance issues, the council works to continually improve governance and oversight. Measures planned for 2026 include:

- The current Council Plan runs to 2026. A new plan will be produced including new strategic objectives, following the election in May 2026.
- The election in May will see changes including the appointment of new councillors and changes to committee membership. A full induction programme has been drafted to induct councillors for their new role(s).
- Whilst the corporate risk register is well established, tracked and controlled, it is recognised that not all departments have comprehensive risk registers. Service areas are working to complete this moving forwards.
- Financial pressures remain a risk and ongoing work to confirm value for money will be undertaken throughout the year to reduce use of reserves and balance the budget.
- The shareholder committee will continue to monitor and track assurance on council owned companies. This will include reporting on Broadway Living in the future.
- A major programme of transition and reforms in Children/s services follow amalgamation of grants by the DfE. This work considers:
    - Families First Partnership Programme
    - Best Start in Life
    - National Reform of SEND.

Conclusion

As Leader and Chief Executive, we have been advised of the implications of the results of the review of the effectiveness of the council's governance framework.

Our overall assessment is that this Annual Governance Statement is a balanced reflection of the governance environment and that an adequate framework exists along with future plans within the London Borough of Ealing to ensure effective internal control is maintained.

Signed……………………………………………….

Chief Executive

Tony Clements

Signed…………………………………………

Leader of the council

Cllr. Peter Mason

Annex A

An assurance mechanism is used to reflect the effectiveness of the council’s internal control environment.

The table below details the four levels of assurance provided.

Level	Definition
Substantial	There is a sound system of internal control designed to achieve the council’s objectives. The control processes tested are being consistently applied.
Reasonable	While there is a basically sound system of internal control, there are weaknesses, which put some of the council’s objectives at risk. There is evidence that the level of non-compliance with some of the control processes may put some of the council’s objectives at risk.
Limited	Weaknesses in the system of internal controls are such as to put the client’s objectives at risk. The level of non-compliance puts the council’s objectives at risk.
None	Control processes are generally weak leaving the processes / systems open to significant error or abuse. Significant non-compliance with basic control processes leaves the processes / systems open to error or abuse.