

# London Borough of Haringey Statement of Accounts 2024/25

26 February 2026

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# NARRATIVE REPORT



**Statement from Taryn Eves, Corporate Director of Finance & Resources (Section 151 Officer)**

## INTRODUCTION

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

The report provides the reader with key contextual information about the authority including its main objectives and strategies, the pressures it is facing, the principal risks and uncertainties and plans in place to manage and mitigate these. It also provides a commentary on how the Council (including the Group Accounts) has used its resources to achieve its desired outcomes in line with its objectives and strategies as set out in the Corporate Delivery Plan.

In 2024/25, the Council spent £333.3m on delivering day to day services to the borough's 264,200 residents, including 3,920 using adult social care services, 683 supported by children's social care, 2,630 supported in temporary accommodation and the range of more general services used by all residents across the borough. In addition, £79.9m was spent on capital investment into the borough's roads, schools, the environment, leisure and cultural facilities and the operational estate. In terms of the tenants living in the Council's 16,024 homes, £90.4m was spent on their day-to-day services in 2024/25 and £159.9m capital investment into new homes and major repairs on existing homes. This means a total of £663.5m was required to be spent across the borough delivering on the priorities set out in the Corporate Delivery Plan for 2024/25.

Despite, £34.1m of additional money built into service budgets for 2024/25, the outturn position is a £38m overspend on services, primarily driven by demand and price of services being significantly higher than was envisaged when the budget was set in March 2024, particularly for social care and temporary accommodation. Through the use of contingencies, uncommitted reserves and historic credit balances, one off contributions of £28m has reduced the overspend position to £10m, for which Exceptional Financial Support has been requested from Government to close the accounts. This is on top of

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the £37m of EFS that has been requested to enable the Council to set a balanced budget for 2025/26 and an additional £17m to fund the current forecast overspend. This reliance on EFS is not sustainable and simply further increases the Council's borrowing costs year on year. Further detail on the approach taken to reduce the reliance on EFS across the medium term is set out in the Council MTFS.

## ABOUT HARINGEY

Haringey is a diverse and dynamic area in North London, encompassing a rich tapestry of communities, cultures, and landscapes. It was established in 1965 through the amalgamation of the former boroughs of Hornsey, Tottenham, and Wood Green. The borough spans approximately 29.6 square kilometres, making it the 23rd largest borough in London.

Haringey continues to be a great place to live for families. It has great opportunities, with enormous potential for growth. Our facilities are good, with a range of cultural events and good transport links. The borough has a growing economy, more and better housing and flourishing communities. We are part of one of the world's greatest cities and benefit hugely from that – but more than this, we believe that, with our potential for growth, we are the future of London. We are already home to institutions of national and international significance, including Tottenham Hotspur and Alexandra Palace.

Haringey is characterised by its varied topography, from the wooded high grounds of Highgate and Muswell Hill to the flat, open low-lying areas beside the River Lea in the east. The borough boasts over 600 acres of parks, recreation grounds, and open spaces, accounting for more than 25% of its total area. Notable green spaces include Finsbury Park, Highgate Wood, and Queen's Wood. Haringey has 25 Green Flag Parks; and has reduced its carbon emissions significantly

since 2005 but is behind target to be Net Zero Carbon by 2041. There is a variety of housing available which means that people who cannot afford other parts of the city have been able to make Haringey their home. A high percentage (86%) of residents say they have good friendships and/or associations in their local area, while 88% say relations between different ethnic and religious communities are good.

Haringey is one of the most ethnically diverse in London, with both a young and older population. Its population is currently estimated at 264,200 residents and is expected to increase by 6.3% in the next 10 years, with the largest percentage growth in older age groups (65+), other ethnic groups and other white ethnic groups. Forty three percent (43%) of residents are from BAME groups and 22% identify as "white other". Children between the ages of 0-19 years accounts for 22.7% of the population. Residents aged 65+ accounts for 10.4% of the population. The white British group remains the largest population overall, followed by other white and black African.

Over 180 languages are spoken in Haringey, and 27.2% of the residents do not speak English as their main language. Jobs density in Haringey is relatively low though significantly improved, and the unemployment rate has improved significantly. Wages in Haringey now match the London average, but there are a larger number of Jobs Seekers Allowance (JSA) and Employment and Support Allowance (ESA) claimants than the London average.

Haringey is ranked 49 out of the 317 local authorities in England with respect to deprivation and is the 4th most deprived in London with pockets across the borough that are considered amongst the most deprived. Relative deprivation has reduced since 2015, though Haringey's London ranking has not shifted significantly.

Haringey's economy is predominantly driven by small businesses, with 93.3% employing fewer than 10 people. Key sectors include wholesale and retail trade (15.2%), Information &

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Communication (10.7%), Professional, Scientific & Technical Activities (18.2%) and construction (12.0%)

Despite this, we embrace change and transformation, and we are keen to engage in best practice so that despite our challenging financial position, we are actively seeking out opportunities to make Haringey a better place to live for our residents. There are several examples where we are working innovatively with partners to improve service delivery and to create better pathways of support for our residents and businesses.

## BOROUGH VISION AND CORPORATE DELIVERY PLAN

Haringey is the world in one borough. A place of creativity, personality, diversity, and community.

Haringey's people are a huge asset, with knowledge, expertise, and passion. With all the challenges we face locally and globally, we know that we need to ensure we utilise these strengths.

On 15 October 2024, [Haringey's Borough Vision](#) was published with 'Making Haringey a place where everyone can belong and thrive is at the heart of a new shared vision for the borough'.

The aim of the vision is to galvanise the actions not just of the council but also of partners, residents and businesses behind a set of common objectives. Haringey 2035 identifies the six key areas for collaborative action over the next decade:

- Safe and affordable housing
- Thriving places
- Supporting children and young people's experiences and skills

- Feeling safe and being safe
- Tackling inequalities in health and wellbeing
- Supporting greener choices

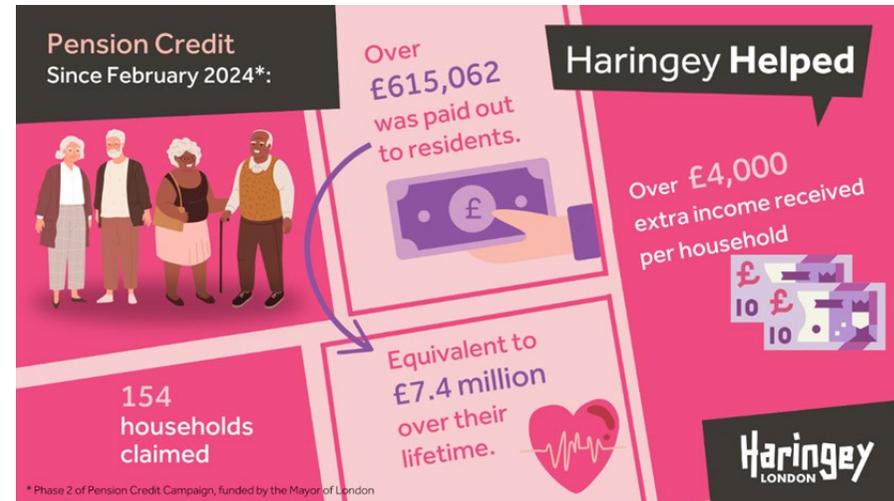
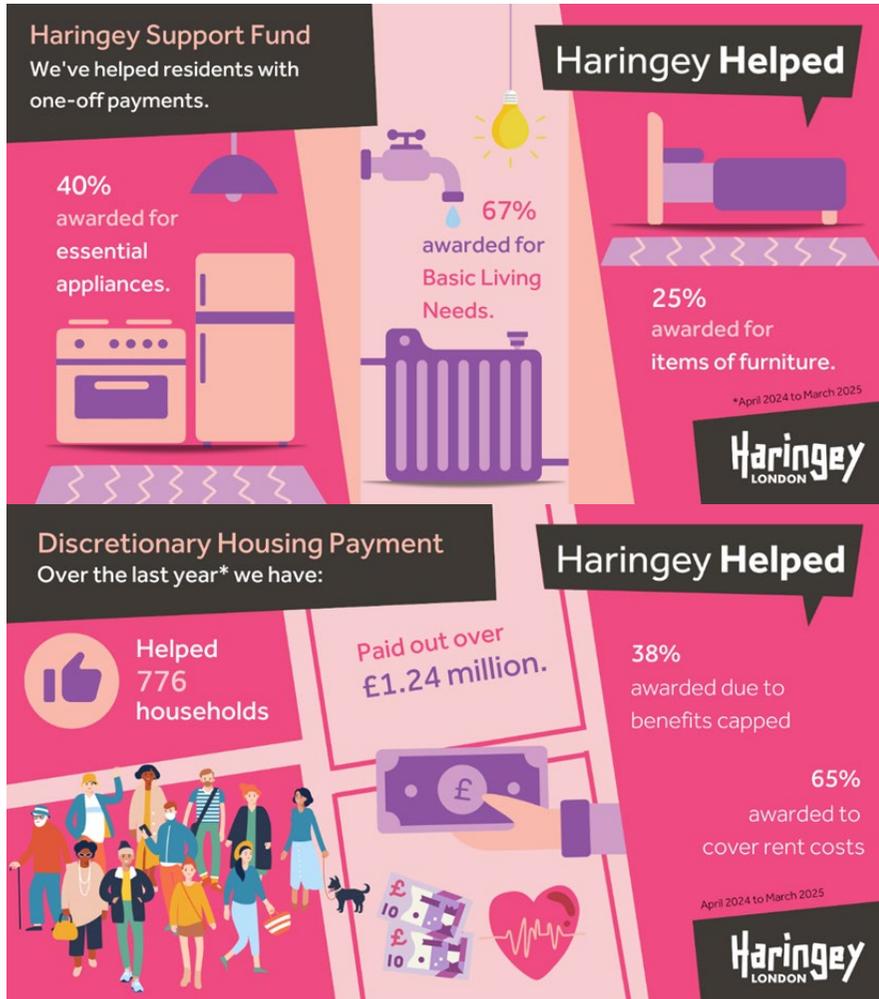
This builds on the Haringey Deal which sets out the council's commitment to developing a different relationship with residents, alongside the Corporate Delivery Plan (CDP) which sets out the organisational priorities every two years.

The most recent CDP was approved by Cabinet in July 2024 and can be found here - [The Corporate Delivery Plan 2024-2026 \(haringey.gov.uk\)](#). It outlines the strategic objectives, priorities, and initiatives aimed at creating a fairer, greener borough. The plan is set out in eight separate themes:

- Resident experience and enabling success
- Responding to the climate emergency
- Children and young people
- Adults, health and welfare
- Homes for the future
- Safer Haringey
- Culturally rich borough
- Place and economy.

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## HOW HARINGEY HAS HELPED RESIDENTS IN 2024/25 AND DELIVERED ON ITS PRIORITIES



### New Accommodation for Vulnerable Adults

The council secured an £850,000 grant from the Single Homeless Accommodation Programme to open a 24/7 supported facility at St Vincent Mews. Thirteen beds are available for adults with complex needs (e.g., mental health, substance misuse), providing wrap-around recovery support

### Boost in Homeless Transition Support

Selected by the GLA and London Councils, Haringey participated in a pilot resettlement support scheme at Mulberry Heights. This initiative, managed with Thames Reach, helps residents move on more effectively from hostels into permanent housing

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## **New Council Homes Delivered**

In March 2025, Cabinet approved 37 new energy-efficient, affordable council homes (27 two-bed, 3 adaptable three-bed units). These contribute to Haringey's target of 3,000 new homes by 2031 under an award-winning housebuilding programme

## **Street-Tree Planting Initiative**

Through collaboration with Trees for Streets and community crowdfunding, 20 new trees were planted in West Green Road. These efforts partially funded by Haringey Council help enhance biodiversity, reduce heat, and bring residents together

## **Community Showcase & Voluntary Sector Funding**

In December 2024, the annual Haringey Community Showcase hosted over 50 local groups. Awards recognised key contributions (e.g., Daughters United, Wheely Tots), and Challenge Fund grants were awarded to support food security, green initiatives, skills, and employment

## **Extended Household Support Fund**

Government funding of £2.4 million (Oct 2024–Mar 2025) was used to:

- Provide automatic vouchers (usually £100) to residents on Housing Benefit or Council Tax Reduction.
- Issue school holiday meal vouchers for children eligible for free school meals.
- Offer additional support through the discretionary Haringey Support Fund

## **Recruitment of Foster Carers**

The "Everything" campaign aimed to recruit at least 30 additional foster carers in 2024/25, using a powerful film to encourage residents to transform children's lives through fostering

## **Celebrating Looked-After Children's Achievements**

Over 100 children in care were honoured at the Haringey Education Achievement Awards 2024, held at Tottenham Hotspur Stadium, recognising their success in academics, leadership, and community involvement

## **Award-Winning Planning & Regeneration**

In August 2024, the Planning team won "Local Authority Team of the Year" at the Planning Awards, and the Carbon Management team was commended. Their sustainable placemaking toolkit supports low-carbon development across the borough

## **HIGHLIGHTS AND ACHIEVEMENTS**

The Council reports on its performance against the Corporate Delivery Plan every 6 months to Cabinet and Overview and Scrutiny Committees. Full details are published and includes:

- Launched the first dedicated Arts & Culture Strategy in 20 years (Oct 2024), setting a five-year roadmap ahead of the London Borough of Culture 2027. Emphasises is on partnerships and inclusivity, with a focus on youth creative pathways.
- Recognition at the MJ Awards 2024 – "Delivering Better Outcomes" for Haringey's bold plan to deliver 3,000 new council homes by 2031. Over 2,000 energy-efficient homes

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are now complete or in progress, reinforcing sustainable, affordable housing.

- Haringey's Planning team were named Local Authority Team of the Year at 2024 Planning Awards; also honoured for creating a London's Low-Carbon Development Toolkit alongside Hackney and London Councils
- The St Ann's New Neighbourhood received acclaim for best use of publicly owned land and the regeneration work in Tottenham is an example of community led planning through Tottenham Voices.
- The Education Achievement Awards 2024 at Tottenham Hotspur Stadium celebrated over 100 looked-after children aged 11–16 for their leadership, academics, and social impact.
- Haringey Community Showcase (Dec 2024) brought together more than 50 community groups, with Challenge Fund grants awarded. Highlighted success stories included Daughters United and Wheely Tots.
- Ranked 6th out of 25 London boroughs in the latest Good Parks for London. Haringey was noted for significant improvements in public satisfaction, events, community involvement, and strategic planning.
- Disability Action Haringey secured a £40,000 grant via Haringey Circle and ADOBE Foundation to reduce isolation through inclusive social activities.
- Custom walking and cycling route maps were launched for students using the SALI portal (Nov 2024), promoting healthier, low-carbon school journeys
- £2.7m capital funding from DfE has been used to create up to 50 additional SEND places.

## POLITICAL STRUCTURE

As at the balance sheet date of 31st March 2025, the Council consisted of 57 Councillors, split into 21 wards each represented by either 2 or 3 councillors.

The political composition of the Council at that time was:

- Labour 45
- Liberal Democrats 7
- Green 1
- Independent Socialist (Former Labour) 3
- Independent (non-aligned) 1

Full Council is where councillors decide the council's overall policies and set the budgetary framework each year.

Full Council meets 4 times a year, plus the annual meeting, and any other special meetings.

There are the key committees and boards that make decisions in the council. Cabinet is a key decision-making body appointed by the Leader of the Council. The Cabinet meets approximately every 4 weeks and there are currently 10 [Cabinet members](#).

Supporting the work of the elected members is the Council's Leadership Team (CLT). At 31 March 2025, CLT comprises 6 Directors and led the Chief Executive:

- Director of Finance (S151 Officer)
- Director of Children's Services
- Director of Adult, Health & Communities
- Director of Environment & Resident Experience
- Director of Placemaking & Housing
- Director of Culture, Strategy & Engagement

A new senior management structure was implemented from 1 April 2025 and the 2025/26 monitoring reports and Statement of Accounts will reflect the new structure which has reduce the number of directorates to 5.

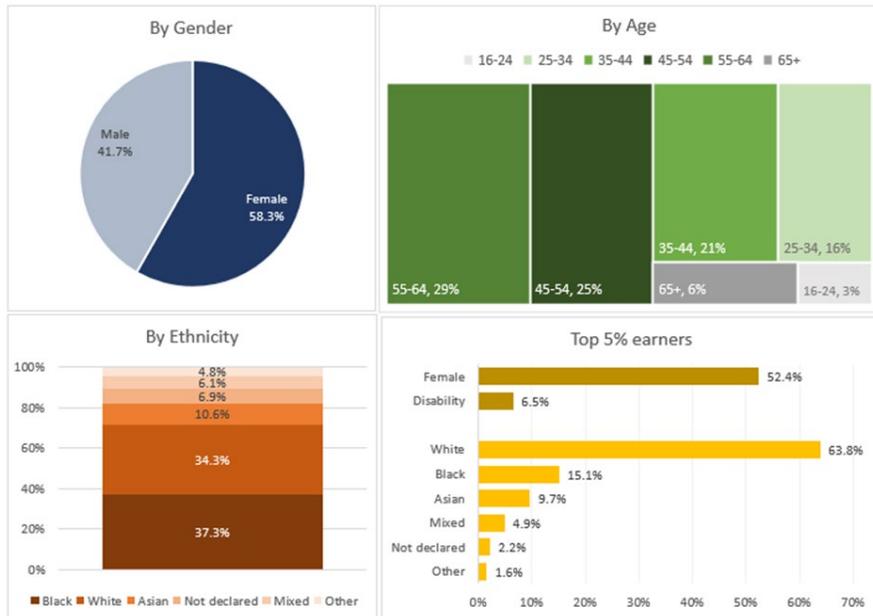
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## HARINGEY WORKFORCE

The Council now employs 3,620 people on full and part time contracts, equating to a full-time equivalent of 3,354 as at the end of 2024/25. This represents an 8% increase in the workforce compared with the workforce at the end of 2023/24. Filling of vacant positions and the insourcing of Leisure Centres are the main driving factors behind this increase.

The Haringey Council Employment Profile gives an overview of the organisation's workforce covering the various diversity strands such as disability, gender, ethnicity, and age. The profile helps us to understand the impact of people management practices on employees; to review and implement policy; and to enable the council to fulfil its obligations under the Equality Act 2010

Given the Council's financial position, staff numbers and costs are an area of review. All Directorates are required to make a 5% reduction in 2025/26 (£8.6m) and all new recruitment (permanent and temporary) is subject to approval by the Recruitment Panel.



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## THE COUNCIL'S STATEMENT OF ACCOUNTS

The Statement of Accounts for the London Borough of Haringey summarises the Council's financial transactions for 2024/25 and its position as at 31<sup>st</sup> March 2025. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 (amended) in accordance with proper accounting practices. Proper practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code), supported by International Financial Reporting Standards (IFRS). The format and content of the accounts is largely prescribed and is, in some parts, complex, although we try to balance the statutory reporting requirements with the desire to make them clear and understandable to all interested parties. The Statement of Accounts has been prepared on the basis that the council is a going concern; however, this is with the use of Exceptional Financial Support from Government in 2024/25 of £10m.

## FINANCIAL PERFORMANCE

### Overview

Haringey Council is responsible for managing cash flows and assets totalling over £5.8bn.

Key figures for 2024/25 include:

- Gross revenue expenditure (spending on day-to-day services) of around £1.3bn.
- Income from fees, charges and grants of £856m.
- Billing of around £255m in council tax and business rates.
- Maintenance of fixed assets with a value approximately £3.6bn,

including capital investment of £243m in housing, schools, highways and regeneration projects.

- Management of the £1.9bn Haringey Pension Fund.

The Council aims to minimise financing costs and maximise returns from surplus cash balances, within a low-risk treasury management strategy. The Strategy was reviewed and approved during the financial year. External borrowing at 31 March 2025 was £993m. In common with the rest of local government, the Council continues to operate within an environment of ongoing reductions in core funding and increasing demand for its services.

Against this backdrop, the Council has maintained sound financial stewardship whilst at the same time developed innovative and collaborative approaches to service delivery, transformation and regeneration to help ensure future financial sustainability.

## Revenue spending in 2024/25

The Council's unearmarked general fund balance showed a stable position at the end of 2024/25 £15.2m (£15.2m as at 31 March 2024).

The total general fund balances (including schools) were £52.2m on 31 March 2025 (£67.4m as at 31 March 2024). This decrease is attributed to the drawdown from earmarked reserves of £15.2m to cover the General Fund overspend for the 2024/25 financial year including £5.1m for transformation projects/service reorganisation and a worsening of the school deficit position by £1.1m.

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## Housing Revenue Account (HRA)

The Council owns approximately 16,000 homes which are managed through a separate ring-fenced account known as the Housing Revenue Account (HRA). During 2024/25, £132m was collected in rents and service charges (£116m in 2023/24) and revenue spending on repairs, maintenance and management was £84m (£75m in 2022/23). During 2024/25, capital investment in the housing stock was £160m (£159m in 2023/24). The HRA unearmarked usable reserves were £20.1m as at 31 March 2025 (£21.1m at 31 March 2024).

## Provisional Revenue Outturn Summary

The General fund reported a provisional services outturn to budget adverse variance of £37.83m. This is before the application of corporate underspends and use of contingency budget. The overall provisional outturn, including the corporate budgets is a balanced position after the application of £10m Exceptional Financial Support (EFS). The capitalisation direction allows the Council to capitalise the £10m revenue expenditures incurred in respect of the pressures. This is to be funded by borrowing.

The dedicated school grant (DSG) and Housing revenue account (HRA) reported adverse variance of £1.44m and £3.63m respectively. It should be noted that the HRA closed 2024/25 with a circa £20.2m reserve.

The table below summarise the provisional revenue outturn.

Management Area	Revised 2024/25 Budget	Provisional Outturn	Revised Outturn to Budget Variance
	£'000	£'000	£'000
Children's Services	76,186	79,490	3,305
Adult & Social Services	79,721	95,547	15,826
Housing Demand, including temporary accommodation	23,457	33,268	9,810
Public Health	19,942	19,943	0
Environment & Resident Experience	19,128	18,342	(785)
Environment & Resident Experience Housing Benefit	(1,576)	5,135	6,711
Placemaking & Housing	4,101	6,845	2,744
Culture, Strategy & Engagement	13,548	13,447	(100)
Finance, Procurement and Audit	361	684	323
<b>Directorate Service- Total</b>	<b>234,867</b>	<b>272,701</b>	<b>37,834</b>
Capital Financing Charges	17,315	13,275	(4,040)
Contingency	10,147	2	(10,145)
Treasury Management Charges	13,264	12,848	(416)
Other Corporate Budgets	26,946	17,150	(9,796)
<b>Corporate Budgets - Non-Service Total</b>	<b>67,672</b>	<b>43,275</b>	<b>(24,396)</b>
<b>General Fund-Directorate Service &amp; Non-Service</b>	<b>302,539</b>	<b>315,976</b>	<b>13,437</b>
External Finance	(302,539)	(305,976)	(3,438)
Exceptional Finance Support (EFS)	0	(10,000)	(10,000)
<b>General Revenue Total</b>	<b>0</b>	<b>0</b>	<b>(0)</b>
DSG	229,131	230,572	1,441
HRA	0	3,626	3,626
<b>Haringey Total</b>	<b>0</b>	<b>4,025</b>	<b>4,025</b>

Children's services reported an adverse variance of £3.3m. This is mainly driven by increased costs of placements, prevention, and early interventions.

Adult, Health & Communities reported an adverse variance of £15.8m. This mainly due to the ongoing increase in the demand for care and support; and increasing cost in care packages.

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Housing Deman reported an adverse variance of £9.8m. This mainly due to huge increases in cost of Nightly paid accommodation and Bed and Breakfast, driven by shortage in accommodation.

Environment & Resident Experience – Housing Benefit reported an adverse variance of £6.7m. This is driven by two factors; unfunded spend on statutory Housing Benefit payments to Supported Exempt Accommodation (SEA) providers and a change in methodology for forecasting recovery of a significant debt, which has increased the bad debt provision (BDP) for 2024/25.

Placemaking & Housing reported an adverse variance of £2.7m. This is mainly due to increase in bad debt provision, and overestimation of rental and recharge incomes.

Dedicated School Grants & Schools reported an adverse variance of £1.4m. The main pressure remains in the High Needs Block which ended the year with a deficit of £2.5m. This was mitigated by is an in-year surplus on the Early Years Block of £1.1m.

The Housing Revenue Account reported adverse variance of £3.6m. HRA was budgeted to generate a surplus of £8.6m. At the end of the financial year, it generated £5.0m surplus. This is mainly driven by increase in cost of Legal Disrepair, tenants' compensation, & works payments.

## Capital Investment

Each year the Council approves its Medium-Term Financial Strategy (MTFS) which includes the Council's capital investment programme which spans the forward-looking five-year period. The Council has an ambitious capital programme of slightly under £1bn, over the 5-

year period, to deliver on its priorities within the borough plan.

In 2024/25, £243m was invested in the council's capital programme including schools and HRA. Capital planning is, by its nature complex and often dependent on negotiation and external approvals. This means that the precise timing of spend is often uncertain.

## Provisional Capital Outturn Summary

The Council' capital budget changed from that agreed by Council at its budget setting meeting in March 2024. A range of factors contribute to this movement: the incorporation of the previous year's brought forwards into the budget, new grants being received mid-year, and live budgeting which realigns and reprofiles resources in the light of scheme progress.

The General Fund (GF) capital programme reported an overall underspend of £21m. The Housing Revenue Account equally reported an underspend of £86m in its capita programme budget.

These are mainly due to delays in schemes and pausing of schemes. These were driven by the rises in cost of materials and high interest rates, impacting on viability of most schemes. It is expected that most of these schemes will progress in 2025/26 as inflation and interest rates starts to come down.

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The table below summarises the provisional capital outturn.

Management Area	Revised 2024/25 Budget	Provisional Outturn	Revised Outturn to Budget Variance
	£'000	£'000	£'000
Children's Services	15,954	16,344	390
Adults, Health & Communities	7,444	6,778	(666)
Environment & Resident Experience	22,726	18,289	(4,437)
Placemaking & Housing	28,120	18,093	(10,027)
Culture, Strategy & Engagement	16,205	13,466	(2,739)
<b>General Fund Total</b>	<b>90,449</b>	<b>72,970</b>	<b>(17,479)</b>
HRA - Housing Revenue Account	246,331	159,939	(86,392)
<b>Total</b>	<b>336,780</b>	<b>232,909</b>	<b>(103,871)</b>
<b>Enabling Budgets</b>			
Placemaking & Housing(EB)	10,933	6,949	(3,984)
<b>Total</b>	<b>10,933</b>	<b>6,949</b>	<b>(3,984)</b>
<b>Corporate Items - EFS</b>	<b>20,000</b>	<b>10,000</b>	<b>(10,000)</b>
<b>Corporate items - Contingency</b>	<b>2,443</b>	<b>0</b>	<b>(2,443)</b>
<b>OVERALL TOTAL</b>	<b>370,156</b>	<b>249,858</b>	<b>(120,298)</b>

## Haringey Council Balance Sheet Position for Single Entity 31 March 2025

The Council's net assets on the balance sheet decreased by **£343m** in 2024/25, the high-level movements being:

### Favourable

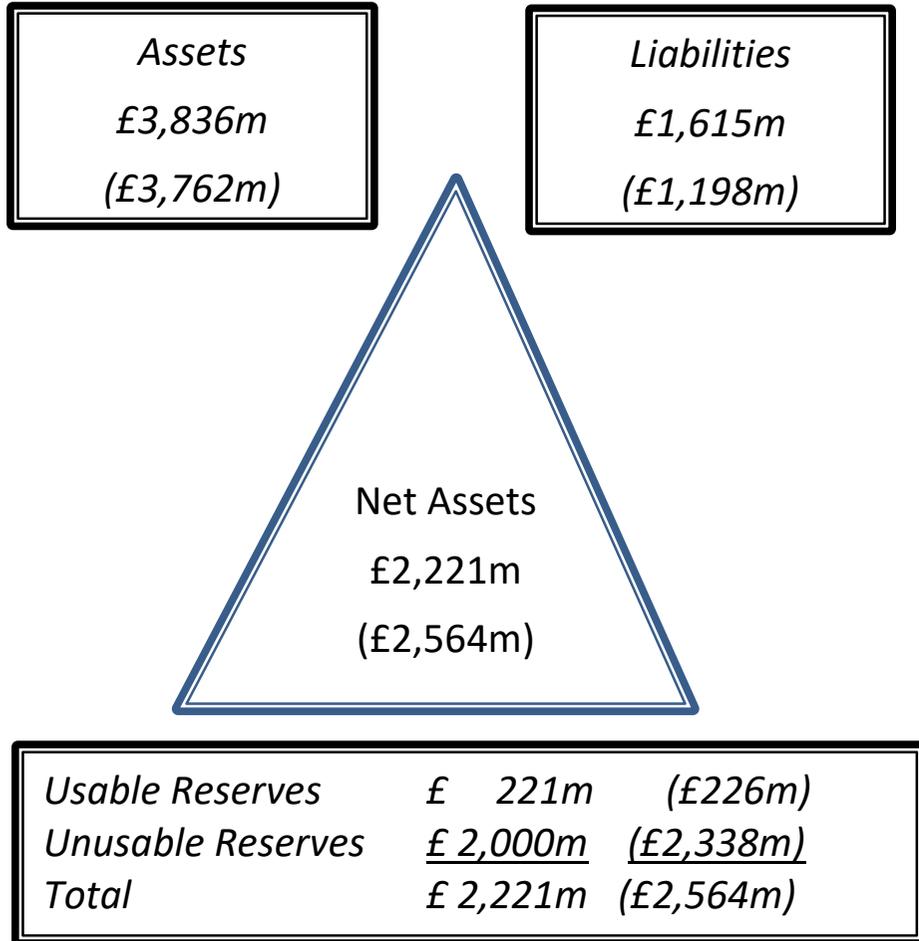
- An increase of **£139m** from capital expenditure investments in property, plant, and equipment & investment property valuations, right-of-use assets in respect of IFRS 16 requirement (see below).
- A reduction in liabilities by **£18m** due to lower capital and revenue grants received in advance.
- A decrease in long and short-term Provision, boosting net assets by **£2m**.

### Adverse

- Movements of **£300m** arising from the actuarial assumptions used in the valuation of the council's pension position. This has resulted in a change from a net defined benefit asset of £87m to a net defined benefit liability of £213m.
- An increase in long and short-term liabilities by **£164m** due to higher Council borrowing.
- An increase of **£25m** in long term liabilities as a result of the implementation of IFRS16 which requires the inclusion of the right-of-use assets and corresponding liability attributed to bringing operational leases into the balance sheet.
- A decrease of **£13m** in cash and cash equivalents, from £37m to £23m.

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The following summarises the Council's single entity balance sheet as at 31 March 2025



(Figures in brackets relate to position at 31 March 2024)

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## Pension Liabilities

- The net pension liability of **£213m** in these accounts represents the difference between the estimated cost of pensions payable in the future (**£2,011m**), and the value of assets in the pension fund (**£1,798m**). This is calculated based on rules set by accounting standards and not on an actuarial basis which gives a more accurate estimate of the pension fund's financial position.
- The Pension Fund is revalued every three years to set future contribution rates. The previous valuation on which the accounts are based was at **31st March 2022**. The results of the valuation as at 31<sup>st</sup> March 2025 will be reflected in 25/26 and onwards.
- On an actuarial basis, the funding level at 31 March 2025 for Haringey Council was assessed as 89% (overall the Haringey Pension Fund was 129% funded).
- The revenue cost of pensions was £46.04m for the year (£44.44 in 23/24)

## FINANCIAL OUTLOOK

The financial outlook for the Council and across the whole of the Local Government sector is challenging but particularly so for Haringey who is one of 30 authorities across the country that is relying on Exceptional Financial Support from Government to balance its budget.

Haringey is determined to be in control of its own destiny and in response to its own financial position, emergency response arrangements have been in place since early 2025 to deliver on a Financial Response and Recovery Plan which has the overall objective of reducing reliance on EFS in the future and improve the Council's financial resilience and sustainability.

The latest Medium Term Financial Strategy shows that there is a budget gap of £34m for 2026/27 and £122m across the years to

2029/30. This assumes that the £37m expected use of EFS in 2025/26 will continue to be borrowed year on year from the Government but no further EFS is required to balance the budget for future years. The ongoing borrowing of the £37m is not ideal but considered realistic at this stage given the new financial pressures the Council is dealing with over the next five years. The Council will continue to express its concern to Government that EFS and the impact this has on borrowing costs year on year is not a solution to dealing with the shortfall of funding in the sector.

The more than planned use of reserves in 2024/25 as one-off contributions for funding the service overspends means that balances are low for managing risks and uncertainties. Over the medium term, the Council's Reserves Policy will look to increase reserve balances for managing risks to a level which is more sustainable and to better protect against future uncertainties. A small contribution of £3m is assumed across the MTFS period to replenish the strategic budget planning reserve.

All reserves will be subject to review and a five-year forecast is in place that is reviewed annually as part of the budget setting process. For 2024/25, corporate contingencies were used to fund the overall overspend but going forward, any requirements will be monitored and reported in year.

The Council's capital programme is reviewed annually with a view to reducing the level of borrowing which data shows is high compared to our peers and as a percentage of our net budget with any proposals to remove / add schemes reported in the Autumn of each year for consultation in advance of the capital programme being agreed by Council in March of each year.

# NARRATIVE REPORT

From 2025/26, the Council introduced an additional financial report for Cabinet and its Medium-Term Financial Strategy will be published each year to provide an update on the forward looking forecast and set the foundations and approach for balancing the budget in the forthcoming year. The latest will be presented to [Cabinet on 15 July 2025](#).

Work with Government to seek a fair funding deal for Local Authorities will continue and the Council will continue to respond to Government consultations, stressing the importance of recognising Council's as a key partner in delivering local services but that meeting statutory requirements with the current level of Government funding is becoming increasingly difficult.

We know that more of our residents are living longer and/or often have more complex needs which continues to put pressure on our Adult Social Care and children's social budgets.

Shortage of accommodation and increase in demand across London has put much pressure on our homelessness budget. The use of bread and breakfast and nightly paid accommodation, which comes at a huge cost, is still high. Plans are in place to mitigate this pressure by increasing the supply of permanent homes through our housing delivery and acquisition programmes as well as £488m of investment into our existing stock over the next five years. This is all at a time when our Housing revenue accounts (HRA) is facing financial viability challenges in the short to medium term. Another key area of future challenge is around Council's compliance to changes in changes in building safety and fire safety acts.

Although a balanced budget has been set for 2025/26 on the General Fund with an assumed £37m use of Exceptional Financial Support from the Government, the Council has now increased the EFS

request for 2025/26 to £54m (additional £17m to fund the current forecast years overspend). The Council is facing several risks, uncertainties and challenges. This ranges from difficulties collecting arrears, increased demand and price of services, to the impact of economic factors of inflation and interest rates which, although have come down are still above the Government's target of 2%.

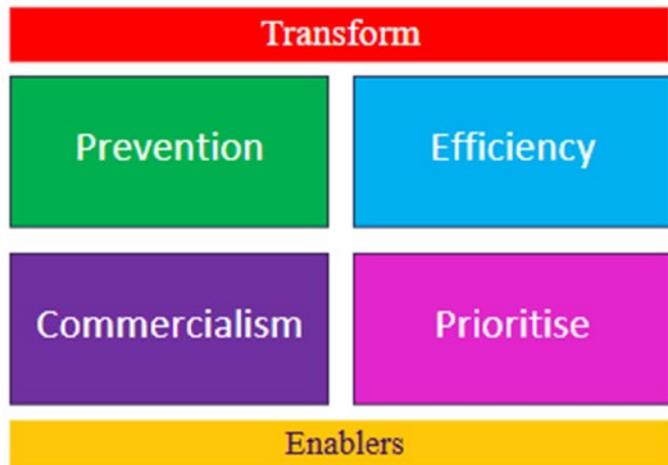
It is therefore important that the Council takes a prudent approach in the assumptions it uses to set the budget each year and its medium-term outlook, that these are based on data and evidence known but that remain under regular review. The Council is putting in place measures to improve arrears collection such as debt boards and review of debt/collection policies.

Corporate contingency included within the budget for 2025/26 is held of £10m to manage these risks, alongside a general fund balance being retained at £15.2m and this level is unlikely to reduce across the term of the Medium-Term Finance Strategy.

Work has already commenced on planning for 2026/27 budget and although the focus is on next year, the publication of a three-year multi-settlement from Government will enable the Council to move to an approach that looks to improve financial sustainability across the medium term.

The process commenced with the Budget Series sessions to identify new savings options (reduce costs and increase income) and these have been considered in accordance with the four financial sustainability lenses shown in the graphic and with an overarching theme of transformation and service re-design.

# NARRATIVE REPORT



## Prevention

Aimed at reducing the high expected demand for social care and housing services expected over the medium term, it is critical that the Council has a greater focus on prevention and early intervention. There is evidence that supporting people at an earlier stage leads to better outcomes for the individuals as well as reducing costs to the Council.

## Efficiency

Achieving efficiencies must be part of the annual budgeting setting process across all services to ensure value for money. This will include modernising the way we work and deliver services, reducing and removing waste and consolidating and streamlining processes to consider how we achieve the same value with less resource or deliver more value for the same resource.

## Commercialism

Increasing income provides an opportunity to protect the Council's spending on priority services. An annual review of fees and charges to reflect full cost recovery will be undertaken and will include an improvement in internal processes to ensure income due can be collected as well as making it easier for residents, businesses and visitors to make payment through increased use of technology and digital channels. The Council will also consider opportunities on how the Council can generate additional revenue through greater utilisation of its assets and services, through partnership and shared working across the public and the private sector, maximising opportunities for external funding and considering alternative arrangements for protecting service delivery such as shared services.

## Prioritise

With a legal requirement to set a balanced budget each year and to minimise the use of Exceptional Financial Support, a smaller financial envelope will mean that some prioritisation of services will be required because not everything may be affordable. Protecting services for the most vulnerable will always be a priority and any prioritisation of services will be within the context of the Corporate Delivery Plan.

Further details on this approach are set out in the [latest Medium Term Financial Strategy](#)

The delivery of agreed savings of £30m set out in the March 2025 MTFS budget report will be critical to the Council retaining spend in line with the budget and a strengthened monitoring and reporting process has been established to improve of the 68% delivery in 2024/25 and reduce the savings not delivered in year.

# NARRATIVE REPORT

Our strategic application of the flexible use of capital receipts will help us to fund investment to deliver the sustained revenue savings built into our MTFS.

Whilst we recognise that we will continue to face challenging times, we will continue to focus on our key role in building strong communities, using the resources at our disposal to support economic growth and tackle inequality.

## HRA

Our Housing Revenue Account (HRA) presents a complex financial outlook, with a mix of challenges and potential for improvement. While our longer-term projections offer a degree of optimism, the immediate financial pressures and the need for increased investment in existing homes remain significant.

The HRA's 30-year financial plan suggests a potential for surpluses in the long term. However, there are significant short-term deficits and financial strain on maintenance of our housing stock. These pressures are largely due to a combination of rising costs, interest rates, government policies/we regulations for social housing providers, and the need for increased investment in housing stock.

2025/26 is particularly challenging as our budgeted surplus is many millions way of our ideal £8m year on year minimum. We are working to ensure that in-year savings are identified while the already agreed savings are delivered. There is a quarterly monitoring and reporting of the 30-year plan in place.

## DSG/SCHOOLS

Whilst there has been investment in schools nationally, Haringey schools like most of London has been seeing a fall in pupil number which largely has resulted in a small increase in funding and not enough to cover the broader cost increases in schools. The High Needs Block (HNB) deficit for 2024/25 is £2.5m. Haringey continue to make positive progress in managing down the deficit on the HNB within the Department for Education agreed Safety Valve Programme, though many of the larger savings to be delivered are expected to be realised in the final two years of the programme, where significant risk remain. The Safety Valve programme has 14 project lines that expect to deliver long term cost reduction with the DfE providing funding of £29.9m over the period 2022/23 to 2027/28.

## RISK MANAGEMENT

The Risk Management Strategy has been reviewed and updated to ensure it continues to provide robust governance to support risk management across the Council. With the level of risk and uncertainty facing the Council, going forward, risk management across the organisation will continue to be strengthened. Corporate risks are reviewed quarterly and reported through Corporate Leadership Team and the latest Corporate Risk Register will be considered by Audit Committee in July 2025 and can be found here, however, further work is required on the monitoring and reporting of Directorate risk registers.

The main risk, in the context of this statement of accounts, is the financial pressure under which the Council found itself.

# NARRATIVE REPORT

## EXPLANATION OF THE KEY ACCOUNTING STATEMENTS

The Statement of Accounts sets out the Council's income and expenditure for the year and its financial position as at 31 March 2025. It comprises core and supplementary statements together with disclosure notes. The format and content of the financial statements is prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, which in turn is underpinned by International Financial Reporting Standards.

### The Core Statements comprise:

- The **Comprehensive Income and Expenditure Statement** – this statement records all the Council's income and expenditure for the year. The top half of the statement shows the cost of providing services, analysed across the Council's priorities. The bottom half of the statement deals with corporate transactions and funding.
- The **Movement in Reserves Statement** is a summary of the changes in the Council's reserves over the course of the year. Reserves are divided into 'usable', which can be invested in capital projects or service improvements, and 'unusable', which must be set aside for specific purposes.
- The **Balance Sheet** is a snapshot of the Council's assets, liabilities, cash balances and reserves at the year-end date. The council's net assets are matched by its reserves. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the authority may use to provide services. The second category of reserves is those that the authority is not able to use to provide services. This includes reserves that hold unrealised gains and losses (for example the

revaluation reserve), where amounts would only become available to provide services if the assets are sold) and reserves that hold timing differences shown in the 'adjustments between accounting basis and funding basis' Note.

- The **Cash Flow Statement** shows the reason for changes in the Council's cash balances during the year and whether the change is due to operating activities, new investment or financing activities (such as borrowing and other long-term liabilities)

The **Group Accounts** combine the financial activities for the Council for the year with those of Homes for Haringey and Alexandra Park and Palace Charitable Trust, both of which are treated as subsidiaries of the Council.

### The Supplementary Financial Statements comprise:

- The **Housing Revenue Account** – this separately identifies the Council's statutory landlord function as a provider of social housing under the Local Government and Housing Act 1989
- The **Collection Fund** summarises the collection of council tax and business rates, and the distribution of that money between the Council, the Greater London Authority (GLA) and central government.
- The **Pension Fund Account** reports the contributions received, the payments made to pensioners and the value of net assets invested in the Local Government Pension Scheme on behalf of Council employees, past and present.

# NARRATIVE REPORT

Also published with the Statement of Accounts is the **Annual Governance Statement** (AGS). The AGS sets out the governance structure of the Council and its key internal controls.

## FEEDBACK

We are always seeking to improve our Statement of Accounts through engaging with our residents, members, colleagues, readers of our statement of accounts, and other stakeholders.

If you have any feedback on any aspect of the statement of accounts or ideas on how we can improve the presentation, please contact us at [finalaccounts@haringey.gov.uk](mailto:finalaccounts@haringey.gov.uk)

We appreciate your feedback. Should you require any part of this document in a different format or would like to discuss the content of any graphics or tables, please email [finalaccounts@haringey.gov.uk](mailto:finalaccounts@haringey.gov.uk)

We will consider your request and get back to you within 10 working days. Also copies of this statement of accounts can be obtained by contacting: [finalaccounts@haringey.gov.uk](mailto:finalaccounts@haringey.gov.uk)

# INDEPENDENT EXTERNAL AUDITOR'S REPORT

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COUNCIL OF LONDON BOROUGH OF HARINGEY

### REPORT ON THE AUDIT OF THE COUNCIL'S FINANCIAL STATEMENTS

#### Disclaimer of opinion

We were engaged to audit the financial statements of London Borough Of Haringey ("the Authority") for the year ended 31 March 2025 on pages 29 to 121 which comprise Group and Authority Comprehensive Income and Expenditure Statements, Group and Authority Balance Sheets, Group and Authority Movement in Reserves Statements, Group and Authority Statements of Cash Flows, Collection Fund, Housing Revenue Account and the related notes, including the Expenditure and Funding Analysis and the accounting policies in note 1.

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

#### Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 (the "Amendment Regulations") require the Authority to publish its financial statements and our opinion thereon for the year ended 31 March 2025 by 27 February 2026 (the "Backstop Date").

We have been unable to obtain sufficient appropriate audit evidence over a number of areas of the financial statements as we have been unable to perform the procedures that we consider necessary to form our opinion on the financial statements ahead of the Backstop Date.

London Borough of Haringey Statement of Accounts 2024/25

These areas were: the assessment of any impacts on the financial statements in respect of any incidences of fraud, the carrying amounts of Council Dwellings included within Property, Plant and Equipment, Other Long Term Lease Liabilities – PFI and Finance Leases, Impairment, Depreciation, and the balance of, and movements in, usable and unusable reserves for the year ended 31 March 2025 for the Group and the Authority.

In addition, we have been unable to obtain sufficient appropriate evidence over a number of areas of the financial statements in relation to the disclosed comparative figures for the Group and the Authority for the year ended 31 March 2024 due to the Backstop Date. These areas include, but were not limited to, those listed above and the carrying amount of property, plant and equipment, pension assets, the valuation of investment properties, disclosure of related party transactions and the net assets as at 1 April 2023. As a result, we were unable to determine whether any adjustments were necessary to the amounts recorded in relation to these areas as at 31 March 2024, or whether there were any effects on the Group's and the Authority's income and expenditure for the years ended 31 March 2024 and 2025.

Any adjustments from the above matters would have a consequential effect on the Group's and the Authority's net assets and the split between usable reserves, including the Housing Revenue Account, and unusable reserves as at 31 March 2025 and 31 March 2024, the Collection Fund and on its income and expenditure and cash flows for the years then ended.

#### Fraud and breaches of laws and regulations – ability to detect

As stated in the Disclaimer of opinion section of our report, we do not express an opinion on the financial statements due to the reasons described in the Basis for disclaimer of opinion section of our report.

# INDEPENDENT EXTERNAL AUDITOR'S REPORT

## Other information

The Corporate Director Of Finance & Resources (the "Section 151 Officer") is responsible for the other information, which comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. Any opinion on the financial statements would not cover the other information and we do not express an opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Due to the significance of the matters described in the *Basis for disclaimer of opinion* section of our report, and the possible consequential effect on the related disclosures in the other information, whilst in our opinion the other information included in the Statement of Accounts for the financial year is consistent with the financial statements, we are unable to determine whether there are material misstatements in the other information.

## Section 151 Officer's and Audit Committee's responsibilities

As explained more fully in the statement set out on page 28, the Section 151 Officer is responsible for the preparation of financial statements in accordance with CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the

government of the intention to either cease the services provided by the Group and the Authority or dissolve the Group and the Authority without the transfer of their services to another public sector entity.

The Audit Committee of the Authority is responsible for overseeing the Authority's financial reporting process.

## Auditor's responsibilities

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

We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard.

## REPORT ON OTHER LEGAL AND REGULATORY MATTERS

### Report on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the "NAO Code of Audit Practice"), we are required to report to you if we identify any significant weaknesses in the arrangements that have been made by the Authority to secure economy, efficiency, and effectiveness in its use of resources.

Except for the matters detailed below, we have nothing to report in this respect.

# INDEPENDENT EXTERNAL AUDITOR'S REPORT

## **Significant Weakness 1 – Financial Sustainability (Financial)**

The Authority has developed Finance Response & Recover plans with the aims of reducing short to medium term expenditure to remove the reliance upon Exceptional Financial Support (EFS) for 2025/26 and avoid the need for it in 2026/27. However, in January 2026 the Authority increased the EFS request for 2025/26 to £54m, which consists of the £37m that has already been agreed in principle in February 2025 and an additional £17m to fund the current forecast overspend. Additionally, there is a predicted £84m of EFS required for 2026/27, including the recurrent impact of relying upon EFS for 2025/26 and 2024/25. Additionally, these EFS requests assume that the 2025/26 agreed savings schemes of £29m are delivered.

Based on these findings we have determined that there is a significant weakness in arrangements relating to financial sustainability.

We recommend that the Authority continues to robustly monitor and implement the recovery plans through the newly formed Financial Recovery Board, and also continues to improve and challenge the budget setting process to ensure that all financial pressures can be incorporated.

## **Significant Weakness 2 – Financial Resilience (Cost Saving)**

There is a lack of an effective process for identifying and delivering cost saving programmes, which risks putting pressure on an already strained financial outlook. The Authority and Group is exposed to a risk of significant financial loss as a result of inadequate management arrangements, with a lack of process for the systematic identification of savings opportunities and rigorous implementation and monitoring of savings plans.

Based on these findings we have determined that there is a

significant weakness in arrangements relating to the identification and monitoring delivery of cost saving schemes.

We recommended that the Authority continues to implement changes to the financial management culture across its Services to ensure that the financial implications of decisions are given as prominent as focus as the quality of service. We also recommended that the Authority introduces more robust processes for the identification and monitoring delivery of savings.

## **Significant Weakness 3 – Improving Economy, Efficiency & Effectiveness (Commercial Property)**

The Authority, as lessor, does not have full oversight of its responsibilities in relation to commercial property leases – driven by a lack of record keeping and digitisation. This brings several potential financial, legal and operational challenges. Without effective oversight, there may be missed rental receipts or a failure to adjust rents or lease terms in line with current market conditions. The above could also lead to neglecting legal obligations in relation to maintenance or compliance with health and safety. From an operational perspective, this lack of oversight may also hinder the Authority in utilising its portfolio effectively to achieve its broader goals.

Based on these findings we have determined that there is a significant weakness in arrangements relating to commercial property.

We recommended that the Authority reviews all its commercial property leases to ensure it has a complete and accurate record of these.

# INDEPENDENT EXTERNAL AUDITOR'S REPORT

## **Significant Weakness 4 – Improving Economy, Efficiency & Effectiveness (Procurement)**

The Authority's strategic procurement current systems do not have the functionality to produce valuable monitoring data, and the process in place remains manual rather than automated due to the lack of a new procurement system solution. A lack of monitoring and involvement of procurement specialists may lead to Authority funds being wasted on poorly managed or negotiated contracts.

Based on these findings we have determined that there is a significant weakness in arrangements to deliver economy, efficiency and effectiveness in the Authority's use of resources, specifically relating to procurement arrangements.

We recommended that the Authority prioritises the implementation of its new procurement system.

## **Significant Weakness 5 – Improving Economy, Efficiency & Effectiveness (Adult Social Care)**

The Authority did not adequately forecast the increase in cost for Adult Social Care given the known planned increases in resource within the service. This additional resource was introduced in order to increase the number of Care Act assessments being undertaken, hence the associated overall cost could have been better anticipated within the financial forecast.

Additionally, the Authority received a 'Requires Improvement' Care Quality Commission (CQC) inspection and several findings as part of a Local Government Social Care Ombudsman (LGSCO) report.

We recommend that management takes steps to ensure that a more prudent estimate of forecast activity is captured within the budget setting process for FY27, making appropriate use of

expected care act assessment numbers

We recommend that the Authority progresses and monitors its Adults Improvement Plan to address the findings of the CQC inspection and LGSCO report to ensure that the necessary improvements are implemented.

We also recommend that work continues to improve the speed with which the Authority completes the financial assessment of clients, such that all those who are deemed eligible to contribute towards their care can do so in a timely manner.

## **Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources**

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are required under section 20(1) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively. We are also not required to satisfy ourselves that the Authority has achieved value for money during the year.

We planned our work and undertook our review in accordance with the NAO Code of Audit Practice and related statutory guidance, having regard to whether the Authority had proper arrangements in place to ensure financial sustainability, proper governance and to use information about costs and performance to improve the way it manages and delivers its services. Based on our risk assessment, we undertook such work as we considered necessary.

# INDEPENDENT EXTERNAL AUDITOR'S REPORT

## Statutory reporting matters

We are required by Schedule 2 to the NAO Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 and Schedule 7 of the Local Audit and Accountability Act 2014; or
- we make written recommendations to the Authority under Section 24 and Schedule 7 of the Local Audit and Accountability Act 2014; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in this respect.

## THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the members of the Authority, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the members of the Authority, as a body, for our audit work, for this report, or for the opinions we have formed.

## DELAY IN CERTIFICATION OF COMPLETION OF THE AUDIT

We are unable to certify that we have completed the audit of the London Borough Of Haringey for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the NAO Code of Audit Practice for the following reasons:

- As at the date of this audit report, we are unable to confirm that we have completed our work in respect of the Authority's Whole of Government Accounts consolidation pack for the year ended 31 March 2025 because we have not received confirmation from the NAO that the NAO's audit of the Whole of Government Accounts is complete; and
- The certification of completion of the audit has not yet been issued in respect of the year ended 31 March 2024.

Until we have completed this work, we are unable to certify that we have completed the audit of the London Borough Of Haringey for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the NAO Code of Audit Practice.



**Timothy Cutler**

**for and on behalf of KPMG LLP**

*Chartered Accountants*

1 St Peter's Square

Manchester

M2 3AE

26 February 2026

# STATEMENT OF RESPONSIBILITIES

## 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, the Chief Financial Officer is the Corporate Director of Finance & Resources;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

## The Chief Financial Officer's responsibilities

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 Code of Practice on Local Authority Accounting in the United Kingdom ('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; and
- complied with the Code of Practice.

The Chief Financial Officer has also:

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

## Certification by Chief Financial Officer

I certify that the accounts give a true and fair view of the financial position of the Council at 31 March 2025 and its income and expenditure for the year then ended.



**Taryn Eves**  
**Corporate Director of Finance & Resources (S151 Officer)**

**25 February 2026**



**Councillor Erdal Dogan**  
**Chair of Audit Committee**

**25 February 2026**

# COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

Single Entity	2024/25			2023/24		
	Gross	Gross	Net	Gross	Gross	Net
	Expenditure	Income	Expenditure	Expenditure	Income	Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	164,755	(73,349)	91,406	156,915	(62,380)	94,535
Adults, Health & Communities	277,066	(150,135)	126,932	246,925	(129,976)	116,949
Environment & Resident Experience*	266,263	(227,692)	38,571	99,494	(60,926)	38,568
Placemaking & Housing	19,259	(8,951)	10,308	33,826	(9,558)	24,268
Culture, Strategy & Engagement	29,380	(7,690)	21,690	201,269	(181,071)	20,198
Corporate Budgets - Service	4,139	(6,260)	(2,120)	4,435	(4,215)	220
Corporate Budgets - Non Service	38,795	(16,578)	22,217	25,523	(17,043)	8,480
Dedicated Schools Grant	232,966	(233,011)	(45)	217,480	(219,477)	(1,997)
Housing - HRA	284,373	(131,904)	152,469	209,289	(115,612)	93,677
<b>Cost of Services</b>	<b>1,316,996</b>	<b>(855,569)</b>	<b>461,428</b>	<b>1,195,156</b>	<b>(800,261)</b>	<b>394,899</b>
Other operating expenditure	12,011	(3,221)	8,790	8,654	(18,813)	(10,159)
Financing and investment income and expenditure	57,067	(14,091)	42,975	51,105	(14,284)	36,821
Taxation and Non-Specific Grant Income	0	(353,395)	(353,395)	0	(353,906)	(353,906)
<b>(Surplus) or Deficit on Provision of Services</b>	<b>1,386,073</b>	<b>(1,226,275)</b>	<b>159,798</b>	<b>1,254,915</b>	<b>(1,187,261)</b>	<b>67,654</b>
(Surplus) or deficit on revaluation of property, plant and equipment			(129,033)			(14,996)
Remeasurement of net defined benefit liability (Note 36)			312,417			(119,338)
<b>Other Comprehensive Income and Expenditure</b>			<b>183,384</b>			<b>(134,334)</b>
<b>Total Comprehensive Income and Expenditure</b>			<b>343,182</b>			<b>(66,680)</b>

\*See Note 39

# COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

Group Accounts	2024/25			2023/24		
	Gross	Gross	Net	Gross	Gross	Net
	Expenditure	Income	Expenditure	Expenditure	Income	Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	164,755	(73,349)	91,406	156,915	(62,380)	94,534
Adults, Health & Communities	277,066	(150,135)	126,932	246,925	(129,976)	116,949
Environment & Resident Experience	266,263	(227,692)	38,571	99,494	(60,926)	38,568
Placemaking & Housing	19,259	(8,951)	10,308	33,826	(9,558)	24,267
Culture, Strategy & Engagement	29,380	(7,690)	21,690	201,269	(181,071)	20,198
Corporate Budgets - Service	25,352	(40,456)	(15,104)	28,828	(28,368)	461
Corporate Budgets - Non Service	38,795	(6,260)	32,535	25,523	(17,043)	8,480
Dedicated Schools Grant	232,966	(233,011)	(45)	217,480	(219,477)	(1,997)
Housing - HRA	284,441	(131,905)	152,536	214,088	(120,411)	93,677
<b>Cost of Services</b>	<b>1,338,276</b>	<b>(879,448)</b>	<b>458,829</b>	<b>1,224,348</b>	<b>(829,211)</b>	<b>395,137</b>
Other operating expenditure	12,011	(3,221)	8,790	8,654	(18,813)	(10,159)
Financing and investment income and expenditure	57,067	(14,136)	42,931	51,248	(14,517)	36,731
Taxation and Non-Specific Grant Income		(353,395)	(353,395)	181	(353,906)	(353,725)
<b>(Surplus) or Deficit on Provision of Services</b>	<b>1,407,354</b>	<b>(1,250,200)</b>	<b>157,154</b>	<b>1,284,430</b>	<b>(1,216,446)</b>	<b>67,984</b>
(Surplus) or deficit on revaluation of property, plant and equipment			(103,407)			(8,447)
Remeasurement of net defined benefit liability (Note 36)			312,019			(119,753)
<b>Other Comprehensive Income and Expenditure</b>			<b>208,612</b>			<b>(128,200)</b>
<b>Total Comprehensive Income and Expenditure</b>			<b>365,766</b>			<b>(60,216)</b>

# MOVEMENT IN RESERVES STATEMENT

	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Major Repairs Reserve	Total Usable Reserves	Unusable Reserves	Total Single Entity Reserves	Group Reserve	Total Group Reserves
<b>2024/25</b>										
<b>Balance as at 31/03/2024</b>	(67,449)	(22,398)	(74,464)	(62,175)	0	(226,485)	(2,337,900)	(2,564,385)	(130,913)	(2,695,298)
<u>Movement in reserves during 2024/25</u>										
Total Comprehensive Income and Expenditure	43,717	116,081	0	0	0	159,798	183,384	343,182	22,584	365,766
Adjustments between accounting basis & funding basis under regulations (note 10)	(28,513)	(119,027)	(12,434)	5,354	0	(154,619)	154,619	0	0	0
<b>(Increase) / Decrease in 2024/25</b>	15,204	(2,946)	(12,434)	5,354	0	5,179	338,003	343,182	22,584	365,766
<b>Balance as at 31/03/2025 carried forward</b>	<b>(52,244)</b>	<b>(25,345)</b>	<b>(86,898)</b>	<b>(56,821)</b>	<b>0</b>	<b>(221,307)</b>	<b>(1,999,897)</b>	<b>(2,221,204)</b>	<b>(108,329)</b>	<b>(2,329,533)</b>
<b>2023/24</b>										
<b>Balance as at 31/03/2023</b>	(97,232)	(21,567)	(52,419)	(55,902)	(15)	(227,134)	(2,270,569)	(2,497,705)	(137,379)	(2,635,084)
<u>Movement in reserves during 2023/24</u>										
Total Comprehensive Income and Expenditure	29,740	37,914	0	0	0	67,654	(134,334)	(66,680)	6,466	(60,214)
Adjustments between accounting basis & funding basis under regulations (note 10)	43	(38,744)	(22,045)	(6,273)	15	(67,004)	67,004	0	0	0
<b>(Increase) / Decrease in 2023/24</b>	29,783	(830)	(22,045)	(6,273)	15	650	(67,330)	(66,680)	6,466	(60,214)
<b>Balance as at 31/03/2024 carried forward</b>	<b>(67,449)</b>	<b>(22,398)</b>	<b>(74,464)</b>	<b>(62,175)</b>	<b>0</b>	<b>(226,485)</b>	<b>(2,337,900)</b>	<b>(2,564,385)</b>	<b>(130,913)</b>	<b>(2,695,298)</b>

# BALANCE SHEET

	Notes	Single Entity		Group Accounts	
		31 March 2025	31 March 2024	31 March 2025	31 March 2024
		£'000	£'000	£'000	£'000
Property, Plant and Equipment	12	3,511,306	3,365,496	3,619,947	3,497,190
Heritage Assets		6,227	6,217	6,227	6,217
Investment Property	13	108,170	114,981	108,170	114,981
Intangible Assets		12,862	13,281	12,862	13,281
Long-term Debtors	14,16	9,198	9,317	4,156	3,734
Pension Assets	36	0	87,281	2,625	89,395
<b>Long Term Assets</b>		<b>3,647,763</b>	<b>3,596,573</b>	<b>3,753,987</b>	<b>3,724,799</b>
Short-term Investments	14	39	19	39	19
Inventories		675	647	876	850
Short-term Debtors	16	164,116	128,913	164,031	129,986
Cash and Cash Equivalents	17	23,214	36,545	30,125	42,725
<b>Current Assets</b>		<b>188,044</b>	<b>166,124</b>	<b>195,071</b>	<b>173,581</b>
Short-term borrowing	14	(120,180)	(110,422)	(120,180)	(110,422)
Short-term Creditors	18	(213,784)	(178,737)	(218,706)	(183,505)
Grants Receipts in Advance	30	(80,628)	(94,708)	(80,628)	(94,709)
Provisions	19	(10,031)	(13,938)	(10,031)	(13,938)
<b>Current Liabilities</b>		<b>(424,622)</b>	<b>(397,806)</b>	<b>(429,544)</b>	<b>(402,574)</b>
Long-term Creditors	18	(16,724)	(16,974)	(16,724)	(16,974)
Provisions	19	(16,791)	(14,741)	(16,791)	(14,741)
Long-term Borrowing	14	(873,113)	(719,243)	(873,113)	(719,243)
Pension Liabilities	36	(213,026)	0	(213,026)	0
Other Long Term Liabilities - PFI and Finance Leases	14	(52,874)	(27,781)	(52,874)	(27,781)
Grants Receipts in Advance - Capital	30	(17,452)	(21,768)	(17,452)	(21,768)
<b>Long-term Liabilities</b>		<b>(1,189,980)</b>	<b>(800,507)</b>	<b>(1,189,980)</b>	<b>(800,507)</b>
<b>Net Assets</b>		<b>2,221,204</b>	<b>2,564,385</b>	<b>2,329,533</b>	<b>2,695,298</b>
Usable Reserves		(221,307)	(226,485)	(251,617)	(255,093)
Unusable Reserves	20	(1,999,897)	(2,337,900)	(2,077,916)	(2,440,205)
<b>Total Reserves</b>		<b>(2,221,204)</b>	<b>(2,564,385)</b>	<b>(2,329,533)</b>	<b>(2,695,298)</b>

## CASH FLOW STATEMENT

	Note	Single Entity		Group Accounts	
		2024/25	2023/24	2024/25	2023/24
		£'000	£'000	£'000	£'000
Net surplus or (deficit) on the provision of services		(159,798)	(67,653)	(157,154)	(67,984)
Adjustments to net surplus or (deficit) on the provision of services for non-cash movements	21	252,172	235,928	253,635	236,929
Adjustments for items included in the net surplus or (deficit) on the provision of services that are investing and financing activities	21	(87,707)	(120,048)	(87,707)	(120,048)
<b>Net cash flows from Operating Activities</b>		<b>4,667</b>	<b>48,227</b>	<b>8,774</b>	<b>48,897</b>
Investing Activities	22	(149,606)	(143,738)	(152,982)	(145,232)
Financing Activities	23	131,608	27,180	131,608	27,180
<b>Net increase or (decrease) in cash and cash equivalents</b>		<b>(13,331)</b>	<b>(68,331)</b>	<b>(12,600)</b>	<b>(69,155)</b>
Cash and cash equivalents at the beginning of the reporting period		36,545	104,876	42,725	111,880
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>23,214</b>	<b>36,545</b>	<b>30,125</b>	<b>42,725</b>

# NOTES TO THE STATEMENTS

## 1. Accounting Policies

### 1.1 General Principles

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by UK adopted International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the Local Government Act 2003.

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.

### 1.2 Accruals of Income and Expenditure

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

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.

Accrual de minimis are generally £20,000 (revenue) and £50,000 (capital). However, where it is clear that the total owed or due from a single supplier/customer exceeds these amounts, an accrual will be raised. Exceptions to these levels are made where expenditure is funded by a time-limited grant.

### 1.3 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 a specified period no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of changes 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.

### 1.4 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; and
- 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 amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance called Minimum Revenue

# NOTES TO THE STATEMENTS

Provision (MRP) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement (MiRS) for the difference between the two.

## 1.5 Collection Fund

The council act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. The council is required by statute to maintain a separate fund (ie the collection fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the collection fund, the council, major preceptors and central government (for NDR) share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement (CIES) is the council's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the authority's General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the collection fund adjustment account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is

written down and a charge made to the taxation and non-specific grant income and expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

## 1.6 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, 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 (or any form of leave e.g., time off in lieu) earned by employees, but not taken before the year-end which employees can carry forward into the next financial year. The accrual is calculated at the wage and salary rates applicable in the following accounting year being the period in which the employee takes the benefit, with interim values on an estimated basis. To prevent fluctuations from impacting on council tax, the year-on-year change in cost generated by this accrual is charged to Surplus or Deficit on the Provision of Services but then reversed out through the MiRS so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

The Council has concluded that there is no material benefit in undertaking an annual determination of the accrual and has established a policy to undertake a review of the accrual every three years unless, in the intervening period, there is evidence of a change in circumstances which would materially affect the amount to be disclosed. In the absence of a significant change in staff numbers/inflation in the intervening period, the accrual would be

# NOTES TO THE STATEMENTS

uplifted based on the change in staff numbers. A review was done in 2023/24 to calculate the amount in this year's accounts. The next full recalculation will be in 2026/27.

## 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 appropriate service line in the CIES at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund 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 MiRS, 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 are predominantly members of two separate pension schemes:

- the Local Government Pensions Scheme (LGPS), administered by Haringey Council and
- the Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE)

Both schemes provide defined benefits to members (which include annual pensions and other benefits) earned as employees worked for the Council. However, the arrangements for the teachers' 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.

### i. The Local Government Pension Scheme

All employees (other than teachers) subject to certain qualifying criteria are able to join the Local Government Pension scheme (LGPS). The Scheme is accounted for as a defined benefit scheme. The Scheme is known as the London Borough of Haringey Pension Fund and is administered by Haringey Council in accordance with the Local Government Pension Scheme Regulations 2013 (and other LGPS Regulations) on behalf of all participating employers.

The liabilities of the Haringey 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 projections of projected earnings for current employees. Liabilities are discounted to their value at current prices.

The assets of Haringey pension fund attributable to the Council are included in the Balance Sheet at their fair value:

- quoted securities - current bid price
- unquoted securities - professional estimate
- unitised securities - current bid price
- property - market value

# NOTES TO THE STATEMENTS

The change in the net pension's 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 CIES to the services for which the employees worked.
- Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the CIES
- Net interest on the net defined benefit liability, i.e. net interest expense for the Council – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES – 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 at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

Re-measurements comprising:

- the return on plan assets – excluding amounts included in net interest on the net defined benefit liability – 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 Haringey Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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 MiRS, 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.

In accordance with IFRIC 14.20(b), the surplus available to the entity in respect of its participation in the funded Local Government Pension Scheme (LGPS) is constrained by the estimated future service cost in each period, less the minimum funding contributions required for future service in those periods. Additionally, a minimum funding liability is recognised in respect of any positive secondary contributions. It is therefore clear that no surplus is recognised from a reduction in contributions. Instead, where secondary contributions are positive, an additional liability arises, resulting in a net liability position for the entity's funded LGPS participation.

## ii. Teachers' Pension Scheme

This scheme is administered by Capita Teachers' Pensions, on behalf of the Department for Education (DfE). Although the scheme is unfunded, the Government operates a notional fund as the basis for calculating employers' contributions. This scheme is accounted for on a defined contribution basis – no liability for future payments is recognised in the Balance Sheet and the Children's Services line in

# NOTES TO THE STATEMENTS

the CIES is charged with the employer's contributions payable in the year. In addition, the Council is responsible for any payments relating to early retirements outside of the standard scheme. This scheme holds no assets.

## 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.

## 1.7 Events after the Balance Sheet Date

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:

- a) 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; and
- b) Those that are indicative of conditions that arose after the reporting period – the financial statements 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.

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

## 1.8 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 CIES for interest payable are based on the carrying amount of the liability multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

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 CIES is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the CIES, 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 was repaid. The reconciliation of amounts charged to the CIES to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the MiRS.

# NOTES TO THE STATEMENTS

## Financial Assets

Financial assets are initially measured at fair value and carried at their amortised cost. Annual credits to the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable and accrued interest, and the interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of a financial asset are credited or debited to the financing and investment income and expenditure line in the CIES.

### Expected credit loss model

The Council recognises expected credit losses on all its financial assets held at amortised cost, either on a 12-month or lifetime basis. 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 based on 12-month expected losses.

The authority recognises expected credit losses on all of its financial assets held at amortised cost [or where relevant FVOCI], either on a 12-month or lifetime basis.

## 1.9 Fair Value Measurement

The Council measures some of its non-financial assets such as surplus assets and investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- 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 or liability, assuming that market participants act in their economic best interest.

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

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

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

- Level 1 – quoted prices (unadjusted) in active markets for

# NOTES TO THE STATEMENTS

identical assets or liabilities that the Council can access at the measurement date

- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for the asset or liability

## 1.10 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 CIES until conditions attached to the grant or contributions 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 (non-ring-fenced revenue grants and all capital grants) in the CIES.

Where capital grants are credited to the CIES, they are reversed out

of the General Fund Balance in the MiRS. 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.

## 1.11 Interests in companies and other entities

The Council has reviewed its key financial relationships and assessed them against the Code of Practice and deemed the following to be within the Haringey group; Homes for Haringey Limited (HfH) and Alexandra Park and Palace Charitable Trust (APPCT). Therefore, consolidated Group accounts have been created in which all intra-group transactions have been removed. Investments in subsidiaries are held at cost less impairment.

## 1.12 Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the CIES. The same treatment is applied to gains and losses on disposal. Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the

# NOTES TO THE STATEMENTS

General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the MiRS and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

## 1.13 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. 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 authority is reasonably certain to exercise
- lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the authority 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 incentives received. However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

#### Subsequent measurement

The right-of-use asset is subsequently measured using the current value existing use model.

In these financial statements, right-of-use assets held using an average PWLB borrowing rate of 4%

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

# NOTES TO THE STATEMENTS

- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- the authority 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 low value and short 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 authority is reasonably certain to exercise and any termination options that the authority 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 account 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)

# NOTES TO THE STATEMENTS

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance 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 balance to the deferred capital receipts reserve in the Movement in Reserves Statement. When the 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 balance in the Movement in Reserves Statement

## Operating leases

Where the authority 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 or where this is initiated by a service to the individual service, even if this does not match the pattern of payments (eg 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.

## 1.14 Property, Plant and Equipment

Assets that have a physical substance and are held for operational reasons i.e., in the production or supply of goods and services or for administrative purposes are classified as property, plant and equipment. This category excludes certain assets such as properties which are held solely for the purpose of generating financial return (Investment Properties and Assets for Sale).

### Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accrual 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. The Council has a capitalisation threshold of £10,000 and allows the capitalisation of staffing costs that are directly associated with delivering of the capital schemes.

### Measurement

Assets are initially measured at cost, comprising:

- the purchase prices
- 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 initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

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

# NOTES TO THE STATEMENTS

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

Assets are carried in the Balance Sheet using the following measurement bases:

- infrastructure, community assets and assets under construction – depreciated historical cost
- dwellings at current value, determined using the basis of existing use value for social housing (EUV-SH)
- school buildings, libraries, children centres, leisure centres, care homes – current value but because of their specialist nature, are measured at depreciated replacement cost which is used as an estimate of current value
- surplus assets at fair value, estimated at highest and best use from a market participant's perspective
- all other assets at current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value. Where non-property assets have short useful lives or low values (or both), depreciated historical cost is used as a proxy for fair value.

Prior to 1 April 1994, the carrying value of Infrastructure assets was deemed to be balance sheets at amounts of capital undischarged for sums borrowed as at the end of the 1993/94 financial year. This was deemed at that time to be historical cost. Subsequently, expenditure of acquisition and enhancement incurred after this date were added

to form the carrying values. Local authorities are therefore unable to accurately identify the gross cost and accumulated depreciation of Infrastructure assets.

## **Subsequent changes in value**

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the CIES where they arise from the reversal of a loss previously charged to a service.

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

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

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, 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

# NOTES TO THE STATEMENTS

recognised for the shortfall. Where impairment losses are identified, the accounting treatment applied is outlined above.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the CIES, up to the amount of the original loss and 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, after the year of acquisition or enhancement, on the following basis:

- Council Dwellings and operational buildings – straight-line allocation over the useful life of the property as estimated by the Valuer, within the range of 20 to 60 years.
- Vehicles, plant and equipment – straight-line allocation over the useful economic life of the asset, within the range of 3 to 7 years.
- Infrastructure – based on the useful economic life of the asset, within the range of 5 to 88 years.

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

## Componentisation of valuations

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 should be depreciated separately.

There are a number of circumstances where componentisation will not apply, including:

- Vehicles and Equipment (immaterial)
- Infrastructure assets
- Investment properties are not depreciated but will be considered for componentisation where enhancement expenditure is incurred.

In accordance with the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022, when expenditure is incurred on an Infrastructure asset being replaced, the carrying amount to be derecognised is nil since these assets are rarely replaced before the part has been fully consumed.

## 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.

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.

# NOTES TO THE STATEMENTS

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the CIES 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 in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals are payable to the Government. The balance of receipts remains within 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 Reserve from the General Fund Balance in the MiRS.

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the MiRS.

## Schools Assets

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

financial statements:

- Community and community special schools
- Foundation and Foundation Trust schools (other than those owned by religious bodies)
- Voluntary controlled schools (where land & building are owned by the council)

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

This issue is under constant review and is updated in line with guidance from CIPFA.

## Schools Income and Expenditure

All locally maintained schools (i.e. community, foundation, voluntary controlled, voluntary aided, community special and foundation special schools) are deemed to be under the Council's control. For this reason, schools' transactions and balances attributable to the governing bodies are consolidated into the Council's financial statements, applying accounting policies for recognition and measurement consistent with those applied by the Council to its own income, expenditure, cash flows, assets and liabilities. Transactions and balances between the Council and the schools have been eliminated. Assets provided to a school without the right to continuing use, such that they can be taken back by the owners at some point, are not recognised in the Council's financial statements.

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

# NOTES TO THE STATEMENTS

## 1.15 Provisions, Contingent liabilities, and assets

Provisions are made where a past 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 CIES in the year that the Council becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation considering 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.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

A contingent liability arises where a past 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 as a note to the accounts.

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

## 1.16 Reserves

The Council maintains a range of reserves, reflecting both the extent to which its overall assets exceed its liabilities and any restrictions either statutory or voluntary which are placed upon the usage of these balances. The Council has discretion to set aside specific amounts as reserves to earmark available funds for future policy purposes, to cover contingencies or manage cash flow.

Reserves are created by appropriating amounts out of the General Fund Balance in the MiRS. 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 CIES. The reserve is then appropriated back into the General Fund Balance in the MiRS so that there is no net charge against Council Tax for the expenditure.

A number of reserves exist to manage the accounting processes for non-current assets, financial instruments, and retirement and employee benefits and do not represent usable resources for the Council. These reserves are explained in the relevant policies and notes.

# NOTES TO THE STATEMENTS

## 1.17 Revenue expenditure funded from capital under statute (REFCUS)

REFCUS expenditure represents expenditure incurred during the year that may be capitalised under statutory provisions, but that does not result in a Council asset being created. The expenditure may support a third party's asset (e.g. home improvement grants) or may be capitalised based on a capitalisation order from the Government. This expenditure is charged to the relevant service within the CIES in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or borrowing, a transfer is undertaken by charging to the Capital Adjustment Account and crediting the General Fund Balance in the MiRS. The purpose of this is to enable the expenditure to be funded from capital resources rather than charged to the General Fund and impact on the level of Council Tax.

## 1.18 Revenue recognition

Income received by the Council is recognised in accordance with the relevant financial regulations and accounting standards. The major income streams include Council tax, business rates, housing rents and parking income.

Council tax and business rate income included in the CIES is the total of the precept on the collection fund and the Council's share of the surplus/deficit on the collection fund at the end of the current year, adjusted for the Council's share of the surplus/deficit on the fund at the preceding year end that has not been distributed or recovered in the current year.

Housing Rent income included in the CIES is the total of all rent charged to tenants for Council Housing. The rents have been based on a formula prescribed by Government. The formula creates a "formula rent" for each property, which is calculated based on the relative value of the property, relative local income levels and the size

of the property. Landlords are expected to move the actual rent of a property to this formula rent, when the property is re-let following a vacancy.

## 1.19 Service Concession Arrangements

Private Finance Initiative (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. The Council has several schools subject to PFI contracts, albeit the current PFI scheme is suspended. The PFI buildings for maintained schools are shown on the Council's balance sheet. The buildings for the voluntary aided, voluntary controlled, foundation and academy schools are derecognised as the control of the right to use the buildings has passed to the school trustees and foundation bodies. The PFI liabilities are in respect of all PFI schools, regardless of the school's status, and remain on the Council's balance sheet as the Council is the party to the contract with the PFI Operator. The Council continues to receive government support in the form of a grant which is used to meet current and future liabilities in respect of the PFI scheme.

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 operator consist of

- a) Finance cost - an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the CIES.
- b) 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).
- c) contingent rent – increases in the amount to be paid for the

# NOTES TO THE STATEMENTS

liability arising during the contract, debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

## 1.20 VAT

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

## 1.21 Rounding

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

## 2. Accounting Standards Issued, but not yet Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not adopted.

1. IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable
2. IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts

3. The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.4.

## 3. Critical judgements in applying accounting policies

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

The Council incorporates its subsidiaries, Homes for Haringey, and Alexandra Palace Charitable Trust within these accounts to present group financial statements. They are consolidated on the basis of control over relevant activities. Please refer to Note 38 for further details.

In calculating the net pensions liability, the Council has made a judgement that the statutory framework for setting employer's contributions under its pension schemes constitutes a minimum funding requirement. The council has determined that the accounting standards (IFRIC 14 IAS 19), have set a ceiling on the amount that can be disclosed as an asset. These restrict the current realisability of the surplus through the reductions in future employer's contributions. The asset ceiling has been factored into the

# NOTES TO THE STATEMENTS

calculations by the actuaries and reflected in the valuations in the accounts. This has resulted a defined benefit liability for the council's Pension Scheme as at 31 March 2025. Please refer to note 36.

#### 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 authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. The assumptions and other sources of estimation uncertainty disclosed below relate to the estimates that require the authority's most difficult, subjective or complex judgements. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increases, those judgements become more subjective and complex. As a result, balances cannot be determined with certainty and actual results could be materially different from the assumptions and estimates.

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

##### Non-Current Assets

The council's Property Plant and Equipment (PPE) are held on a long-term basis and require regular valuation to ensure the council's financial statements accurately reflect the true worth of its assets. Valuations are undertaken by qualified professionals (note 12) to provide up-to-date assessments using accepted valuation bases and methods.

Investment property, surplus assets and assets held for sale were valued at fair value. The objective of this measurement approach is

to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under the current market conditions.

In respect of operational non-specialised properties, the current value for the assets has been interpreted as the amount that would be paid for the asset in its existing use. The valuers have met this requirement by providing a valuation based on existing use value (the value agreed between a willing buyer and a willing seller for an owner-occupied property/premises).

In respect of specialised properties, the valuers have adopted the depreciated replacement cost (DRC) method of valuation to assess current value in existing use. This method provides the cost of replacing an asset with its modern equivalent asset using the 'instant build' (or overnight) approach at the valuation date.

Broadly, it has been assumed for each valuation, that there are no encumbrances to title; buildings are in a 'fair' condition; building services are in working order; there are no planning or statutory constraints; there is no contamination or hazardous substances; and there are no environmental or sustainability factors that may affect the property's value.

The net book value of non-current assets subject to potential revaluation is £3.10 billion.

A reduction in the estimated valuations would result in reductions to the Revaluation Reserve and / or a loss recorded as appropriate in the Comprehensive Income and Expenditure Statement. If the value of the Council's land and buildings were to reduce by 10%, this would result in a charge to the Comprehensive Income and Expenditure Statement of approximately £125m.

# NOTES TO THE STATEMENTS

An increase in estimated valuations would result in increases to the Revaluation Reserve and / or reversals of previous negative revaluations to the Comprehensive Income and Expenditure Statement and / or gains being recorded as appropriate in the Comprehensive Income and Expenditure Statement.

A reduction in the estimated value of HRA dwellings would be a reduction in the revaluation reserve or a loss in the CIES. If the value of dwellings were to reduce by 10%, this would lead to a reduction in value of about £175m.

An increase in estimated valuations would result in increases to the Revaluation Reserve or gains being recorded as appropriate in the Comprehensive Income and Expenditure Statement.

The requirement to implement IFRS 16 Leases has resulted in the recognition of operating leases as right-of-use assets and the corresponding liabilities in the Balance Sheet (subject to certain exceptions). The right of use assets is equivalent to the estimate of the present value of lease liabilities discounted at the council's incremental rates based on the remaining terms of leases. This involves a number of assumptions detailed in note 33.

## Pension Fund Asset/Liability

The net pensions assets/liability is estimated by professional actuaries based on complex assumptions relating to the discount rate used; the rate at which salaries are projected to increase; changes in retirement ages; mortality rates and expected returns on pension fund assets. Any variation in these assumptions would lead to a significant change in the value of the net pension asset/liability.

During 2024/25, the Council's actuaries advised that the net pensions position has moved from a net pension asset of £87m to a

net defined benefit liability of £213m as a result of estimates being revised and the updating of assumptions. Please refer to note 36 for details.

## Impairment allowance for doubtful debt

As at 31 March 2025, the Council had an outstanding balance of short-term debtors totalling £337m. Against this debtors' balance, there is an impairment allowance of £173m, £30m on account of expected credit loss for non-statutory debt and £143m for incurred credit loss on statutory debt. The economic impact of the high inflation and cost of living crisis has made it more difficult to estimate the debt impairment as there is more uncertainty about the economic viability of debtors and hence their ability to settle their debts. Some of other key assumptions that have been considered in the impairment allowance calculations for Expected credit loss (ECL) applied to Sundry Debtors is based on historical observed loss adjusted by a forward-looking estimate including probability of a worsening economic environment in future years. The ECL for Housing Rents is also based on the provision matrix approach applied to Sundry Debtors.

The incurred loss model is calculated based on historical collection rates for aged debtors. Please refer to Note 16.

## Provision for Business Rates Appeals

The value of National Non-Domestic Rates (NNDR) income included in the accounts is reduced by a provision for the estimated value of appeals against valuation decisions. These estimates have been calculated using information from the Valuation Office Agency on outstanding appeals and experience of successful appeal rates.

# NOTES TO THE STATEMENTS

## 5. Events after the balance sheet date

The Statement of Accounts was authorised for issue by the Chief Financial Officer on 30 June 2025. There have been no material post balance sheet events that would require disclosure or adjustment to these financial statements.

# NOTES TO THE STATEMENTS

## 6. Expenditure Funding Analysis and Notes

This note provides a reconciliation of the main adjustments to Net Expenditure Chargeable to the General Fund and HRA Balances to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement.

Single Entity	2024/25			2023/24		
	Expenditure chargeable to GF and HRA balances	Adjustments between funding and accounting basis	Net expenditure in the CIES	Expenditure chargeable to GF and HRA balances	Adjustments between funding and accounting basis	Net expenditure in the CIES
	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	81,271	10,135	91,406	85,019	9,515	94,534
Adults, Health & Communities	113,453	13,479	126,932	110,064	6,885	116,949
Environment & Resident Experience	21,564	17,008	38,571	23,627	14,941	38,568
Placemaking & Housing	9,360	948	10,308	10,753	13,514	24,268
Culture, Strategy & Engagement	3,873	17,817	21,690	15,947	4,250	20,198
Corporate Budgets - Service	1,469	(3,589)	(2,120)	3,704	(3,483)	221
Corporate Budgets - Non Service	7,416	14,801	22,217	6,354	2,126	8,480
Dedicated Schools Grant	0	(45)	(45)	0	(1,997)	(1,997)
Housing - HRA	(16,654)	169,123	152,469	(10,779)	104,455	93,676
<b>Net Cost of Services</b>	<b>221,751</b>	<b>239,677</b>	<b>461,428</b>	<b>244,689</b>	<b>150,207</b>	<b>394,897</b>
Other income and expenditure	(209,493)	(92,137)	(301,630)	(215,737)	(111,506)	(327,244)
<b>(Surplus) or Deficit on Provision of Services</b>	<b>12,258</b>	<b>147,540</b>	<b>159,798</b>	<b>28,952</b>	<b>38,701</b>	<b>67,653</b>
Opening General Fund and HRA Balances	(89,848)			(118,798)		
Less deficit/(surplus) on General Fund and HRA balance in year	12,258			28,952		
Closing General Fund and HRA balances	<u>(77,591)</u>			<u>(89,846)</u>		

# NOTES TO THE STATEMENTS

## 6a) Adjustments between Funding and Accounting Basis

	2024/25				2023/24			
	Adjustments for Capital Purposes (Note 1) £'000	Net change for Pensions Adjustments (Note 2) £'000	Other Differences (Note3) £'000	Total Adjustment £'000	Adjustments for Capital Purposes (Note 1) £'000	Net change for Pensions Adjustments (Note 2) £'000	Other Differences (Note3) £'000	Total Adjustment £'000
Children's Services	11,212	(2,549)	1,472	10,135	10,507	(251)	(740)	9,516
Adults, Health & Communities	13,753	(325)	51	13,479	7,038	(72)	(81)	6,885
Environment & Resident Experience	17,286	(395)	116	17,008	15,139	(86)	(111)	14,942
Placemaking & Housing	1,131	(179)	(4)	948	13,738	(44)	(180)	13,514
Culture, Strategy & Engagement	18,010	(296)	103	17,817	4,714	(67)	(398)	4,249
Corporate Budgets - Non Service	0	(3,639)	50	(3,589)	0	(3,175)	(308)	(3,483)
Corporate Budgets - Service	14,801	0	0	14,801	2,126	0	0	2,126
Dedicated Schools Grant	0	0	(45)	(45)	0	0	(1,997)	(1,997)
Housing - HRA	169,475	(357)	5	169,123	104,592	(80)	(57)	104,455
<b>Net Cost of Services</b>	<b>245,668</b>	<b>(7,740)</b>	<b>1,749</b>	<b>239,677</b>	<b>157,854</b>	<b>(3,775)</b>	<b>(3,872)</b>	<b>150,207</b>
Other income and expenditure	(86,615)	(4,370)	(1,152)	(92,137)	(110,308)	1,540	(2,738)	(111,506)
<b>Difference between General Fund surplus or deficit and the CIES surplus or deficit on the provision of services</b>	<b>159,053</b>	<b>(12,110)</b>	<b>597</b>	<b>147,540</b>	<b>47,546</b>	<b>(2,235)</b>	<b>(6,610)</b>	<b>38,701</b>

# NOTES TO THE STATEMENTS

## **Note 1 - Adjustments for capital purposes**

*'Adjustments for capital purposes'* adds depreciation, impairment and revaluation gains and losses in the service lines, 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 – 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 receivables in the year to those receivables without conditions or for which conditions were satisfied throughout the year. This line is credited with capital grants receivable without conditions or for which conditions were satisfied in the year.

## **Note 2 – Net Change for the Pension Adjustments**

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

For services, the adjustment reverses the IAS19 pension costs/credits recorded in the surplus or deficit on the provision of services and replaces them with employers' contributions to the pension fund, which is the amount properly chargeable to the General fund.

For Financing and investment income – the net interest on the defined benefit liability is charged to the CIES.

## **Note 3 – Other Differences**

Other differences between amounts debited/credited to the CIES and amounts payable/receivable to be recognised under statute:

For Financing and investment income and expenditure, the other differences column recognises adjustments for the timing differences for premiums and discounts.

The charge under Taxation and non-specific grant income and expenditure represents the timing difference between what is chargeable under statutory regulations for council tax and NDR 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.

# NOTES TO THE STATEMENTS

## 6b) INCOME AND EXPENDITURE ANALYSED BY NATURE

### Note 1. Income by Nature

<b>Income Category</b>	<b>2024/25 £000</b>	<b>2023/24 £000</b>
Fees, charges & other service income	(288,935)	(252,720)
Grants & Contributions	(685,759)	(693,278)
Income from Council Tax & NNDR	(225,945)	(208,520)
Interest and investment income	(22,415)	(13,931)
Gain on disposal of assets	(3,221)	(18,813)
	<b>(1,226,275)</b>	<b>(1,187,261)</b>

### Note 2. Expenditure by Nature

<b>Expenditure Category</b>	<b>2024/25 £000</b>	<b>2023/24 £000</b>
Depreciation, amortisation, impairment	247,211	174,529
Employee Benefits expenses	431,344	408,256
Other Service Expenses	637,363	617,646
Levies	12,011	8,654
Interest payable & similar charges	35,292	25,679
ECL Impairment Allowances	3,408	5,319
Loss in Fair Value of Investment Properties	19,444	14,833
	<b>1,386,073</b>	<b>1,254,915</b>
<b>Deficit on Provision of Service</b>	<b>159,798</b>	<b>67,654</b>

## NOTES TO THE STATEMENTS

### 7. Other operating expenditure

Other operating expenditure Includes all levies payable, total payments made to the Government Housing Receipts Pool in line with statutory arrangements for certain property sales within the HRA and gains/losses generated from in-year disposals of non-current assets:

	2024/25			2023/24		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Levies - North London Waste Authority (NLWA)	10,098	0	10,098	6,916	0	6,916
Levies - Others	1,913	0	1,913	1,738	0	1,738
Gains on disposal of non-current assets	0	(3,221)	(3,221)	0	(18,813)	(18,813)
	<b>12,011</b>	<b>(3,221)</b>	<b>8,790</b>	<b>8,654</b>	<b>(18,813)</b>	<b>(10,159)</b>

## NOTES TO THE STATEMENTS

### 8. Financing and investment income and expenditure

Financing and investment income and expenditure includes interest receivable and payable on the Council's investment portfolio. The Council's net rental income on the properties it holds purely for investment purposes is also included net of fair value movements. It also includes the interest element of the pension fund liability and expected credit loss impairment (previously known as bad debt provisions).

	2024/25			2023/24		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£000	£000	£000	£000	£000	£000
Interest payable and similar charges	35,292	0	35,292	25,679	0	25,679
Net interest on the net defined benefit liability	(4,370)	0	(4,370)	1,540	0	1,540
Expected Credit Loss-Impairment Allowances	3,408	0	3,408	5,319	0	5,319
Net Income & Expenditure and changes in the fair values of investment properties	20,779	(11,141)	9,638	17,749	(10,768)	6,981
Interest Income	0	(2,599)	(2,599)	0	(3,163)	(3,163)
Other investment income and expenditure	1,958	(351)	1,607	818	(353)	465
	<b>57,066</b>	<b>(14,091)</b>	<b>42,975</b>	<b>51,105</b>	<b>(14,284)</b>	<b>36,821</b>

# NOTES TO THE STATEMENTS

## 9. Taxation and non-specific grant income

This note consolidates all non-specific grants and contributions receivable that cannot be identified to particular service expenditure and therefore cannot be credited to the gross income amount relevant to the service area. All capital grants and contributions are credited to non-specific grant income even if service specific. The note also identifies the Council's proportion of council tax and business rates used to fund in year service activities:

	2024/25	2023/24
	£'000	£'000
<b>Council tax income</b>	(136,878)	(126,255)
<b>Non domestic rates</b>	(89,068)	(82,265)
<b>Non-ringfenced government grants:</b>		
Covid-19 75% Tax Income Guarantee	0	272
Revenue Support Grant	(27,333)	(25,635)
Section 31 BR relief	(25,892)	(22,065)
Services Grant	(572)	(3,316)
Other revenue grants/ contributions	(3,815)	(3,476)
<b>Capital grants and contributions</b>	(69,837)	(91,166)
	<b>(353,395)</b>	<b>(353,906)</b>

The non-domestic rates income under the Government's business rates retention arrangement consists of £22.350 million (£20.295 million in 2023/24) collected locally and the amount re-distributed from a national pool including 'top-up' is £66.718 million (£61.971 million in 2023/24).

# NOTES TO THE STATEMENTS

## 10. Adjustments between accounting basis and funding basis under regulation

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

### General Fund Balance

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

### Housing Revenue Account (HRA) 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 relating to the Council's landlord function or, where in deficit, that is required to be recovered from tenants in future years.

### Capital Receipts Reserve (CRR)

The CRR 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 on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

### Capital Grants Unapplied Account (CGUA)

The CGUA 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.

### Major Repairs Reserve (MRR)

The Council is required to maintain the MRR, which controls the application of the resource arising from depreciation on HRA assets or the financing of historical capital expenditure. The balance shows the resource that has yet to be applied at the year-end.

# NOTES TO THE STATEMENTS

Movement during 2024/25	Usable Reserves				
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Major Repairs Reserve
	£'000	£'000	£'000	£'000	£'000
<b>Adjustments to the Revenue Resources</b>					
<u>Amounts by which income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements</u>					
- Pensions costs (transferred to / from the Pensions Reserve)	11,158	952	0	0	0
- Financial instruments (transferred to the Financial Instruments Adjustments Account)	1,315	0	0	0	0
- Council Tax and NDR (transfers to or from the Collection Fund)	(164)	0	0	0	0
- Holiday pay (transferred to the Accumulated Absence Reserve)	(1,789)	(5)	0	0	0
- Transfer in-year Dedicated Schools Grant deficit to DSG Adjustment Account	45	0	0	0	0
- Reversal of entries included in the SDPOS in relation to capital expenditure (charged to the Capital Adjustment Account)	(75,307)	(153,796)	0	(73,043)	0
<b>Total Adjustments to Revenue Resources</b>	<b>(64,741)</b>	<b>(152,849)</b>	<b>0</b>	<b>(73,043)</b>	<b>0</b>
<b>Adjustments between Revenue and Capital Resources</b>					
- Transfer of non-current asset sale proceeds from revenue to the CRR	5,247	9,418	(14,664)	0	0
- Administrative costs of non-current asset disposals (funded by contribution from the CRR)	(369)	(137)	506	0	0
- Payments to the government housing receipts pool (funded by a transfer from the CRR)	0	0	0	0	0
- Posting of HRA resources from revenue to the MRR	0	22,891	0	0	(22,891)
- Statutory provision for the repayment of debt (transfer from the CAA)	31,103	0	0	0	0
- Capital expenditure financed from revenue balances (transfer to the CAA)	298	1,600	0	0	0
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>36,279</b>	<b>33,772</b>	<b>(14,158)</b>	<b>0</b>	<b>(22,891)</b>
<b>Adjustments to Capital Resources</b>					
- Use of the CRR to finance capital expenditure	0	0	7,215	0	0
- Use of the MRR to finance capital expenditure	0	0	0	0	22,891
- Application of capital grants to finance capital expenditure	0	0	0	78,397	0
- Cash payments in relation to deferred capital receipts	0	0	0	0	0
- Cash payments in relation to capital loan repayment	0	0	(5,000)	0	0
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>0</b>	<b>0</b>	<b>2,215</b>	<b>78,397</b>	<b>22,891</b>
Other movements in Reserves-	(51)	51	(491)	0	0
<b>Total Adjustments</b>	<b>(28,513)</b>	<b>(119,027)</b>	<b>(12,434)</b>	<b>5,354</b>	<b>0</b>

# NOTES TO THE STATEMENTS

Movement during 2023/24	Usable Reserves				
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Major Repairs Reserve
	£'000	£'000	£'000	£'000	£'000
<b>Adjustments to the Revenue Resources</b>					
<u>Amounts by which income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements</u>					
- Pensions costs (transferred to / from the Pensions Reserve)	2,353	(118)	0	0	0
- Financial instruments (transferred to the Financial Instruments Adjustments Account)	233	0	0	0	0
- Council Tax and NDR (transfers to or from the Collection Fund)	2,505	0	0	0	0
- Holiday pay (transferred to the Accumulated Absence Reserve)	1,818	57	0	0	0
- Transfer in-year Dedicated Schools Grant deficit to DSG Adjustment Account	1,997	0	0	0	0
- Reversal of entries included in the SDPOS in relation to capital expenditure (charged to the Capital Adjustment Account)	(37,188)	(72,901)	0	(94,544)	0
<b>Total Adjustments to Revenue Resources</b>	<b>(28,282)</b>	<b>(72,962)</b>	<b>0</b>	<b>(94,544)</b>	<b>0</b>
<b>Adjustments between Revenue and Capital Resources</b>					
- Transfer of non-current asset sale proceeds from revenue to the CRR	13,109	11,486	(24,595)	0	0
- Administrative costs of non-current asset disposals (funded by contribution from the CRR)	(524)	(154)	678	0	0
- Posting of HRA resources from revenue to the MRR	0	22,886	0	0	(22,886)
- Statutory provision for the repayment of debt (transfer from the CAA)	15,531	0	0	0	0
- Capital expenditure financed from revenue balances (transfer to the CAA)	210	0	0	0	0
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>28,326</b>	<b>34,218</b>	<b>(23,917)</b>	<b>0</b>	<b>(22,886)</b>
<b>Adjustments to Capital Resources</b>					
- Use of the CRR to finance capital expenditure	0	0	12,336	0	0
- Use of the MRR to finance capital expenditure	0	0	0	0	22,901
- Application of capital grants to finance capital expenditure	0	0	0	88,271	0
- Cash payments in relation to capital loan repayment	0	0	(10,000)	0	0
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>0</b>	<b>0</b>	<b>2,336</b>	<b>88,271</b>	<b>22,901</b>
Other Movements	0	0	(464)	0	0
<b>Total Adjustments</b>	<b>43</b>	<b>(38,744)</b>	<b>(22,045)</b>	<b>(6,273)</b>	<b>15</b>

# NOTES TO THE STATEMENTS

## 11. Movement in earmarked reserves

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

	Note	Balance at 31/03/23	Transfer In 2023/24	Transfer Out 2023/24	Balance at 31/03/24	Transfer In 2024/25	Transfer Out 2024/25	Balance at 31/03/25
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>General Fund Reserve</b>	i	(15,141)	(29)		(15,170)	0	0	(15,170)
<b>General Fund earmarked reserves:</b>								
Schools reserve	ii	(7,847)	(1,116)	6,562	(2,401)	(11,425)	12,481	(1,345)
Transformation reserve	iii	(8,117)	0	3,081	(5,036)	0	4,986	(49)
Services reserve	iv	(11,196)	(2,332)	1,832	(11,696)	(1,671)	4,061	(9,306)
PFI lifecycle reserve	v	(19,226)	(1,345)	15,037	(5,534)	(1,332)	2,906	(3,961)
Debt repayment reserve	vi	(1,073)	0	0	(1,073)	0	0	(1,073)
Insurance reserve	vii	(7,535)	0	302	(7,233)	0	1,724	(5,509)
Unspent grants reserve	viii	(11,465)	(3,086)	1,844	(12,707)	(2,002)	4,316	(10,393)
Labour market growth resilience reserve	ix	(373)	0	100	(273)	0	87	(186)
Strategic Budget Planning Reserve	x	(6,727)	(15,037)	16,668	(5,096)	(7,062)	8,135	(4,024)
Resilience reserve	xi	(7,303)	0	7,303	0	0	0	0
Collection Fund Smoothing reserve	xii	(1,231)	0	0	(1,231)	0	0	(1,231)
<b>GF earmarked reserves:</b>		<b>(82,093)</b>	<b>(22,916)</b>	<b>52,728</b>	<b>(52,280)</b>	<b>(23,492)</b>	<b>38,695</b>	<b>(37,074)</b>
<b>Total General Fund Usable Reserves</b>		<b>(97,234)</b>	<b>(22,945)</b>	<b>52,728</b>	<b>(67,450)</b>	<b>(23,492)</b>	<b>38,695</b>	<b>(52,244)</b>
<b>Housing Revenue Account</b>		<b>(20,520)</b>	<b>(5,753)</b>	<b>5,137</b>	<b>(21,136)</b>	<b>(6,360)</b>	<b>7,431</b>	<b>(20,065)</b>
<b>Housing Revenue Account earmarked Reserves:</b>								
Property Acquisition Reserve		(996)	(215)	0	(1,212)	(4,068)	0	(5,279)
Homes for Haringey		(50)	0	0	(50)	0	50	0
<b>HRA earmarked reserves</b>		<b>(1,047)</b>	<b>(215)</b>	<b>0</b>	<b>(1,262)</b>	<b>(4,068)</b>	<b>50</b>	<b>(5,279)</b>
<b>Total HRA Usable Reserves</b>		<b>(21,567)</b>	<b>(5,968)</b>	<b>5,137</b>	<b>(22,398)</b>	<b>(10,428)</b>	<b>7,481</b>	<b>(25,344)</b>

## NOTES TO THE STATEMENTS

**i.** The purpose of the general fund reserve is to manage the impact of emergencies or unexpected events. Without such a reserve, the financial impact of such events could cause a potential financial deficit in the general fund, which would be severely disruptive to the effective operation of the authority. The reserve should militate against immediate service reductions if there were any unforeseen financial impacts.

**ii.** This balance represents the net balances held by the Council's 64 schools. The Secretary of State for Education allows Local Authorities to have within their Scheme for Financing Schools, a provision whereby surplus balances that are deemed excessive can be withdrawn from the school in question and applied elsewhere within the Dedicated Schools Budget.

**iii.** This reserve is earmarked for the costs associated with the Council's Transformation programmes including the investment necessary to deliver longer term efficiencies and change, together with the associated costs of redundancies and decommissioning.

**iv.** It is Council policy that services may request funds to be carried forward, this is subject to approval by the Cabinet in the year-end financial outturn report. This reserve earmarks those funds to either be carried forward to the following financial year or retained.

**v.** The PFI reserve is increased by PFI grant in excess of contractual payments. This will be utilised to funds future years' statutory minimum revenue provision charges and future capital investment.

**vi.** The debt repayment / capital reserve represents funds the Council has set aside for the potential repayment of debt and for funding of future capital expenditure.

**vii.** The Council self-insures a number of risks including liability, property and theft. Insurance claims are erratic in their timings and so the Council maintains a reserve to smooth the charge to the Council's revenue account in the same way as a premium to an external insurance provider would smooth charges to the revenue account.

**viii.** International Financial Reporting Standards require grants and other income to be recognised in the CIES as the right to the monies is earned rather than to match when expenditure is incurred. This reserve holds grant income included within the CIES which will finance related expenditure in future years.

**ix.** It is beneficial for the Council to support people into work and this reserve will support activities which achieve that aim.

**x.** This reserve is a key tool for managing the impact of financial plans from one year to another. This reserve requires balances to be at different levels year to year depending on the demand as identified through previous and current budget plans.

**xi.** This reserve will be used as a one-off measure to offset non-delivery / delay of planned savings contained within the MTFS. It provides additional robustness and financial resilience for the Council.

**xii.** The Collection Fund reserve is to mitigate unknown risks associated with the Collection Fund (Council Tax and Business Rates) such as Covid19 Legacy, cost of living impact on collections.

# NOTES TO THE STATEMENTS

## 12. Property, plant and equipment

Since 2012/13, all valuations of dwellings, land and buildings and investment properties have been undertaken by external surveyors Wilks Head & Eve (an independent partnership of Chartered Surveyors and Town Planners) who are fully qualified with the Royal Institute of Chartered Surveyors (RICS). Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

The surveyors carry out valuations as at 31st March of each year to identify any significant changes since the previous valuation. The latest valuation was carried out during 2024/25 with an effective date of 31 March 2025.

Due to historical reporting requirements and information deficits local authorities do not have reliable, meaningful information to accurately report gross historical cost and accumulated depreciation for infrastructure assets. Historical practices also mean that information required to evidence the derecognition of replaced components of infrastructure assets will not practicably be able to be produced.

In accordance with the temporary relief offered by the Update to the Code on infrastructure assets [Local Government Circular 09/2022 Statutory Override Accounting for Infrastructure Assets England and Wales ] this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

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

The net book value for total Property, Plant and Equipment on the Balance Sheet is shown below  
Details of movement in Infrastructure Assets are shown below.

## NOTES TO THE STATEMENTS

### Net Book Value of Property, Plant and Equipment

	31-Mar-25	31-Mar-24
	£'000	£'000
Infrastructure Assets	212,932	205,930
Right of Use Assets	39,687	0
Other PPE assets	3,258,688	3,159,565
	<b>3,511,307</b>	<b>3,365,495</b>

### Right of Use Assets

	31-Mar-25	31-Mar-24
	£'000	£'000
Net Book Value at 1st April	0	0
IFRS 16 adjustment	56,818	0
Depreciation	(17,131)	0
	<b>39,687</b>	<b>0</b>

### Movements in Infrastructure Assets

	2024/25	2023/24
	£'000	£'000
<b>Net book value (modified historical cost) at 1 April</b>	205,930	197,664
Additions	18,697	19,242
Depreciation	(12,051)	(10,976)
Other movements in cost	356	0
<b>Net Book Value at 31st March</b>	<b>212,932</b>	<b>205,930</b>

# NOTES TO THE STATEMENTS

Movements in Other Property, Plant and Equipment are shown below.

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment FFI Assets included in Property, Plant and Equipment	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation at 1 April 2024</b>	1,618,529	1,196,826	36,215	28,698	305,556	20,049	3,205,873	15,273
Additions	27,643	50,842	1,090	1,985	118,192	988	200,740	0
Revaluation increases / (decreases) recognised in the Revaluation Reserve	33,570	59,302	0	156	0	(3,043)	89,985	0
Revaluation increases / (decreases) recognised in SDPOS	(116,659)	(47,816)	0	16	0	(209)	(164,668)	0
Derecognition - disposals	(4,505)	(2,284)	0	0	0	(4,680)	(11,469)	0
Reclassifications and transfers	0	(67)	0	0	(5,264)	0	(5,331)	0
Other movements in cost or valuation	173,742	(9,170)	150	(81)	(167,371)	840	(1,890)	0
<b>At 31 March 2025</b>	<b>1,732,320</b>	<b>1,247,633</b>	<b>37,455</b>	<b>30,774</b>	<b>251,113</b>	<b>13,945</b>	<b>3,313,240</b>	<b>15,273</b>
<b>Accumulated Depreciation and Impairment at 1 April 2024</b>	595	(12,232)	(24,587)	(1,906)	(8,086)	(91)	(46,307)	0
Depreciation charge	(21,317)	(13,043)	(4,702)	0	0	0	(39,062)	(370)
Accumulated Depreciation written out	21,433	17,536	0	0	0	0	38,969	0
Accumulated written out to GCA	0	79	0	0	0	0	79	0
Impairment (losses)/reversals recognised in surplus/deficit on the provision of services	(8,601)	(167)	0	0	0	0	(8,768)	0
Derecognition - disposals	34	497	0	0	0	0	531	0
Other movements in depreciation & impairment	(79)	79	0	0	6	0	6	0
<b>At 31 March 2025</b>	<b>(7,935)</b>	<b>(7,251)</b>	<b>(29,289)</b>	<b>(1,906)</b>	<b>(8,080)</b>	<b>(91)</b>	<b>(54,552)</b>	<b>(370)</b>
<b>Net Book Value at 31 March 2025</b>	<b>1,724,385</b>	<b>1,240,382</b>	<b>8,166</b>	<b>28,868</b>	<b>243,033</b>	<b>13,854</b>	<b>3,258,688</b>	<b>14,903</b>

The above note includes the figures from Single Entity only. Group Entity Property, Plant and Equipment assets total £108.6m as of 31 March 2025 (£131.7m as at 31 March 2024). Further details are in Note 38.

## NOTES TO THE STATEMENTS

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment	PFI Assets included in Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation at 1 April 2023</b>	1,778,181	1,189,362	35,771	25,981	206,274	21,732	3,257,301	16,310
Additions	35,329	37,871	444	1,711	119,376	106	194,837	0
Revaluation increases / (decreases) recognised in the Revaluation Reserve	16,266	(33,267)	0	0	0	(800)	(17,801)	(1,037)
Revaluation increases / (decreases) recognised in SDPOS	(103,410)	(19,191)	0	0	0	(1,576)	(124,177)	0
Derecognition - disposals	(5,104)	0	0	0	0	0	(5,104)	0
Reclassifications and transfers	(8,771)	20,083	0	0	(12,950)	391	(1,247)	0
Other movements in cost or valuation	(93,962)	1,967	0	1,007	(7,145)	195	(97,938)	0
<b>At 31 March 2024</b>	<b>1,618,529</b>	<b>1,196,826</b>	<b>36,215</b>	<b>28,698</b>	<b>305,556</b>	<b>20,049</b>	<b>3,205,873</b>	<b>15,273</b>
<b>Accumulated Depreciation and Impairment at 1 April 2023</b>	(95,612)	(10,186)	(19,494)	(1,895)	(8,094)	(91)	(135,371)	0
Depreciation charge	(21,288)	(12,842)	(3,678)	0	0	0	(37,807)	(378)
Accumulated Depreciation written out	21,217	10,864	0	0	0	0	32,081	378
Impairment (losses)/reversals recognised in the Revaluation Reserve	735	(14)	0	0	0	0	721	0
Impairment (losses)/reversals recognised in surplus/deficit on the provision of services	0	(63)	(1,416)	(3)	0	0	(1,481)	0
Derecognition - disposals	68	0	0	0	0	0	68	0
Reclassifications and transfers	0	0	0	0	0	0	0	0
Other movements in depreciation & impairment	95,475	9	0	(8)	8	0	95,483	0
<b>At 31 March 2024</b>	<b>595</b>	<b>(12,232)</b>	<b>(24,587)</b>	<b>(1,906)</b>	<b>(8,086)</b>	<b>(91)</b>	<b>(46,307)</b>	<b>0</b>
<b>Net Book Value at 31 March 2024</b>	<b>1,619,124</b>	<b>1,184,594</b>	<b>11,628</b>	<b>26,793</b>	<b>297,469</b>	<b>19,958</b>	<b>3,159,565</b>	<b>15,273</b>

The above note includes the figures from Single Entity only. Group Entity Property, Plant and Equipment assets total £131.7m as of 31 March 2024 (£137.6m as at 31 March 2023). Further details are in Note 38.

# NOTES TO THE STATEMENTS

## Capital Commitments

At 31 March 2025, the Council has entered into several contracts for the construction or enhancement of Property, Plant and Equipment in 2024/25 and future years, budgeted to cost £183.7 million (£214.9 million as at 31 March 2024). The major commitments at 31 March 2025 were:

- Major Works - £31.3 million
- New build homes & development of Residential Accommodation - £102.0 million
- Civic Centre Development Project - £50.4 million

## Revaluations

The council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at current value, are revalued at least every five years. Investment Properties and any Asset held for sale are subject to a revaluation review on annual basis to ensure that their carrying values are reflective of the latest market value.

HRA dwellings are valued at their existing use based on 'Beacon' valuation principles and then have a social housing adjustment made thus reducing the balance sheet value to 25% of the beacon value as directed by MHCLG

Revaluations	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Community Assets	Assets Under Construction	Surplus Assets	Total	Infrastructure Assets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carried at historical cost	0	28,008	8,165	28,697	243,034	963	308,867	212,932
Valued at fair value as at:								
31-Mar-25	1,721,417	1,209,287	0	173	0	12,891	2,943,768	0
31-Mar-24	0	0	0	0	0	0	0	0
31-Mar-23	2,967	0	0	0	0	0	2,967	0
31-Mar-22	0	474	0	0	0	0	474	0
31-Mar-21	0	2,612	0	0	0	0	2,612	0
<b>Total Cost or Valuation</b>	<b>1,724,384</b>	<b>1,240,381</b>	<b>8,165</b>	<b>28,870</b>	<b>243,034</b>	<b>13,854</b>	<b>3,258,688</b>	<b>212,932</b>

## NOTES TO THE STATEMENTS

### 13. Investment properties

The fair value for investment properties has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions for these asset types are such that the levels of observable inputs are significant leading to the properties being categorised at Level 2 in the fair value hierarchy. Typical valuation inputs which have been used in arriving at our Fair Valuations include Market Rental and Sale Values, Yields Void, Letting Periods and condition of the assets.

The values at 31 March are analysed as follows.

	31/03/25	31/03/24
	£'000	£'000
Office units	4,661	4,404
Commercial units	75,318	83,279
Land	22,599	21,725
Other investment property	5,592	5,572
<b>Total</b>	<b>108,170</b>	<b>114,980</b>

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

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

The following items have been accounted for in the Financing and Investment Income and Expenditure line in the CIES.

	2024/25	2023/24
	£'000	£'000
Rental income from investment property	(11,141)	(10,768)
Direct operating expenses arising from investment properties	1,335	2,337
<b>Net gain</b>	<b>(9,806)</b>	<b>(8,431)</b>

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on its right to the remittance of income and the proceeds of disposal.

The following table summarises the movements in the fair value of investment properties over the year.

	2024/25	2023/24
	£'000	£'000
<b>Balance at start of the year</b>	114,981	112,641
Subsequent Expenditure	75	30
Derecognitions	0	(579)
Net gain / (losses) from FV adjustments	(12,217)	(14,833)
Transfers to/from PPE	5,331	1,247
*Other Movements	0	16,475
<b>Balance at the end of the year</b>	<b>108,170</b>	<b>114,981</b>

\* Rental renewals for a large number of leases

The fair value of the Council's investment property is measured annually at each reporting date.

# NOTES TO THE STATEMENTS

## 14. Financial instruments

A financial instrument is a contract that gives rise to a financial asset and liability between two parties. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

Financial instruments are disclosed based on considerations around the business model for holding the instruments, and contractual cashflow characteristics. All of the Council's financial instruments are classified as held at 'amortised cost', and none at 'fair value through profit or loss' (FVTPL) or 'fair value through other comprehensive income' (FVOCI).

### Financial liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Council.

The Council's liabilities held during the year are measured at amortised cost and comprised:

- Borrowing: Long term loans from the Public Works Loans Board and commercial lenders, short term loans from other local authorities, plus accrued interest on these loans
- Finance leases detailed in note 33
- Private Finance Initiative contracts detailed in note 34
- Trade payables for goods and services received

The financial liabilities disclosed in the Balance Sheet are analysed across the following categories.

	Long Term		Short Term	
	31/03/25	31/03/24	31/03/25	31/03/24
	£'000	£'000	£'000	£'000
<b>Financial Liabilities</b>				
- Principal sum borrowed	(871,253)	(716,253)	(110,000)	(103,179)
- Accrued interest	0	0	(10,180)	(7,244)
- EIR adjustments	(1,860)	(2,990)	0	0
<b>Total Borrowing *</b>	<b>(873,113)</b>	<b>(719,243)</b>	<b>(120,180)</b>	<b>(110,422)</b>
Liabilities at amortised cost:				
- Finance leases	(52,874)	(25,773)	0	0
- PFI arrangements	0	(2,008)	0	0
<b>Total Other Long-term Liabilities</b>	<b>(52,874)</b>	<b>(27,781)</b>	<b>0</b>	<b>0</b>
Liabilities at amortised cost:				
- Trade payables	(16,724)	(16,974)	(90,621)	(92,063)
- PFI arrangements			(2,008)	(3,916)
- Finance leases			(20,406)	(1,046)
<b>Included in Creditors **</b>	<b>(16,724)</b>	<b>(16,974)</b>	<b>(113,035)</b>	<b>(97,025)</b>
<b>Total Financial Liabilities</b>	<b>(942,711)</b>	<b>(763,999)</b>	<b>(233,215)</b>	<b>(207,447)</b>

\*The total short-term borrowing includes £10.2 million (31 March 2024 £7.2 million) representing accrued interest on long-term borrowing.

\*\*The short-term creditors lines on the Balance Sheet includes £100.7 million (31 March 2024 £81.7m) that do not meet the definition of a financial liability as they relate to non-exchange transactions or receipts in advance.

# NOTES TO THE STATEMENTS

## Financial assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash or other instruments or a contractual right to receive cash or another financial asset. The financial assets held by the Council during the year are held under the following classifications:

- Cash and cash equivalents, including current account deposits, and short-term investments with other local authorities and the Debt Management Office (DMO) maturing within 3 months of the balance sheet date.
- Short Term Investments - Loans to other local authorities maturing 3 months or more after the balance sheet date (including accrued interest), Loans made to community organisations and other bodies for service purposes (including soft loans)
- Trade receivables for goods and services delivered

Allowances for impairment losses for trade receivables are calculated using the simplified approach recognising lifetime expected losses. Allowances for impairments on loans made for service purposes are made on the expected loss model.

The financial assets disclosed in the Balance Sheet are analysed across the following categories:

	Long Term		Short Term	
	31/03/2025 £'000	31/03/2024 £'000	31/03/2025 £'000	31/03/2024 £'000
<b>Financial Assets</b>				
<i>At amortised cost:</i>				
-Principal	0		39	19
<b>Total Investments</b>	<b>0</b>		<b>39</b>	<b>19</b>
<i>At amortised cost:</i>				
-Principal*	0		23,214	36,545
<b>Total Cash and Cash Equivalent</b>	<b>0</b>		<b>23,214</b>	<b>36,545</b>
<i>At amortised cost:</i>				
-Trade Receivables	68	68	115,841	87,568
-Loans made for service purposes	9,130	9,249	-	-
<b>Included in Debtors **</b>	<b>9,198</b>	<b>9,317</b>	<b>115,841</b>	<b>87,568</b>
<b>Total Financial Assets</b>	<b>9,198</b>	<b>9,317</b>	<b>139,055</b>	<b>124,132</b>

\*The total cash and Cash equivalent includes the Money Market Fund of £13.6m

\*\*The short-term debtors' lines on the Balance Sheet include £48.3m (31 March 2024 £41.3 million) that do not meet the definition of a financial asset as they relate to non-exchange transactions or payments in advance.

# NOTES TO THE STATEMENTS

## Income, expense, gains and losses

The income and expense recognised in the CIES in relation to financial instruments consist of the following items. There were no gains or losses on revaluation, or items recognised in other comprehensive income and expenditure.

	Financial Liabilities at Amortised Cost	Financial Assets at Amortised Cost	2024/25	2023/24
	£'000	£'000	£'000	£'000
Interest expense	35,292	0	35,292	25,679
Impairment losses	0	3408	3,408	5,319
<b>Interest payable and similar charges</b>	<b>35,292</b>	<b>3,408</b>	<b>38,700</b>	<b>30,998</b>
Interest income	0	(2,599)	(2,599)	(3,163)
<b>Interest and investment income</b>	<b>0</b>	<b>(2,599)</b>	<b>(2,599)</b>	<b>(3,163)</b>
<b>Net Gain/(Loss) for the Year</b>	<b>35,292</b>	<b>809</b>	<b>36,101</b>	<b>27,835</b>

## Financial instruments – fair values

Financial assets and liabilities are carried in the Balance Sheet at amortised cost. The fair values for all financial assets are the same as the carrying values, reported earlier in this note to the accounts. Fair values for financial liabilities are estimated by calculating the present values of remaining contractual cash flows as at 31 March 2024, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans
- The value of 'Lender's Option Borrower's Option' (LOBO) loans

has been increased by the value of the embedded options. Lenders' options to propose an increase to the interest rate on the loan have been valued according to a proprietary model for Bermudan cancellable swaps. Borrower's contingent options to accept the increased rate or repay the loan have been valued at zero, on the assumption that lenders will only exercise their options when market rates have risen above the contractual loan rate

- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31 March
- The fair values of finance lease assets and liabilities and of PFI scheme liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at the appropriate AA-rated corporate bond yield
- No early repayment or impairment is recognised for any financial instrument
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount

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

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

## NOTES TO THE STATEMENTS

	Fair Value Level	Balance Sheet 31/03/25 £'000	Fair Value 31/03/25 £'000	Balance Sheet 31/03/24 £'000	Fair Value 31/03/24 £'000
PWLB loans	2	(812,228)	(617,673)	(683,715)	(528,658)
LOBO loans	2	(104,057)	(111,883)	(103,931)	(160,142)
Lease payables*	2	(73,280)		(26,819)	(24,598)
PFI liability*	2	0		(5,924)	(5,943)
<b>Total</b>		<b>(989,565)</b>	<b>(729,556)</b>	<b>(820,387)</b>	<b>(719,341)</b>
Liabilities for which fair value is not disclosed**		(186,361)		(151,058)	
<b>Total financial liabilities</b>		<b>(1,175,926)</b>		<b>(971,445)</b>	
Recorded on balance sheet as:					
- Short term creditors		(113,035)		(97,025)	
- Short term borrowing		(120,180)		(110,422)	
- Long term creditors		(16,724)		(16,974)	
- Long term borrowing		(873,113)		(719,243)	
- Other long term liabilities		(52,874)		(27,781)	
<b>Total financial liabilities</b>		<b>(1,175,926)</b>		<b>(971,445)</b>	

\* Under IFRS16 provisions, these no longer need to be disclosed

\*\*This includes £75m short-term borrowing from other local authorities (£40m for 2023/24).

The fair value of financial liabilities held at amortised cost is higher than their Balance Sheet carrying amount because the Council's portfolio of loans includes several loans where the interest rate payable is higher than the current rates available for their similar loans as at the Balance Sheet date.

	Level	Balance Sheet 31/03/25 £'000	Fair Value 31/03/25 £'000	Balance Sheet 31/03/24 £'000	Fair Value 31/03/24 £'000
Cash and Cash Equivalents	2	23,214	21,214	33,900	33,900
Short Term Investments	2	39	39	19	19
<b>Total</b>		<b>23,253</b>	<b>21,253</b>	<b>33,919</b>	<b>33,919</b>
Assets for which fair value is not disclosed		125,039		99,530	
<b>Total financial assets</b>		<b>148,292</b>	<b>21,253</b>	<b>133,449</b>	<b>33,919</b>
Recorded on balance sheet as:					
- short term debtors		115,841		87,568	
- short term investments		39		19	
- long term debtors		9,198		9,317	
- cash and cash equivalents		23,214		36,545	
<b>Total financial assets</b>		<b>148,292</b>		<b>133,449</b>	

# NOTES TO THE STATEMENTS

## 15. Nature and extent of risks arising from financial instruments

The Council complies with the most recent CIPFA Code of Practice on Treasury Management and the Prudential Code for Capital Finance for Local Authorities.

In line with the Treasury Code, the Council approves a Treasury Management Strategy before the beginning of each financial year. The Strategy sets out the parameters for the management of risks associated with financial instruments. The Council also maintains Treasury Management Practices specifying the practical arrangements to be followed to manage these risks. A copy of the Treasury Management Strategy Statement for 2024/25 can be found on the Council's website, [www.haringey.gov.uk](http://www.haringey.gov.uk).

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

The Council's activities expose it to various financial risks, including:

- **credit risk** – the possibility that the counterparty to a financial asset will fail to meet its contractual obligations, causing a loss to the Council.
- **liquidity risk** – the possibility that the Council might not have the cash available to make contracted payments on time.
- **market risk** - the possibility that unplanned financial loss will materialise because of changes in market variables such as interest rates or equity prices.

## Credit risk – Treasury Investments

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

A limit of £5 million is placed on the amount of money that can be invested with a single counterparty (other than the UK government, through the Debt Management Office). In addition to this, the Council has set limits on investments in certain sectors including group limits. Full details of the Council's approved counterparty list, along with the relevant investment and term limits, are included in the Treasury Investment Strategy section of the Treasury Management Strategy.

As of 31 March 2025, the nominal value of the Council's investment portfolio was £13.6 million. The entire amount was deposited in two low volatility Money Market Funds. All investments made during the financial year were in accordance with the Council's approved credit rating criteria. Furthermore, as at 31 March 2025, there were no loss allowances related to treasury investments.

## Liquidity Risk

The Council has ready access to borrowing at favourable rates from the Public Works Loan Board (PWLB) and other local authorities, and at higher rates from banks and building societies. There is no

## NOTES TO THE STATEMENTS

perceived risk that the Council will be unable to raise finance to meet its commitments. It is however exposed to the risk that it will need to refinance a significant proportion of its borrowing at a time of unfavourably high interest rates. This risk is managed by maintaining a spread of fixed rate loans and ensuring that no more than set percentages of the Council's borrowing matures in any one financial year.

The maturity analysis of the Council's borrowing below is as follows, shown both as discounted (principal plus accrued interest to date) and undiscounted (principal plus future interest payments) at 31 March 2025.

Discounted borrowing	31/03/2025	31/03/2024
	£'000	£'000
Public Works Loans Board	812,233	683,749
Market debt	101,996	102,013
Local government	77,197	40,941
<b>Total</b>	<b>991,426</b>	<b>826,703</b>
Less than 1 year	119,047	160,449
Between 1 and 2 years	25,000	31,000
Between 2 and 5 years	190,000	113,000
Between 5 and 10 years	144,750	107,250
Between 10 and 20 years	160,245	98,520
Between 20 and 40 years	197,384	146,484
Between 40 and 50 years	155,000	170,000
More than 50 years		
	<b>991,426</b>	<b>826,703</b>

Undiscounted borrowing	31/03/2025	31/03/2024
	£'000	£'000
Public Works Loans Board	1,249,642	1,074,057
Market debt	109,413	111,763
Local government	78,326	41,580
<b>Total</b>	<b>1,437,381</b>	<b>1,227,400</b>
Less than 1 year	142,348	178,080
Between 1 and 2 years	52,715	50,911
Between 2 and 5 years	261,195	166,525
Between 5 and 10 years	226,214	172,136
Between 10 and 20 years	258,716	191,196
Between 20 and 40 years	321,494	275,107
Between 40 and 50 years	174,699	193,445
More than 50 years		
	<b>1,437,381</b>	<b>1,227,400</b>

The Council has £100 million (2023: £100m) of "Lender's option, borrower's option" (LOBO) loans where the lender has the option on set dates to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty. The lender therefore has the effective right to demand repayment and these loans are therefore shown in table above as maturing on the next option date.

### Market Risk – Interest Rate Risk

The Council is exposed to risks in terms of its exposure to interest rate movements on its borrowings and investments. Movements in

## NOTES TO THE STATEMENTS

interest rates have complex impact on the authority. For instance, a rise in interest rates would have the following effects

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

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

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

	31/03/2025	31/03/2024
	£'000	£'000
Increase in interest receivable on variable rate investments	2,880	4,683
Increase in interest payable on variable rate borrowings	0	0
<b>Impact on Surplus or Deficit on Provision of Services</b>	<b>2,880</b>	<b>4,683</b>
Decrease in fair value of fixed rate borrowing liabilities	64,740	67,197

The Council has £50m (2024: £50m) of “Lender’s option, borrower’s option” (LOBO) loans with maturity dates in 2025 where the lender has the option to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty.

### **Market Risk – Price Risk**

The only pooled funds used by the council only are low volatility money market funds, which have a stable net asset value. The likelihood of being subject to any price risk (i.e., the risk that the Council will suffer loss as a result of adverse movements in the price of this class of financial instruments) has been judged to be immaterial.

### **Market Risk – Foreign Exchange Risk**

The Council had no direct holdings in financial instruments denominated in foreign currencies. The Council is therefore not exposed to the risk of adverse movements in foreign exchange rates.

# NOTES TO THE STATEMENTS

## 16. Debtors

The following tables provide an analysis of money owed to the Council by other bodies as at 31 March 2025 and which at that date was yet to be received. The Council has considered the collectability of the debt and has impaired the debt for the amounts it may not recover.

Short Term Debtors	31st March 2025			31st March 2024		
	Gross Debtor	Expected Credit Loss/ Incurred	Net Debtor	Gross Debtor	Expected Credit Loss/ Incurred	Net Debtor
	£000	£000	£000	£000	£000	£000
Central Government	19,475	0	19,475	17,274	0	17,274
Commercial Waste	127	(127)	0	688	(108)	580
Health Authorities	37,199	0	37,199	22,516	0	22,516
Housing Benefit Overpayments	35,691	(30,850)	4,841	30,092	(24,568)	5,524
Housing/ HRA Rent Payers	43,290	(42,499)	791	56,990	(40,469)	16,520
Local Taxation	50,591	(41,957)	8,635	43,356	(33,555)	9,801
Other Local Authorities	17,652	0	17,652	16,940	0	16,940
Other Receivables	30,140	0	30,140	21,418	(4,097)	17,321
Parking	55,573	(38,733)	16,840	39,565	(30,488)	9,077
Payment in Advance	3,098	0	3,098	1,358	0	1,358
Trade Receivables	44,233	(18,787)	25,446	24,928	(12,924)	12,004
<b>Total Short Term Debtors</b>	<b>337,069</b>	<b>(172,953)</b>	<b>164,116</b>	<b>275,123</b>	<b>(146,211)</b>	<b>128,913</b>

Long Term Debtors	31st March 2025			31st March 2024		
	Gross Debtor	Expected Credit Loss/ Incurred	Net Debtor	Gross Debtor	Expected Credit Loss/ Incurred	Net Debtor
	£'000	£'000	£'000	£'000	£'000	£'000
Advances & Deposits	68	0	68	68	0	68
Service Loans	53,746	(44,616)	9,130	53,518	(44,269)	9,249
<b>Total Long Term Debtors</b>	<b>53,814</b>	<b>(44,616)</b>	<b>9,198</b>	<b>53,586</b>	<b>(44,269)</b>	<b>9,317</b>

The above note includes the figures from Single Entity only. Group Entity Short Term Debtors total £164.0 m as of 31 March 2025 (£130.2m as at 31 March 2024) and Group Entity Long Term Debtors total £4.2m as of 31 March 2025 (£3.7m as at 31 March 2024).

# NOTES TO THE STATEMENTS

Expected credit loss is based on the expectation that the future cash flows might not take place because the borrower could default on their obligations. This applies to all of the council's contractual Financial Instrument Assets apart from statutory and tax-based debt.

2024/25 Expected Credit Loss/ Incurred Credit Loss Movement	Opening balance 01/04/2024	Additional/ Release of Provisions made During the Year	Amount Used During the Year	Closing Balance 31/03/2025
	£000	£000	£000	£000
<b>Expected Credit Loss</b>				
Housing Rent	(14,857)	(1,622)	63	(16,417)
Other (Sundry/ Commercial/ Leisure)	(12,921)	(1,786)	604	(14,103)
	<b>(27,778)</b>	<b>(3,408)</b>	<b>667</b>	<b>(30,519)</b>
<b>Incurred Credit Loss</b>				
Housing Other	(25,661)	(2,028)	1,556	(26,133)
Housing Benefit Overpayment	(24,568)	(6,282)	0	(30,850)
Local Taxation	(33,555)	(9,117)	715	(41,957)
Parking	(30,488)	(8,245)	0	(38,733)
Other	(4,159)	(605)	3	(4,761)
	<b>(118,431)</b>	<b>(26,277)</b>	<b>2,274</b>	<b>(142,433)</b>
	<b>(146,210)</b>	<b>(29,685)</b>	<b>2,942</b>	<b>(172,952)</b>

2023/24 Expected Credit Loss/ Incurred Credit Loss Movement	Opening balance 01/04/2023	Additional/ Release of Provisions made During the Year	Amount Used During the Year	Closing Balance 31/03/2024
	£000	£000	£000	£000
<b>Expected Credit Loss</b>				
Housing Rent	(15,726)	(2,610)	3,478	(14,857)
Other (Sundry/ Commercial/ Leisure)	(10,743)	(2,709)	531	(12,921)
	<b>(26,469)</b>	<b>(5,319)</b>	<b>4,009</b>	<b>(27,778)</b>
<b>Incurred Credit Loss</b>				
Housing Other	(23,949)	(2,782)	1,069	(25,661)
Housing Benefit Overpayment	(23,275)	(1,293)	0	(24,568)
Local Taxation	(29,622)	(4,124)	191	(33,555)
Parking	(20,500)	(9,988)	0	(30,488)
Other	(3,732)	(429)	1	(4,159)
	<b>(101,079)</b>	<b>(18,615)</b>	<b>1,262</b>	<b>(118,431)</b>
	<b>(127,547)</b>	<b>(23,934)</b>	<b>5,271</b>	<b>(146,210)</b>

## 16a Debtors for Local Taxation

The past due net of impairments for local taxation (council tax and non-domestic rates) can be analysed by age as follows:

Council Tax	31/03/2025	31/03/2024
	£'000	£'000
One year or less than one year	5,268	5,854
More than one year	2,795	2,500
<b>Total</b>	<b>8,063</b>	<b>8,354</b>

Non-Domestic Rates	2024/25	2023/24
	£'000	£'000
One year or less than one year	414	1,266
More than one year	159	181
<b>Total</b>	<b>573</b>	<b>1,447</b>

# NOTES TO THE STATEMENTS

## 17. Cash and cash equivalents

The net balance of cash and cash equivalents is made up of the following elements at the balance sheet date.

	Single Entity		Group Accounts	
	31/03/25 £'000	31/03/24 £'000	31/03/25 £'000	31/03/24 £'000
Cash in hand and at bank	9,584	2,645	16,495	8,825
Short-term deposits	13,630	33,900	13,630	33,900
<b>Total</b>	<b>23,214</b>	<b>36,545</b>	<b>30,125</b>	<b>42,725</b>

## 18. Creditors

The following tables provide an analysis of money owed by the Council as at 31 March 2025.

	Long Term		Short Term	
	31/03/25 £'000	31/03/24 £'000	31/03/25 £'000	31/03/24 £'000
Central Govt bodies	0	0	(35,082)	(24,422)
Other local authorities	0	0	(14,243)	(14,120)
NHS bodies	0	0	(9,250)	(18,696)
Receipt in Advance*	0	0	(29,524)	(23,711)
Trade Payables	(1,912)	(1,665)	(111,260)	(60,000)
Other Payables	(14,812)	(15,309)	(558)	(18,160)
PFI	0	0	(2,008)	(3,916)
Council Tax & NNDR Overpayments	0	0	(11,860)	(15,712)
<b>Total</b>	<b>(16,724)</b>	<b>(16,974)</b>	<b>(213,784)</b>	<b>(178,737)</b>

The above note includes the figures from Single Entity only. Group Entity Short Term Creditors total £218.7m as of 31 March 2025 (£183.5m as of 31 March 2024) and Group Entity Long Term Creditors total £16.7m as of 31 March 2025 (£16.9m as at 31 March 2024).

\*Some contract liabilities are included in Receipt in Advance.

## 19. Provisions

Provisions are analysed on the face of the Balance Sheet as either short term or long term. The amounts below are estimates based on the best information available:

	Insurance £'000	NDR appeals £'000	Thames Water £'000	Other £'000	Total £'000
<b>Balance at 1 April 2024</b>	<b>(10,240)</b>	<b>(3,823)</b>	<b>(3,241)</b>	<b>(11,375)</b>	<b>(28,679)</b>
Provisions made in 2024/25	(3,967)	0	0	(2,530)	(6,497)
Amounts used in 2024/25	2,340	1,926	0	2,424	6,690
Unused amount reversed in 2024/25	0	0	1,664	0	1,664
<b>Balance at 31 March 2025</b>	<b>(11,867)</b>	<b>(1,897)</b>	<b>(1,577)</b>	<b>(11,481)</b>	<b>(26,822)</b>
Of which:					
<b>Long Term</b>	<b>(10,469)</b>	<b>0</b>	<b>0</b>	<b>(6,322)</b>	<b>(16,791)</b>
<b>Short Term</b>	<b>(1,398)</b>	<b>(1,897)</b>	<b>(1,577)</b>	<b>(5,159)</b>	<b>(10,031)</b>

The **insurance provision** is required as some of the Council's insurance policies are met by deposit premiums under which insurers ask for additional sums some years after the original claim. Furthermore, balances are accrued each year to meet future known claims where the Council self-insures. Depending on the claims, these payments may be made over a period of many years.

The **Non-Domestic Rates (NDR) provision** reflects the potential liabilities of the repayments to businesses based on current outstanding appeals and an estimate of any future appeals.

## NOTES TO THE STATEMENTS

The **Thames Water provision** represents management's judgement of reasonable estimate required should tenants reclaim excess water charges.

### 20. Unusable reserves

	2024/25	2023/24
	£'000	£'000
Collection Fund Adjustment	(5,422)	(5,586)
Revaluation Reserve	(1,287,832)	(1,188,188)
Pensions Reserve	213,026	(87,281)
Capital Adjustment Account	(940,972)	(1,077,718)
Deferred Capital Receipts	(960)	(960)
Financial Instruments Adjustment	1,860	3,175
Dedicated School Grant Adjustment	9,507	9,553
Accumulated Absences	10,897	9,103
<b>Total</b>	<b>(1,999,897)</b>	<b>(2,337,901)</b>

#### Collection Fund Adjustment Account

The collection fund adjustment account manages the differences arising from the recognition of Council tax income in the CIES as it falls due from Council taxpayers compared with the statutory arrangements for paying across amounts to the general fund from the collection fund.

	2024/25	2023/24
	£'000	£'000
<b>Balance as at 1 April</b>	<b>(5,586)</b>	<b>(3,081)</b>
Amount by which council tax and non domestic rates income credited to the CIES is different from council tax and non domestic rates income calculated for the year in accordance with statutory requirements	164	(2,505)
<b>Balance as at 31 March</b>	<b>(5,422)</b>	<b>(5,586)</b>

#### Revaluation reserve

The revaluation reserve contains the gains made by the Council since April 2007 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 Revaluation Reserve includes the figures from the Single Entity only but excludes those from the Group Entity. This is an additional £80m as at 31 March 2025 (£104m at 31 March 2024).

## NOTES TO THE STATEMENTS

	2024/25	2023/24
	£'000	£'000
<b>Balance as at 1 April</b>	<b>(1,188,187)</b>	<b>(1,178,412)</b>
(Surplus) or deficit on revaluation of property, plant and equipment	(129,033)	(14,996)
Difference between fair value depreciation and historical cost depreciation	11,805	1,954
Revaluation losses & impairments written off to previous gains	15,720	1,777
Revaluation balances on disposed assets	1,863	1,490
<b>Balance as at 31 March</b>	<b>(1,287,832)</b>	<b>(1,188,187)</b>

### Pension reserve

The pensions reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the CIES 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 the pension fund or eventually pay any pensions for which it is directly responsible. The debit balance on the pensions reserve therefore shows a shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid. The credit balance represents the surplus of the present value of the defined benefit obligation less the fair value of plan assets.

	2024/25	2023/24
	£'000	£'000
<b>Balance as at 1 April</b>	<b>(87,281)</b>	<b>34,292</b>
Remeasurements recognised in Other Comprehensive Income and Expenditure	312,417	(119,338)
Reversal of items relating to retirement benefits debited or credited to SDPOS	(12,110)	(2,235)
<b>Balance as at 31 March</b>	<b>213,026</b>	<b>(87,281)</b>

### Capital adjustment account

The capital adjustment account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account therefore represents amounts set aside to finance expenditure on fixed assets or for the repayment of external loans and certain other financing transactions.

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

## NOTES TO THE STATEMENTS

	2024/25	2023/24
	£'000	£'000
<b>Balance as at 1 April</b>	<b>(1,077,716)</b>	<b>(1,149,255)</b>
<i>Reversal of items relating to capital expenditure debited or credited to CIES</i>		
- charges for depreciation and impairment of NCA	77,012	48,851
- revaluation gains and reversals of losses on PPE	164,668	124,158
- amortisation of intangible assets	5,185	1,520
- REFCUS	24,563	9,601
- amounts of NCA written off on disposal or sale as part of the gains/loss on disposal to CIES	10,937	5,683
	<b>282,365</b>	<b>189,813</b>
Adjusting amounts written out of Revaluation Reserve	<b>(29,388)</b>	<b>(5,221)</b>
Net written out amount of the cost of NCA consumed in the year	<b>252,977</b>	<b>184,591</b>
<i>Capital financing applied in the year</i>		
- Capital Receipts	(7,215)	(12,336)
- Capital Grants	(78,397)	(88,271)
- Major Repairs Reserve	(22,891)	(22,901)
- Revenue Contributions	(1,898)	(210)
- Minimum revenue provision	(31,103)	(15,531)
	<b>(141,505)</b>	<b>(139,249)</b>
Movements in the market value of Investment Properties debited or credited to CIES	19,444	14,833
Other adjustments*	5,828	11,362
<b>Balance as at 31 March</b>	<b>(940,972)</b>	<b>(1,077,716)</b>

\*Includes £5m for the write down of capital receipts relating to a capital loan.

### Dedicated Schools Grant (DSG) Adjustment Account

The Dedicated Schools Grant adjustment account holds accumulated deficits relating to the schools' budget. Where the authority has incurred a deficit on its schools' budget in years beginning 1 April 2020 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.

	2024/25	2023/24
	£'000	£'000
<b>Balance as at 1 April</b>	<b>9,553</b>	<b>11,550</b>
Transferred into DSG Reserve during year	(45)	(1,997)
<b>Balance as at 31 March</b>	<b>9,508</b>	<b>9,553</b>

As part of the high level of deficit on the High Needs Block, intervention support (Safety Valve) was agreed with the DfE to reduce the cumulative DSG deficit, including the deficit for 2022/23, and reach a positive position by 2027/28. To deliver the required improvement over the five years, the Council developed a DSG Management Plan which was coproduced with various stakeholders. The plan was approved by DfE in 2022-23 and as a result financial support of £29.9m is being provided. The amount provided up to 2024/25 is **£17.94m**. As a result of the funding, the cumulative High Needs Block DSG deficit at 31st March 2025 is **£9.508m** from the high level of **£20.505m** as at 31<sup>st</sup> March 2022.

## NOTES TO THE STATEMENTS

### Accumulated Absences

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, eg annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfers to or from the account.

	2024/25	2023/24
	£'000	£'000
<b>Balance as at 1 April</b>	<b>9,103</b>	<b>10,977</b>
Settlement / cancellation of accrual made at the end of the preceding year	<b>(9,103)</b>	<b>(10,977)</b>
Amounts accrued at the end of the current year	10,897	9,103
Amount by which officer remuneration charged to the CIES on an accruals basis is different from charges in accordance with statute	1,794	<b>(1,874)</b>
<b>Balance as at 31 March</b>	<b>10,897</b>	<b>9,103</b>

# NOTES TO THE STATEMENTS

## 21. Cash Flow Statement - Operating Activities

	Single Entity 2024/25 £000	Single Entity 2023/24 £000	Group 2024/25 £000	Group 2023/24 £000
Interest received	2,579	3,298	2,579	3,298
Interest paid	(33,486)	(25,183)	(33,486)	(25,183)

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

	Single Entity 2024/25 £000	Single Entity 2023/24 £000	Group 2024/25 £000	Group 2023/24 £000
Depreciation	68,244	48,851	70,153	50,654
Impairment and downward valuations	172,152	124,158	172,152	124,158
Amortisation	5,185	1,520	5,185	1,520
Increase/(decrease) in creditors	20,753	1,243	21,972	3,131
Increase/(decrease) in Provisions	(1,857)	12,419	(1,857)	12,419
(Increase)/decrease in debtors	(36,591)	30,342	(37,407)	30,344
(Increase)/decrease in inventories	(28)	(30)	(26)	(89)
Movement in pension liability	(12,110)	(2,235)	(12,223)	(2,327)
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	10,937	5,683	10,937	5,683
Movement in FV of Investment Property	19,444	14,833	19,444	14,833
Other non-cash items charged to the net surplus or deficit on the provision of services	6,043	(856)	5,305	(3,399)
	<b>252,172</b>	<b>235,928</b>	<b>253,635</b>	<b>236,927</b>

## NOTES TO THE STATEMENTS

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

	Single Entity		Group	
	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(14,664)	(25,504)	(14,664)	(25,504)
Capital Grants credited to SDPOS	(73,043)	(94,544)	(73,043)	(94,544)
	<u>(87,707)</u>	<u>(120,048)</u>	<u>(87,707)</u>	<u>(120,048)</u>

### 22. Cash Flow Statement - Investing Activities

	Single Entity		Group	
	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000
Purchase of property, plant and equipment, investment property and intangible assets	(220,478)	(228,256)	(223,385)	(229,319)
Capital Loans to Subsidiaries	0	0	(469)	(429)
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	14,664	24,595	14,664	24,595
Capital Grants and Other Investments received	56,208	59,923	56,208	59,923
<b>Net cash flows from investing activities</b>	<u>(149,606)</u>	<u>(143,738)</u>	<u>(152,982)</u>	<u>(145,230)</u>

# NOTES TO THE STATEMENTS

## 23. Cash Flow Statement - Financing Activities

	Single Entity		Group	
	2024/25	2023/24	2024/25	2023/24
	£000	£000	£000	£000
Cash receipts of short- and long-term borrowing	265,000	184,166	265,000	184,166
Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	(27,548)	(3,722)	(27,548)	(3,722)
Repayments of short- and long-term borrowing	(103,179)	(148,036)	(103,179)	(148,036)
Other payments for financing activities	(2,665)	(5,228)	(2,665)	(5,228)
<b>Net cash flows from financing activities</b>	<b>131,608</b>	<b>27,180</b>	<b>131,608</b>	<b>27,180</b>

## 23a Reconciliation of Financial Liabilities from financing activities

	Opening Balance as at 01.04.2024	Financing Cash Flows	Non Cash Changes	Closing Balance as at 31.03.2025
	£'000	£'000	£'000	£'000
Long Term Borrowings	719,243	155,000	(1,130)	873,113
Short Term Borrowings	110,422	6,821	2,936	120,179
Lease Liabilities	26,819	0	(23,632)	3,187
On Balance sheet PFI liabilities	5,924	(3,916)	0	2,008
<b>Total</b>	<b>862,408</b>	<b>157,905</b>	<b>(21,826)</b>	<b>998,487</b>

# NOTES TO THE STATEMENTS

## 24. Members allowances

The total of Members' allowances paid in 2024/25 was £1.164 million compared to £1.150 million in 2023/24. These figures are included in the 'Corporate Budget- Service' line of the CIES.

## 25. External audit costs

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

	2024/25	2023/24
	£'000	£'000
Fees payable with regard to external audit services carried out by the appointed auditor for the year -KPMG	533	499
Fees for HB subsidy claims audit- KPMG	74	86
Fees payable in respect of grant claims and returns provided during the year-KPMG	22	12
<b>Total</b>	<b>629</b>	<b>597</b>

# NOTES TO THE STATEMENTS

## 26. Pooled budgets\*

In 2024/25, Haringey Council (the Council) entered into 2 pooled budget arrangements with NHS North Central London ICB (The ICB), established under Section 75 (s75) of the NHS Act 2006:

- a) Better Care Fund which provides the financial support to jointly plan and deliver local services.
- b) Commissioning and provision of integrated learning disabilities service

### 2024/25 Section 75 Pooled Budget

	Gross Expenditure 2024/25	ICB's Contribution 2024/25	Haringey's Contribution 2024/25	TOTAL Contribution 2024/25
	£'000	£'000	£'000	£'000
Adults Mental Health	21,751	(6,813)	(14,938)	21,751
Adult Learning Disabilities Support	43,694	(12,883)	(30,810)	43,694
Child and Adolescent Mental Health services (CAMHS)	3,108	(1,674)	(1,434)	3,108
Better Care Fund (BCF)	26,604	(26,604)	0	26,604
OP/LTC (incl DFG & Additional Discharge Fund)	5,839	(626)	(5,213)	5,839
Improved Better Care fund (iBCF)	9,806	0	(9,806)	9,806
Violence Against Women and Girls (VAWG)	59	(32)	(28)	59
Children and Young Persons (CYP)	9,892	(2,767)	(7,125)	9,892
<b>TOTAL</b>	<b>120,755</b>	<b>(51,399)</b>	<b>(69,355)</b>	<b>120,755</b>

### 2023/24 Section 75 Pooled Budget

	Gross Expenditure 2023/24	ICB's Contribution 2023/24	Haringey's Contribution 2023/24	TOTAL Contribution 2023/24
	£'000	£'000	£'000	£'000
Adults Mental Health	63,989	(47,372)	(16,617)	(63,989)
Adult Learning Disabilities Support	42,907	(12,543)	(30,364)	(42,907)
Child and Adolescent Mental Health services (CAMHS)	2,522	(1,768)	(754)	(2,522)
Better Care Fund (BCF)	24,629	(24,629)	0	(24,629)
OP/LTC (incl DFG & Additional Discharge Fund)	4,145	(91)	(4,054)	(4,145)
Improved Better Care fund (iBCF)	9,806	0	(9,806)	(9,806)
Violence Against Women and Girls (VAWG)	59	(32)	(27)	(59)
Children and Young Persons (CYP)	10,032	(3,028)	(7,004)	(10,032)
<b>TOTAL</b>	<b>158,089</b>	<b>(89,463)</b>	<b>(68,626)</b>	<b>(158,089)</b>

\* The account presented here are memorandum account as the figures are already incorporated in the Core Statement of Account set out in Page 29 to 34

## NOTES TO THE STATEMENTS

Haringey and ICB contribution is presented net of recharges for both prior and current year.

In 2024/25, the Council and the ICB continued the expanded and unified partnership agreement, under Section 75 of the NHS Act 2006, to support the implementation of strategic plans for more integrated commissioning and provide for:

a) Lead commissioning and the establishment and maintenance of pooled fund for the commissioning of learning disability services for eligible adults' resident in Haringey.

b) Lead commissioning and the establishment and maintenance of a pooled fund for the commissioning of mental health services for eligible adults' resident in Haringey.

c) Joint commissioning and the establishment and maintenance of a pooled fund for the commissioning of older people's services for eligible adults' resident in the London Borough of Haringey.

d) Joint commissioning and the establishment and maintenance of a pooled fund for the commissioning of child and adolescent mental health services for the residents of the London Borough of Haringey.

e) Lead commissioning and the establishment and maintenance of a pooled fund for the commissioning of the Independent Domestic Violence Advocacy Service and the Identification and Referral to Increase Safety Service for eligible adults' resident in Haringey.

f) Lead commissioning and the establishment and maintenance of a pooled fund for the commissioning of a range of young people's health and wellbeing services for eligible young people resident in Haringey.

It should be noted that whilst the Partnership Agreement allows for all budgets mentioned above to be pooled, it is only the BCF, DFG,

and the learning disability staffing budgets which are in fact pooled, all other budgets are aligned. The partnership agreement for the Better Care Fund comprises the ICB and the Council for the provision of services to facilitate closer integration of health and social care for local people. Haringey CCG, as the host Authority, held the revenue element whilst the Council held the capital element of the pooled budget.

The gross expenditure of the Better Care Fund (not including Improved Better Care Fund) was £32.4m in 2024/25 to which the Council's contribution was £5.2m and £27.2m was the contribution of Haringey ICB. In relation to the improved Better Care Fund the Council utilised the entire amount of £9.8m.

# NOTES TO THE STATEMENTS

## 27. Officers' Remuneration

The following table sets out the remuneration for senior officers whose salary is £150,000 or more per year.

Post Holder Details	Financial Year	Salary, Fees and Allowances	Compensation for Loss of Office	Employer Pension Contribution	Total Remuneration
		£	£	£	£
Chief Executive - A Donald	2024-25	228,279	0	0	228,279
	2023-24	225,870	0	0	225,870
Taryn Eves (started 01.05.2024) (Director of Finance)	2024-25	139,596	0	32,805	172,401
	2023-24	0	0	0	0
Director of Finance - JR Warlow (Retired 31.03.2024)	2024-25	0	0	0	0
	2023-24	186,063	0	41,583	227,646
Director of Placemaking & Housing - D Joyce (Left 30.09.2024)	2024-25	77,791	0	18,281	96,072
	2023-24	160,833	0	36,992	197,825
Director of Adults, Health & Communities - B Tarka	2024-25	169,920	0	39,931	209,851
	2023-24	160,833	0	36,992	197,825
Director of Children's Services - A Graham	2024-25	170,389	0	39,931	210,320
	2023-24	160,833	0	36,992	197,825
Jess Crowe* (Director of Culture, Strategy & Engagement)	2024-25	161,775	-	38,017	199,792
	2023-24	149,891	-	34,475	184,365
Barry Francis* (Director of Environment & Resident Experience)	2024-25	169,968	-	39,931	209,899
	2023-24	149,891	-	34,475	184,366

\*These 2 directors were disclosed in the under £150k table below in 2023/24.

## NOTES TO THE STATEMENTS

The following table sets out the remuneration disclosures for senior officers reporting directly to the Chief Executive whose salary is more than £50,000 but less than £150,000:

Post Holder Details	Financial Year	Salary, Fees and Allowances	Compensation for Loss of Office	Employer Pension Contribution	Total Remuneration
		£	£	£	£
Malcolm Eubert	2024-25	130,185	0	30,594	<b>160,779</b>
(Director of Environment & Residents Experience)	2023-24	121,531	0	16,545	<b>138,076</b>
Jonathan Kirby	2024-25	143,160	0	33,643	<b>176,803</b>
(Director of Placemaking & Housing)	2023-24	119,967	0	27,592	<b>147,559</b>

## NOTES TO THE STATEMENTS

The number of employees whose remuneration including redundancy payments but excluding pension contributions was £50,000 or more is detailed in the table below. These numbers cover all Council activities, including schools-based staff (it excludes senior officers who are disclosed in the previous tables):

	2024/25	2023/24
	No. of employees	No. of employees
£50,000 - £54,999	472	437
£55,000 - £59,999	376	270
£60,000 - £64,999	269	434
£65,000 - £69,999	178	10
£70,000 - £74,999	106	2
£75,000 - £79,999	64	49
£80,000 - £84,999	38	34
£85,000 - £89,999	36	48
£90,000 - £94,999	21	1
£95,000 - £99,999	25	12
£100,000 - £104,999	15	10
£105,000 - £109,999	14	9
£110,000 - £114,999	11	10
£115,000 - £119,999	6	9
£120,000 - £124,999	8	1
£125,000 - £129,999	4	9
£130,000 - £134,999	1	2
£135,000 - £139,999	2	2
£140,000 - £144,999	4	1
£145,000 - £149,999	2	0
<b>Total</b>	<b>1,652</b>	<b>1,350</b>

### 28. Termination benefits

The tables below show the number of exit packages including pension strain contributions agreed in the year together with the total cost per band (including schools-based staff):

Exit Package 2024/25	No of compulsory redundancies	No of other agreed departures	Total number	Total cost £
£0 - £20,000	36	18	54	464,744
£20,001 - £40,000	20	9	29	830,148
£40,001 - £60,000	7	10	17	782,599
£60,001 - £80,000	0	2	2	129,235
£80,001 - £100,000	0	1	1	92,270
£100,001 - £150,000	0	2	2	251,470
£150,001 - £200,000	1	3	4	655,852
£200,001 - £250,000	0	1	1	201,303
	<b>64</b>	<b>46</b>	<b>110</b>	<b>3,407,621</b>

Exit Package 2023/24	No of compulsory redundancies	No of other agreed departures	Total number	Total cost £
£0 - £20,000	33	23	56	£449,714
£20,001 - £40,000	13	7	20	£568,938
£40,001 - £60,000	0	2	2	£85,623
£60,001 - £80,000	2	0	2	£130,666
£100,001 - £150,000	1	0	1	£106,488
	<b>49</b>	<b>32</b>	<b>81</b>	<b>£1,341,428</b>

## NOTES TO THE STATEMENTS

### 29. Dedicated Schools Grant (DSG)

The council's expenditure on schools is funded primarily by grant monies provided by the Department for Education and Skills Funding Agency (ESFA), the Dedicated Schools Grant (DSG). The DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance (England) Regulations 2022. The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and the Individual Schools Budget (ISB), which is divided into a budget share for each maintained school.

Details of the deployment of DSG receivable for 2024/25 are as follows.

<b>Central Expenditure</b>	<b>ISB</b>	<b>Total</b>
£'000	£'000	£'000
Final DSG for 2024/25 before academy and high needs recoupment		<b>317,429</b>
Academy and high needs figure recouped for 2024/25		<b>86,328</b>
Total DSG after academy and high needs recoupment for 2024/25		<b>231,101</b>
Plus: Brought forward from 2023/24		<b>10,952</b>
Less: Carry-forward to 2025/26 agreed in advance		<b>0</b>
Agreed initial budgeted distribution in 2024/25	100,220	141,833
In-year adjustments	1,910	0
Final budget distribution for 2024/25	<b>102,130</b>	<b>141,833</b>
Less: Actual central expenditure	91,132	91,132
Less: Actual ISB deployed to schools		141,833
Plus: Local authority contribution for 2024/25	0	0
<b>In-year carry-forward to 2025/26</b>	<b>10,998</b>	<b>0</b>
Plus: Carry-forward to 2025/26 agreed in Carry-forward to 2025/26		<b>10,997</b>
DSG unusable reserve at the end of 2023/24		<b>(20,505)</b>
Addition to DSG unusable reserve at the end of 2024/25		<b>0</b>
Total of DSG unusable reserve at the end of 2024/25		<b>(20,505)</b>
Net DSG position at the end of 2024/25		<b>(9,508)</b>

# NOTES TO THE STATEMENTS

## 30. Grant income

The Council credited the following grants, contributions and donations to the CIES in 2024/25.

		2024/25	2023/24
		£000	£000
<b>Credited to Services</b>			
Dept of Works & Pensions Grants	Housing Benefits Subsidy	(139,994)	(161,992)
	Household Support Fund	(4,813)	(4,813)
	Discretionary Housing payment	(1,193)	(1,193)
Dept for Education Grants	Dedicated Schools Grant	(231,101)	(215,407)
	Safety Valve Payment	(1,910)	(4,070)
	Pupil Premium	(9,533)	(10,558)
	Schools Supplementary Grant (SSG)	(3,473)	(5,376)
	16+ Learning	(6,925)	(7,192)
	PFI	(5,669)	(5,669)
	Universal Infant school meal	(6,405)	(5,314)
	DFE Other Revenue Grants	(11,917)	(10,335)
Department of Health Grants	Public Health Grant	(23,214)	(22,203)
	DHSC Other Revenue Grants	(8,141)	(6,273)
DHULC Grants	Homelessness Grant	(3,096)	(1,940)
	Tackling Troubled Families	(1,663)	(1,536)
	Council tax Rebate- Energy	0	(28)
	Flexible Housing	(10,772)	(10,739)
	Adult Social Care	(37,491)	(30,443)
	Ukraine Refugees Grant	(2,059)	(1,977)
GLA Grants	GLA Grants	(1,265)	(2,369)
Home Office Grants	Home Office Grants	(3,587)	(3,037)
Various Government Depts	Other Revenue Grants	(7,586)	(6,560)
Contributions	NHS Bodies	(26,674)	(20,272)
	Other Bodies	(6,893)	(5,208)
Capital Grants to services	Disability Facility Grant	(3,215)	(3,390)
<b>Total Government Grants</b>		<b>(558,589)</b>	<b>(547,894)</b>

	2024/25	2023/24	
	£000	£000	
<b>Credited to Taxation and Non-Specific Grant Income</b>			
	New Homes Bonus	(1,789)	(2,105)
	Revenue Support Grant	(27,333)	(25,635)
	S31 Business Rate Relief	(25,892)	(22,065)
	Services Grant	(572)	(3,316)
	Other General Grants	(2,026)	(1,097)
<b>Sub Total Government Grants</b>	<b>(57,612)</b>	<b>(54,218)</b>	
	Business Rates (NDR) top up	(66,718)	(61,971)
<b>Sub Total Revenue Grants</b>	<b>(124,330)</b>	<b>(116,189)</b>	
	Capital Grants	(69,828)	(91,154)
	Donations	(9)	(12)
<b>Total</b>	<b>(194,167)</b>	<b>(207,355)</b>	

# NOTES TO THE STATEMENTS

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

	2024/25	2023/24
<b>Capital Grants &amp; Contribution Received in Advance</b>	<b>£000</b>	<b>£000</b>
New Build Grant	(69,996)	(76,930)
S106 Contribution	(17,452)	(21,768)
DBEIS Funding	(8,652)	(8,804)
Mayors Land Fund	0	(5,000)
DLUHC Grants	(479)	(3,296)
Other Grants	(1,271)	(374)
<b>Total</b>	<b>(97,850)</b>	<b>(116,172)</b>

	2024/25	2023/24
<b>Capital Grants Received in Advance Balance Sheet Analysis</b>	<b>£000</b>	<b>£000</b>
Short Term	(80,398)	(94,404)
Long Term	(17,452)	(21,768)
<b>Total</b>	<b>(97,850)</b>	<b>(116,172)</b>

	2024/25	2023/24
<b>Revenue Grants Received in Advance</b>	<b>£000</b>	<b>£000</b>
GLA Revenue Grants	0	(41)
DLUHC Revenue Grants	0	(33)
CO - One Pub Est Pship	(230)	(230)
<b>Total</b>	<b>(230)</b>	<b>(304)</b>
<b>Total Grants &amp; Contributions Received in Advance</b>	<b>(98,080)</b>	<b>(116,476)</b>

## 31. Related Parties

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

### Central Government

Central government has significant influence over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, most of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g., housing benefits). Grants received from government departments are set out in note 30 Grant income.

### Pooled Budgets

The Council has entered into partnership agreements under Section 75 of the Health Act 2006. The specific details of these partnerships are shown in note 26 relating to Pooled Budgets.

### Pension Fund

The pension fund accounts are set out elsewhere in the Statement of Accounts. The pension fund operates a separate bank account and makes investments separately from the Council. The pension fund owed the council £0.546m as at 31 March 2025 and the Council charged the fund £0.966m for administration in 2024/25 (£0.305m and £0.840m respectively in 2023/24).

## NOTES TO THE STATEMENTS

### Homes for Haringey Limited, and Alexandra Park and Palace Charitable Trust Limited

Both are wholly owned subsidiaries of Haringey Council and have been consolidated into the Council's Group Accounts. The net value of payments and receipts in 2024/25 were £8.9 million and £0.2 million respectively £7.0 million and £2.3 million in 2023/24).

The Total debt owed by Alexandra Park and Palace Charitable Trust at the year-end is £48.2m. Most of these debts (£43.1m), are historic debt balances owed by the Trust that have not been legally discharged. £5.1m of the remaining debt relates to loans for refurbishment of the Ice Rink facility, the West Yard Storage and lighting, which are being repaid by the Trust in line with the loan agreements.

The historic debt dates back to previous decades when the Council expended funds on behalf of the Trust. Although the debt has not been legally discharged, the Council has agreed that it will only seek to recover the debt when the Trust is in a position to repay amounts due.

### North London Waste Authority (NLWA)

NLWA has seven participating boroughs, and each borough can appoint up to 2 members to the board. The value of the levy paid is disclosed in note 7.

### Members and Senior Officers

Members of the Council including the Mayor have direct control over the Council's financial and operating policies. The total of members allowances paid in 2024/25 is shown in note 24. Members of the Council and senior officers participate in and are members of a variety of other public bodies and community groups either in a personal capacity or appointment by the Council.

In 2024/25, Haringey has provided financial support to or purchased services from 11 charitable or voluntary organisations (12 in 2023/24) in which 30 members have declared an interest (27 in 2023/24). 21 of these instances were as a representative of the Council and 12 in a personal capacity (16 and 11 respectively in 2023/24). For 2024/25, the total value of payments due and amounts receivable totalled £2.102 million (£4.259 million in 2023/24). This includes amounts outstanding of £0.145 million (£0.172 million in 2023/24).

The balance due to Haringey at the end of the year in respect of a loan made to Bernie Grant Centre is £0.340 million. The Centre is a registered charity and performing arts centre in Tottenham set up in memory of MP Bernie Grant.

The Council has well established mechanisms and procedures for preventing undue influence in awarding of contracts or grant funding to organisations. Supporting these mechanisms is the disclosure of interests in the Register of Members' Interest which is open to public inspection at George Meehan House, 294 High Road, Wood Green, London N22 8YX. This note has been compiled using this register and individual declarations made by elected members and senior officers. One ex-senior officer did not submit a declaration form.

# NOTES TO THE STATEMENTS

## 32. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI contracts), 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 authority, the expenditure results in an increase in the capital financing requirement (CFR), a measure of the capital expenditure incurred historically by the authority that has yet to be financed. The CFR is analysed in the second part of this note.

	2024/25	2023/24
	£'000	£'000
<b>Capital Financing Requirement at 1 April</b>	<b>1,219,671</b>	<b>1,120,900</b>
Adjustment to correct historic discrepancy on reported CFR	30,721	0
IFRS 16 Right of Use <i>Capital investment</i>	56,818	0
- Property, Plant and Equipment	219,436	214,079
- Long term loans	6,025	10,712
- Investment Properties	75	30
- Intangible Assets	3,086	3,597
- REFCUS	24,563	9,601
	<b>340,724</b>	<b>238,020</b>
<i>Sources of finance</i>		
- Capital receipts	(7,215)	(12,336)
- Government grants and other contributions	(78,397)	(88,271)
- Major Repairs Allowance	(22,891)	(22,901)
- Direct revenue contributions	(1,898)	(210)
- Minimum Revenue Provision**	(31,103)	(15,531)
	<b>(141,504)</b>	<b>(139,249)</b>
<b>Closing CFR</b>	<b>1,418,891</b>	<b>1,219,671</b>
<b>Explanation of movements in year</b>		
Provision to reduce underlying need to borrow (MRP)	(31,103)	(15,531)
Increase in underlying need for supported borrowing	230,323	114,300
<b>Increase/(Decrease) in CFR</b>	<b>199,220</b>	<b>98,769</b>

\*\* The increase in MRP in 2024/25 was mainly due to the first time adoption of IFRS 16

# NOTES TO THE STATEMENTS

## 33. Leases

### Change in Accounting Policy and Transition to IFRS 16 Lease Accounting

In 2024/25 the Council applied IFRS 16 Leases as permitted by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e., without recognising the leased property as an asset and future rents as a liability) a right-of use asset and a lease liability are to be brought into the balance sheet at 1 April 2024.

Leases for items of low value and lease that expire on or before 31 March 2025 are exempt from the new arrangements. IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior year figures.

However, some practical expedients have been applied as required or permitted by the Code:

- Lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the Council's incremental borrowing rate at that date
- The incremental borrowing rates used to discount liabilities was determined based on the remaining lease term
- In relation to temporary accommodation rolling monthly leases, we have calculated interest, lease liability and right of use asset for 3 years, as there is a history of rolling them forward each year with a typical 3-year contract
- Right-of-use assets are measured at the amount for the lease liability, on 31 March 2025 – any initial direct costs have been excluded
- All leases were assessed to determine if any were onerous, and it was confirmed that none were identified as such
- The council has elected to apply the practical expedient allowed under IFRS 16 for short term leases. Leases with a term of 12 months or less, for which there is no option to purchase the underlying asset, are not recognised on the balance sheet. Instead, payments for these leases are charged to the CIES

This has resulted in the following additions to the balance sheet:

- £53,808k Property, plant and equipment (right-of-use assets)
- £27,101k Non-current creditors (lease liabilities)
- £19,361k Current creditors (lease liabilities)

## NOTES TO THE STATEMENTS

### Authority as Lessee - Finance leases

The Council holds several assets under finance leases. The assets acquired under these leases are carried as investment property or property, plant and equipment in the Balance Sheet at the following net amounts.

Right of Use Assets	Land and Buildings	Vehicles, Plant, Furniture and Equipment
	£'000	£'000
Balance at 1 April 2024	0	3,037
Additions	27,645	26,137
Depreciation and Amortisation	(9,215)	(7,916)
<b>Balance at 31 March 2025</b>	<b>18,430</b>	<b>21,258</b>

	Investment Properties
	£'000
Balance at 1 April 2024	19,501
IFRS 16 adjustment *1	(2,404)
Additions	27
Revaluations	(5,942)
<b>Balance at 31 March 2025</b>	<b>11,182</b>

\*1 – Three leases exempt under IFRS16 as low value.

## NOTES TO THE STATEMENTS

	2024/25	2023/24
	£'000	£'000
Less than one year	20,406	1,046
Between one and five years	25,767	3,279
Greater than five years	27,107	22,494
<b>Total</b>	<b>73,280</b>	<b>26,819</b>

Amounts recognised in the Comprehensive Income and Expenditure Statement:

	31/03/25	31/03/24
	£'000	£'000
Interest expense on lease liabilities	3,481	N/A

### Authority as Lessor - Operating leases

The Council leases out property and equipment under operating leases for the following purposes:

- Community services, such as sports facilities, tourism services and community centres
- Economic development to provide suitable affordable accommodation for local businesses.

The future minimum lease payments receivable under non-cancellable leases in future years are as follows.

	31/03/25	31/03/24
	£'000	£'000
Not later than one year	7,063	7,264
Later than one year and not later than five years	18,877	17,946
Later than five years	87,330	88,847
<b>Total</b>	<b>113,270</b>	<b>114,057</b>

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

### 34. Service Concession Arrangements

In 2000, the Council entered into a PFI contract that encompassed major building work and ongoing facilities management for its eight secondary schools. In February 2007, the agreement was suspended, and all of the assets were brought back onto the Council's balance sheet.

The remaining contract that the Council has with the contractor is for the repayment of the outstanding liability of debt incurred when the original PFI works were first undertaken. This debt has also been recognised within the Council's Balance Sheet. Payments to the contractor including indexation were £4.337 million in 2024/25 (£4.324 million in 2023/24). The PFI arrangement ends in September 2025.

The Council receives a £5.669 million revenue grant annually from the Government to assist in financing the PFI scheme.

## NOTES TO THE STATEMENTS

### Future payments to be made

Future payments to be made in respect of the PFI arrangement are shown below. These future payments take into account any future indexation of the cost that may be agreed between the provider and the Council in future years. However, the impact of any future indexation is minimal as the majority of the unitary charge is fixed.

	<b>Reimbursement of Capital Exp</b>	<b>Interest</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Payable in 1 year	2,008	105	<b>2,113</b>
<b>Total</b>	<b>2,008</b>	<b>105</b>	<b>2,113</b>

<b>Movement in PFI liability</b>	<b>£'000</b>
Opening Balance as at 1/4/2024	5,924
Interest Charge	308
Payment during 2024/25	<u>(4,225)</u>
<b>Closing balance as at 31/3/2025</b>	<b><u>2,008</u></b>

# NOTES TO THE STATEMENTS

## 35. Pension schemes accounted for as defined contribution schemes

### Teachers

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

In 2024/25 the Council paid £21.180 million (£17.063 million in 2023/24) to Teachers' Pensions in respect of teachers' pension costs which represented 28.68% of teachers' pensionable pay from April 2024 to March 2025. From 1<sup>st</sup> April 2025, the employer's contribution rate will increase to 28.68%. The expected contributions for 2025/26 is £25.652 million.

The Council is responsible for additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis and detailed in note 36.

## 36. Defined benefit pension schemes

### Participation in the Local Government Pension Scheme (LGPS)

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

The Council participates in the Local Government Officers' Pension Fund administered by Haringey Council. This is a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

Where appropriate, the following disclosures include group amounts in respect of some employees of Alexandra Palace and Palace Charitable Trust.

### Discretionary post-retirement benefits

Discretionary post-retirement benefits on early retirement (added years) are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities. Included within the present value of unfunded liabilities detailed in the following notes is £19.215 million for the LGPS (£19.930 million in 2023/24) and £10.520 in respect of Teachers unfunded pensions (£12.274 million in 2023/24). At 31st March 2025 the Scheme had 765 members in respect of LGPS and 288 members in respect of Teachers unfunded pensions (836 and 309 respectively as at 31st March 2024).

### Transactions relating to post-employment benefits

The Council recognises the cost of retirement benefits in the Cost of Services on Continuing Operations when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Council is required to make against Council Tax is based on the cash payable in the year, and the real cost of retirement benefits is reversed out in the adjustments between accounting basis & funding basis under regulations line, in the Movement in Reserves Statement.

## NOTES TO THE STATEMENTS

The following transactions have been made in the CIES:

	LGPS		Unfunded	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Cost of Services				
- Current Service Cost	37,352	40,291	0	0
- Past Service Cost	946	369	0	0
<b>Total</b>	<b>38,298</b>	<b>40,660</b>	<b>0</b>	<b>0</b>
Net Interest Expense	(4,370)	1,540	0	0
<b>Total charged to SDPOS</b>	<b>33,928</b>	<b>42,200</b>	<b>0</b>	<b>0</b>
<b>Other Comprehensive Income and Expenditure</b>				
- Return on plan assets	22,926	(89,569)	0	0
- actuarial gains/losses (changes in financial assumptions)	(250,111)	(73,230)	0	0
- actuarial gains/losses (changes in demographic assumptions)	(2,912)	(9,855)	0	0
- other	(16,115)	51,480	0	1,836
Changes in the effect of asset ceiling	558,629			
<b>Total</b>	<b>312,417</b>	<b>(121,174)</b>	<b>0</b>	<b>1,836</b>

	Group	
	2024/25 £'000	2023/24 £'000
Cost of Services		
- Current Service Cost	37,365	40,305
- Past Service Cost	946	369
<b>Total</b>	<b>38,311</b>	<b>40,674</b>
Net Interest Expense	(4,472)	1,457
<b>Total</b>	<b>33,839</b>	<b>42,131</b>

### Other Comprehensive Income and Expenditure

- Return on plan assets	22,926	(89,835)
- actuarial gains/losses (changes in financial assumptions)	(250,116)	(73,326)
- actuarial gains/losses (changes in demographic assumptions)	(3,236)	(9,873)
- other	(16,145)	53,417
Changes in the effect of asset ceiling	558,629	0
<b>Total</b>	<b>312,058</b>	<b>(119,617)</b>

## NOTES TO THE STATEMENTS

The following transactions have been made in the adjustments between accounting basis and funding basis under regulations line in the MIRS during the year for the single entity.

	<b>2024/25</b>	<b>2023/24</b>
	£'000	£'000
Reversal of net IAS 19 charges	<u>(33,928)</u>	<u>(42,200)</u>
Actual amount charged for pensions in the year	<u>46,038</u>	<u>44,435</u>

## NOTES TO THE STATEMENTS

### Pension assets and liabilities recognised in the Balance Sheet

	LGPS		Unfunded	
	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
Present value of obligation	(1,422,945)	(1,629,133)	(29,735)	(32,204)
Fair value of plan assets	1,798,283	1,748,618	0	0
<b>Net Asset / (liability)</b>	<b>375,338</b>	<b>119,485</b>	<b>(29,735)</b>	<b>(32,204)</b>
Effect of asset ceiling	(558,629)	0	0	0
<b>Net (Liability) / asset</b>	<b>(183,291)</b>	<b>119,485</b>	<b>(29,735)</b>	<b>(32,204)</b>

Note: In 2024/25 the Council assessed the availability of economic benefits from its participation in the LGPS in accordance with IAS 19 and IFRIC 14. Under these requirements, a surplus may only be recognised to the extent the Council has an unconditional right to a refund and/or can realise reductions in future contributions; in addition, where a minimum funding requirement commits the Council to agreed deficit (secondary) contributions that cannot be recovered through refunds or future contribution reductions, an additional liability must be recognised. Following updated actuarial measurements and the funding arrangements in place at 31 March 2025, the Council concluded that no surplus was recognisable and that the commitment to future deficit recovery (secondary) contributions gave rise to an additional liability of £213 million at the year end. This reflects the application of IFRIC 14 to the Council's current funding position and assumptions as at the balance sheet date. By contrast, in 2023/24 the Council did not apply an asset ceiling and the £87 million surplus was recognised in full. The 2024/25 outcome therefore represents a change in facts and judgements (marketdriven actuarial updates and funding commitments assessed at the reporting date), not a change in accounting policy. The Council will reassess these conditions at each reporting date.

	Single Entity		Group Amounts	
	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
Present value of obligation	(1,452,680)	(1,661,337)	(1,455,302)	(1,664,345)
Fair value of plan assets	1,798,283	1,748,618	1,803,530	1,753,740
<b>Net Asset / (liability)</b>	<b>345,603</b>	<b>87,281</b>	<b>348,228</b>	<b>89,395</b>
Effect of asset ceiling	(558,629)	0	(558,629)	0
<b>Net (Liability) / asset</b>	<b>(213,026)</b>	<b>87,281</b>	<b>(210,401)</b>	<b>89,395</b>

### Asset Ceiling Reconciliation

	Impact
	£'000
	2024/25
Effect of asset ceiling - start of period	0
Net interest	0
Remeasurement gain/(loss)	(558,629)
<b>Effect of asset ceiling - end of period</b>	<b>(558,629)</b>

# NOTES TO THE STATEMENTS

## Reconciliation of Movement in Fair Value of Scheme Assets

Scheme Assets	LGPS		Unfunded	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Opening fair value of scheme assets	1,748,618	1,603,961	0	0
Interest income	83,614	75,704	0	0
Remeasurement gain / (loss) - the return on plan assets	(22,926)	89,569	0	0
- other experience changes	0	0	0	0
Employer contributions	42,513	41,003	3,525	3,432
Contributions from employees into the scheme	12,380	12,090	0	0
Benefits paid	(65,916)	(73,709)	(3,525)	(3,432)
Effect of Business combinations & Disposals	0	0	0	0
<b>Closing fair value</b>	<b>1,798,283</b>	<b>1,748,618</b>	<b>0</b>	<b>0</b>

	Single Entity		Group Accounts	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Opening fair value of scheme assets	1,748,618	1,603,961	1,753,740	1,608,872
Interest income	83,614	75,704	83,856	75,931
Remeasurement gain / (loss) - the return on plan assets	(22,926)	89,569	(22,887)	89,835
- other experience changes	0	0	0	0
Employer contributions	46,038	44,435	46,062	44,458
Contributions from employees into the scheme	12,380	12,090	12,383	12,093
Benefits paid	(69,441)	(77,141)	(69,624)	(77,449)
Effect of Business combinations & Disposals	0	0	0	0
<b>Closing fair value</b>	<b>1,798,283</b>	<b>1,748,618</b>	<b>1,803,530</b>	<b>1,753,740</b>

## NOTES TO THE STATEMENTS

### Reconciliation of Present Value of Defined Benefit Obligation

Scheme Assets	LGPS		Unfunded	
	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
Opening Defined Benefit Obligation	(1,629,133)	(1,604,453)	(32,204)	(33,800)
Service cost	(38,298)	(40,660)	0	0
Interest cost	(79,244)	(77,244)		
Contributions by Scheme Participants	(12,380)	(12,090)	0	0
Benefits paid	65,916	73,709	3,525	3,432
Remeasurement gain / (loss)	270,194	31,605	(1,056)	(1,836)
<b>Closing Defined Benefit Obligation</b>	<b>(1,422,945)</b>	<b>(1,629,133)</b>	<b>(29,735)</b>	<b>(32,204)</b>

Scheme Liabilities	Single Entity		Group Amounts	
	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
Balance as at 1st April	(1,661,337)	(1,638,253)	(1,664,345)	(1,641,421)
Current service cost	(37,352)	(40,291)	(37,365)	(40,305)
Past service cost	(946)	(369)	(946)	(369)
Interest cost	(79,244)	(77,244)	(79,384)	(77,388)
Contributions from scheme participants	(12,380)	(12,090)	(12,383)	(12,093)
Remeasurement gain / (loss)			0	0
- financial assumptions	250,111	73,230	250,116	73,326
- demographic assumptions	2,912	9,855	3,236	9,873
- other experience changes	16,115	(53,316)	16,145	(53,417)
Benefits paid	69,441	77,141	69,624	77,449
<b>Balance as at 31st March</b>	<b>(1,452,680)</b>	<b>(1,661,337)</b>	<b>(1,455,302)</b>	<b>(1,664,345)</b>

# NOTES TO THE STATEMENTS

## Analysis of Scheme Assets:

### Single Entity

2024/25	Quoted - active markets	Not quoted - no active markets	Total	% of Total Assets
	£'000	£'000	£'000	%
Cash and cash equivalents	0	53,641	<b>53,641</b>	3
Private equity	0	123,557	<b>123,557</b>	7
Debt securities	245,436	0	<b>245,436</b>	14
Real estate: UK property	0	191,682	<b>191,682</b>	11
Investment funds and unit trusts				
- equities	774,073	0	<b>774,073</b>	43
- bonds	344,046	0	<b>344,046</b>	19
- infrastructure	0	65,847	<b>65,847</b>	4
Sub-total	1,118,119	65,847	1,183,966	66
<b>Total assets</b>	<b>1,363,555</b>	<b>434,727</b>	<b>1,798,283</b>	<b>100</b>

2023/24	Quoted - active markets	Not quoted - no active markets	Total	% of Total Assets
	£'000	£'000	£'000	%
Cash and cash equivalents	0	20,344	<b>20,344</b>	1
Private equity	0	132,778	<b>132,778</b>	8
Debt securities	255,151	0	<b>255,151</b>	15
Real estate: UK property	0	193,076	<b>193,076</b>	11
Investment funds and unit trusts			<b>0</b>	
- equities	779,935	0	<b>779,935</b>	45
- bonds	300,163	0	<b>300,163</b>	17
- infrastructure	0	67,172	<b>67,172</b>	4
Sub-total	1,080,098	67,172	1,147,270	66
<b>Total assets</b>	<b>1,335,249</b>	<b>413,369</b>	<b>1,748,618</b>	<b>100</b>

### Group Accounts

2024/25	Quoted - active markets	Not quoted - no active markets	Total	% of Total Assets
	£'000	£'000	£'000	%
Cash and cash equivalents	105	53,641	<b>53,746</b>	3
Private equity	0	123,557	<b>123,557</b>	7
Debt securities	245,436	0	<b>245,436</b>	14
Real estate: UK property	0	192,259	<b>192,259</b>	11
Investment funds and unit trusts			<b>0</b>	
- equities	777,064	0	<b>777,064</b>	43
- bonds	345,620	0	<b>345,620</b>	19
- infrastructure	0	65,847	<b>65,847</b>	4
Sub-total	1,122,684	65,847	1,188,531	66
<b>Total assets</b>	<b>1,368,225</b>	<b>435,304</b>	<b>1,803,530</b>	<b>100</b>

2023/24	Quoted - active markets	Not quoted - no active markets	Total	% of Total Assets
	£'000	£'000	£'000	%
Cash and cash equivalents	51	20,344	<b>20,395</b>	1
Private equity	0	132,778	<b>132,778</b>	8
Debt securities	255,151	0	<b>255,151</b>	15
Real estate: UK property	0	193,639	<b>193,639</b>	11
Investment funds and unit trusts			<b>0</b>	
- equities	783,316	0	<b>783,316</b>	45
- bonds	301,290	0	<b>301,290</b>	17
- infrastructure	0	67,172	<b>67,172</b>	4
Sub-total	1,084,606	67,172	1,151,778	66
<b>Total assets</b>	<b>1,339,808</b>	<b>413,932</b>	<b>1,753,740</b>	<b>100</b>

# NOTES TO THE STATEMENTS

## Basis for estimating assets and liabilities.

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in the future years dependent on assumptions about mortality rates, salary levels, etc. Liabilities are discounted to their value at current prices using a discount rate of 5.8% (4.8% in 2023/24).

The Council's Pension Scheme liabilities as at 31<sup>st</sup> March 2025 have been assessed by Hymans Robertson, an independent firm of actuaries, and are projections based on data pertaining to the full valuation of the scheme as 31<sup>st</sup> March 2022. There are risks and uncertainties associated with whatever assumptions adopted as these are in effect projections of future investment returns and demographic experience many years into the future. The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and HRA the amounts required by statute as described in the accounting policies note.

	2024/25	2023/24
Mortality assumptions		
- Longevity at 65 for male current pensioners	21.1 years	21.2 years
- Longevity at 65 for female current pensioners	24.0 years	24.0 years
- Longevity at 65 for male future pensioners	22.3 years	22.5 years
- Longevity at 65 for female future pensioners	25.6 years	25.6 years
Rate of increase in salaries	3.8%	3.8%
Rate of increase in pensions	2.8%	2.8%
Rate for discounting scheme liabilities	5.8%	4.8%

A commutation allowance is included for future retirements to elect to take 52% of the maximum additional tax-free cash up to HMRC limits. All other demographic assumptions are as per the latest funding valuation.

The estimate of the defined benefit obligation is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses 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, assumes 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, i.e. 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.

# NOTES TO THE STATEMENTS

The impact on the liability of these changes would be as follows.

	Approximate increase to liability	Approximate value
	%	£'000
0.1% decrease in real discount rate	2	23,334
1 year increase in member life expectancy	4	58,107
0.1% increase in salary increase rate	0	886
0.1% increase in pension increase	2	23,087

## Impact on the Council's Cash Flows

The objectives of the scheme are to achieve and maintain full funding on an ongoing basis and to seek stability of employers' contributions. At its last triennial valuation, the Council and the Fund's actuary agreed a strategy designed to achieve a funding level of 100% over the next 20 years. Funding levels are monitored on a quarterly basis. The next triennial valuation is due to be completed as at 31<sup>st</sup> March 2025, during 2025/26.

To mitigate the existing funding deficit, the Council anticipates paying contributions of £43.099m for the period to 31<sup>st</sup> March 2026.

The scheme actuary has estimated that the weighted average duration of the defined benefit obligation for scheme members is 16 years.

Virgin Media Ltd vs NTL Trustees - On 25 July 2024, the Court of Appeal dismissed the appeal in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others. The appeal was brought by Virgin Media Ltd against aspects of the High Court's ruling handed down in June 2023 relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. The

Court of Appeal upheld the High Court's ruling. The ruling may have implications for other UK defined benefit plans. It is understood this could apply to the LGPS and HM Treasury is currently assessing the implications for all public service pension schemes. No further information is available at this stage.

## 37. Contingent assets and liabilities

The Council engaged a company to build the Broadwater Farm Inclusive Learning Campus. Due to several defective works, the Council has issued a letter notifying the company, of an initial claim of £8m.

There were no material contingent liabilities as at 31st March 2025.

## 38. Adjustments between group and single entity accounts

The Council uses different forms of service delivery and in some cases, it has created separate companies with its partners to deliver those services. The use of separate companies and Trusts means that the Council's single entity financial statements on their own may not fully reflect the assets and liabilities or income and expenditure associated with all its activities. The aim of the Group Accounts is to give an overall picture of the activities of the Council and the resources used to carry out those activities. The Group Accounts also provide further information on the material financial risks and benefits of all entities over which the Council exercises control, significant influence or joint control.

The Group Accounts have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

## NOTES TO THE STATEMENTS

To give a full picture of the financial activities of the Council, Group Accounts have been prepared which include those organisations where the Council's interest is considered material. This information is still subject to audit by each organisation's own auditor. Accordingly, the Group Accounts consolidate the Council's accounts with the following subsidiaries:

- Homes for Haringey Ltd
- Alexandra Park and Palace Charitable Trust (APPCT)

The entities have prepared accounts in line with UK GAAP and:

- The Charity SORP, in the case of Alexandra Park and Palace Charitable Trust
- FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland, in the case of Homes for Haringey.

With the exception of the Alexandra Park & Palace, there are no other material areas where these accounting standards conflict with the Council's accounting policies. The accounting policies applied to the Group financial statements are consistent with those set in Note 1 to the single entity statements. The subsidiaries have been consolidated on a full line by line basis with the financial transactions and balances of the Council.

APPCT carry its main asset, the Park and Palace, at £27m on its Balance Sheet (all of which are leaseholder improvements) as allowed under the Charity SORP. Upon consolidation however, the Council is required to value this as an operational asset and depreciate it in accordance with its accounting policy. The Group Balance Sheet therefore includes £106.978 million (£130.149 million as at 31 March 2024) in Property Plant and Equipment in respect of this asset. The basis of valuation is mainly Depreciated Replacement

Cost with some elements using the Existing Use Value method.

Key information on a group basis has been included alongside the single entity disclosure notes for debtors, creditors, segmental reporting and defined benefit schemes. The following notes provide additional details of the Council's involvement in the entities consolidated to form the Group Accounts.

### **Homes for Haringey Limited (Company No. 05749092)**

Homes for Haringey Limited (HfH) is a wholly owned subsidiary of the Council and was set up as an Arm's Length Management Organisation (ALMO) in March 2006. The Council could appoint one third of the board, with the balance of directors being drawn from council tenants (including leaseholders) and members of the wider community. The ALMO managed and maintained council homes under the terms of a Management Agreement with the Council until 31 May 2022. The ALMO also assessed homeless applications and provided management and support for homeless households in temporary accommodation on behalf of the Council.

From 1 June 2022, following an insourcing of the housing management function, HfH ceased to provide these services mentioned above. HfH now solely undertakes the management of its own stock of private sector leases (PSLs) which provides temporary accommodation to homeless residents nominated by the Council. HfH is a private company, registered in England and limited by guarantee without share capital. The financial statements of HfH are consolidated within the Council's group accounts.

## NOTES TO THE STATEMENTS

The financial performance of Homes for Haringey Limited is summarised below:

	2024/25	2023/24
	£000	£000
Turnover	(4,467)	(4,799)
(Surplus)/ Deficit for the year	67	181
Accumulated deficit/ (suplus)	151	84

A copy of HfH annual accounts can be obtained from the Company Secretary, Homes for Haringey Limited, 6<sup>th</sup> Floor 10 Station Road, London N22 7TR. The accounts are audited by Knox Cropper LLP.

### Alexandra Park and Palace Charitable Trust (Charity No. 281991)

The principal activity of Alexandra Park and Palace Charitable Trust is to maintain and operate the park and palace for the free use and recreation of the public forever as defined in the Alexandra Park and Palace Act 1985. The Council is corporate trustee of the charity. The accounts have been consolidated on the basis that the Council has the power to govern the financial and operating policies of the entity so as to benefit from its activities.

The organisation consists of two elements; Alexandra Park and Palace Charitable Trust responsible for the charitable activities, including maintaining, restoring and repairing the Park and Palace and a wholly owned trading subsidiary, Alexandra Palace Trading Ltd, (APTL), which donates its taxable profit to the Trust in the form of Gift Aid. APTL delivers and manages events, entertainment, leisure and hospitality activities assisting the charitable purposes by providing not just funding but enlivening the venue for the purposes of its creation and encouraging a broad cross section of the public to access and enjoy it.

The financial performance of the Trust is summarised below:

	2024/25	2023/24
	£000	£000
Turnover	(28,626)	(24,236)
(Surplus) / Deficit for the year	(1,023)	1,582
<b>Reserves:</b>		
Unrestricted Reserves	(25,309)	(24,520)
Restricted Reserves	(952)	(718)
	(26,261)	(25,238)

APPCT Property, Plant and equipment consolidated in Group Accounts:

	Palace & Park	Asset Under Construct	Vehicles, plant and equipm't	Total
	£000	£000	£000	£000
Cost at 1 April 2024	130,149	0	3,075	133,224
Additions	2,433	22	452	2,907
Revaluations	(25,808)	182	0	(25,626)
Disposals	0	0	0	0
Transfers	204	(204)	0	0
<b>At 31 March 2025</b>	<b>106,978</b>	<b>0</b>	<b>3,527</b>	<b>110,505</b>
<b>Depreciation</b>				
At 1 April 2024	0	0	1,530	1,530
Transfer	0	0	0	0
Charge for the year	1,240	0	334	1,574
Disposals	0	0	0	0
Accumulated Dep written out	(1,240)	0	0	(1,240)
<b>At 31 March 2025</b>	<b>0</b>	<b>0</b>	<b>1,864</b>	<b>1,864</b>
NBV as 31 March 2025	106,978	0	1,663	108,641
NBV as 31 March 2024	130,149	0	1545	131,694

# NOTES TO THE STATEMENTS

A full copy of the Trust's accounts can be obtained from the Chief Executive, Alexandra Park and Palace, Alexandra Palace Way,

London N22 7AY. The accounts are audited by Hays Macintyre LLP.

## 39. Prior Year Reclassification

There was a restructuring in 2024/25 involving transferring the Council's Benefits Service from Culture, Strategy & Engagement (CS&E) directorate to Environment & Resident Engagement (E&RE) directorate. As a result, there is a corresponding change in the net income and expenditure of E&RE in the net costs of CS&E overall as shown below.

Single Entity	2023/24 Original			2023/24 Restated		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	156,915	(62,380)	94,535	156,915	(62,380)	94,535
Adults, Health & Communities	246,925	(129,976)	116,949	246,925	(129,976)	116,949
Environment & Resident Experience	99,494	(60,926)	38,568	287,027	(239,368)	47,659
Placemaking & Housing	33,826	(9,558)	24,268	33,826	(9,558)	24,268
Culture, Strategy & Engagement	201,269	(181,071)	20,198	13,736	(2,629)	11,107
Corporate Budgets - Service	4,435	(4,215)	220	4,435	(4,215)	220
Corporate Budgets - Non Service	25,523	(17,043)	8,480	25,523	(17,043)	8,480
Dedicated Schools Grant	217,480	(219,477)	(1,997)	217,480	(219,477)	(1,997)
Housing - HRA	209,289	(115,612)	93,677	209,289	(115,612)	93,677
<b>Cost of Services</b>	<b>1,195,156</b>	<b>(800,261)</b>	<b>394,899</b>	<b>1,195,156</b>	<b>(800,261)</b>	<b>394,899</b>

# Supplementary Financial Statements

## HOUSING REVENUE ACCOUNT

### Expenditure

Repairs and maintenance	37,262	33,426
Supervision and management	46,091	41,329
Rents, rates, taxes and other charges	5,897	3,550
Depreciation, impairment and revaluation losses of non-current assets	22,891	22,886
Revaluation (gains) / losses	169,474	104,592
Debt Management costs	49	43
Increase in impairment of debtors	2,027	2,782
<b>Total Expenditure</b>	<b>283,691</b>	<b>208,608</b>

### Income

Dwelling rents	(100,373)	(92,359)
Non-dwelling rents	(708)	(756)
Charges for services and facilities	(27,423)	(22,336)
Contributions towards expenditure	(3,400)	(161)
<b>Total Income</b>	<b>(131,904)</b>	<b>(115,612)</b>

### Net Cost of HRA Services as included in the whole authority Comprehensive Income and Expenditure Statement

HRA service share of Corporate and Democratic Core	681	682
<b>Net cost of HRA services including HRA share of costs not allocated to specific services</b>	<b>152,468</b>	<b>93,678</b>

Gain on sale of HRA non-current assets	(4,527)	(6,229)
Interest payable and similar charges	16,943	13,794
Interest and Investment Income	(4,886)	(3,847)
HRA interest income		
Net interest on the net defined benefit liability	(594)	198
Changes to fair value of investment properties	(1,085)	1,693
Capital grants and contributions	(42,238)	(61,373)
	<b>(36,387)</b>	<b>(55,764)</b>

### (Surplus) or deficit for the year on HRA services

	<b>116,081</b>	<b>37,914</b>
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# HOUSING REVENUE ACCOUNT

Movement on the HRA Statement	2024/25	2023/24
	£'000	£'000
<b>Balance on the HRA at the end of the previous year</b>	<b>(22,348)</b>	<b>(21,517)</b>
(Surplus) or deficit for the year on HRA Income and Expenditure Statement	116,081	37,914
<b>Adjustments between accounting basis and funding basis under the legislative framework</b>		
- Difference between any other item of income and expenditure determined in accordance with the Code and determined in accordance with statutory HRA requirements	(126,157)	(44,855)
- Gain on sale of HRA non-current assets	4,527	6,228
- HRA share of contributions to or from the Pensions Reserve	952	(118)
- Capital expenditure funded by the HRA	1,600	0
- Transfer to/(from) Major Repairs Reserve	22,891	22,886
- Transfer to/(from) Capital Adjustment Account	(22,891)	(22,886)
<b>Net increase before transfers to or from reserves</b>	<b>(2,997)</b>	<b>(831)</b>
<b>Transfers to or (from) reserves</b>		
- Homes for Haringey Reserve	0	0
<b>Increase in year on the HRA</b>	<b>(2,997)</b>	<b>(831)</b>
<b>Balance on the HRA at the end of the year</b>	<b>(25,345)</b>	<b>(22,348)</b>

# HOUSING REVENUE ACCOUNT

## 1. Vacant possession

As at 31<sup>st</sup> March 2025, the vacant possession value of dwellings within the HRA was £6,895 million (£6,444 million as at 31<sup>st</sup> March 2024). The difference between vacant possession value and the Balance Sheet value of dwellings within the HRA shows the economic cost to government of providing council housing at less than open market rents, net of the impairment to the value of the housing Stock.

## 2. Number and types of dwellings in the housing stock

	31 March 2025	31 March 2024
Hostels	103	103
Houses and bungalows	4,962	4,955
Flats and maisonettes	10,936	10,443
Shared ownership	13	13
<b>Total</b>	<b>16,014</b>	<b>15,514</b>

## 3. Value of assets held on the balance sheet

	31 March 2025	31 March 2024
<b>Type of assets</b>	£'000	£'000
Dwellings	1,724,384	1,619,124
Other land and buildings	187,803	159,653
Assets under construction	204,414	269,590
Surplus assets	1,120	176
Investment properties	5,231	4,072
<b>Total</b>	<b>2,122,952</b>	<b>2,052,615</b>

## 4. Capital expenditure

The following summarises HRA capital expenditure on land, houses and other property during the financial year and the sources of funding used.

	2024/25	2023/24
	£'000	£'000
<i>Capital investments</i>		
Existing dwellings	41,640	40,196
New homes and acquisitions	118,300	118,528
	<b>159,940</b>	<b>158,724</b>
<i>Funded by</i>		
Borrowing	83,917	71,751
Useable capital receipts	2,673	7,533
Revenue contributions	1,600	0
Grants and contributions	48,859	56,539
Major repairs reserve	22,891	22,901
	<b>159,940</b>	<b>158,724</b>

## 5. Capital receipts

The following is a summary of capital receipts from disposals of land, dwellings and other property within the HRA during the financial year.

	2024/25	2023/24
	£'000	£'000
Dwellings	(9,059)	(11,091)
Land and other property	(359)	(395)
	<b>(9,418)</b>	<b>(11,486)</b>

# HOUSING REVENUE ACCOUNT

## 6. Depreciation

	2024/25	2023/24
	£'000	£'000
<i>Operational assets:</i>		
Dwellings	21,317	21,356
Other land and buildings	1,574	1,530
	<b>22,891</b>	<b>22,886</b>

## 7. Major Repairs Reserve

The HRA capital asset charges are based on building values and asset lives of the property held.

	2024/25	2023/24
	£'000	£'000
<b>Balance at 1st April</b>	<b>0</b>	<b>(15)</b>
Amount transferred to Major Repairs Reserve	(22,891)	(22,886)
Capital expenditure on dwellings	22,891	22,901
<b>Balance at 31st March</b>	<b>0</b>	<b>0</b>

## 8. Rent Arrears

The rent arrears at the end of the financial year are set out below.

	31 March 2025	31 March 2024
	£'000	£'000
Tenants (Permanent and Temporary)	26,512	25,313
<b>Total Tenants Arrears</b>	<b>26,512</b>	<b>25,313</b>

## 9. Bad Debt Provision

The bad debt provision in respect of all HRA uncollectable debts at the end of the financial year is set out below.

	31 March 2025	31 March 2024
	£'000	£'000
Tenants	23,012	22,204
Leaseholders	3,070	3,408
Commercial	22	41
Sundry	29	8
<b>Total Bad Debt Provision</b>	<b>26,133</b>	<b>25,661</b>

# COLLECTION FUND

	2024/25				2023/24			
	BRS £000	NNDR £000	Council Tax £000	Total £000	BRS £000	NNDR £000	Council Tax £000	Total £000
<b>Income</b>								
Council Tax Receivable	0	0	(180,322)	(180,322)	0	0	(165,573)	(165,573)
Council Tax Discounts Funded from Billing Authority Gener	0	0	(246)	(246)	0	0	(875)	(875)
Business Rates Receivable	0	(70,155)	0	(70,155)	0	(62,270)	0	(62,270)
Business Rates Supplement	(1,645)	0	0	(1,645)	(1,642)	0	0	(1,642)
Transitional Protection Payments	0	(2,497)	0	(2,497)	0	(9,085)	0	(9,085)
	(1,645)	(72,652)	(180,568)	(254,865)	(1,642)	(71,355)	(166,448)	(239,445)
<b>Expenditure</b>								
<b>Precepts, Demands and Shares</b>								
<b>Central Government</b>	0	22792	0	22792	0	22996	0	22996
Greater London Authority	0	25,554	38,596	64,150	0	25,783	34,609	60,392
Billing Authority	0	20,720	133,941	154,661	0	20,905	124,215	145,120
	0	69,066	172,537	241,603	0	69,684	158,824	228,508
<b>Apportionment of PY Surplus / (Deficit)</b>								
<b>Central Government</b>	0	2,335	0	2,335	0	(1,033)	0	(1,033)
Greater London Authority	0	2,618	726	3,344	0	(1,158)	(36)	(1,194)
Billing Authority	0	2,123	2,607	4,730	0	(939)	(137)	(1,076)
	0	7,076	3,333	10,409	0	(3,130)	(173)	(3,303)
BRS - Payment to Levying Authorities	1,410	0	0	1,410	1,399	0	0	1,399
<b>Charges to Collection Fund</b>								
<b>Increase / (Decrease) in Impairment</b>	229	4,276	4,250	8,755	237	1,407	5,014	6,658
Increase / (Decrease) in Provision for Appeals	0	(6,421)	0	(6,421)	0	2,001	0	2,001
Cost of Collection	6	298	0	304	6	299	0	305
	235	(1,847)	4,250	2,638	243	3,707	5,014	8,964
<b>(Surplus) / Deficit arising during the year</b>	<b>0</b>	<b>1,643</b>	<b>(448)</b>	<b>1,195</b>	<b>0</b>	<b>(1,094)</b>	<b>(2,783)</b>	<b>(3,877)</b>
<b>(Surplus) / Deficit arising at start of year</b>	<b>0</b>	<b>(9,364)</b>	<b>(3,552)</b>	<b>(12,916)</b>	<b>0</b>	<b>(8,270)</b>	<b>(769)</b>	<b>(9,039)</b>
<b>(Surplus) / Deficit arising at end of year</b>	<b>0</b>	<b>(7,721)</b>	<b>(4,000)</b>	<b>(11,721)</b>	<b>0</b>	<b>(9,364)</b>	<b>(3,552)</b>	<b>(12,916)</b>

# COLLECTION FUND

## 1. Income from Business Rates

Under the Business Rates Retention Scheme the business rates collected by the Council are distributed so that the Council receives 30%, DLUHC receives 33% and the GLA receives 37%.

The Council collects business rates for its area based on local rateable values and multipliers set by central government. There are two multipliers:

- (i) The small business multiplier was 49.9 pence (49.9 pence in 2023/24); and
- (ii) The standard multiplier was 54.6 pence (51.2 pence in 2023/24).

The total business rateable value for the Council at 31 March 2025 was £214.502 million (£211.658 million in 2023/24) of which £90.885 million (£91.512 million in 2023/24) related to small businesses.

## 2. Council Tax

In 2024/25 the tax base for Haringey was 81,875 properties (79,718 in 2023/24) which was used to calculate the Band D Council Tax of £2,107.32 (£1,992.32 in 2023/24), sufficient to generate the income required to cover the net expenditure of the two authorities which precept on the Collection Fund. The table below shows the number of properties in each band and the number of Band D equivalent properties after allowing for non-collection (the tax base).

Band	Ranges		Number of chargeable dwellings		Proportion	Band D Equivalent No.	
	from	to	2024/25	2023/24		2024/25	2023/24
A	up to	40,000	4,578	4,502	0.67	3,052	3,001
B	40,001	52,000	12,025	12,074	0.78	9,353	9,391
C	52,001	68,000	25,672	25,257	0.89	22,819	22,450
D	68,001	88,000	21,738	21,137	1.00	21,738	21,137
E	88,001	120,000	9,368	9,171	1.22	11,450	11,209
F	120,001	160,000	4,863	4,804	1.44	7,024	6,939
G	160,001	320,000	4,512	4,491	1.67	7,521	7,486
H	320,001	and above	725	713	2.00	1,451	1,426
			<u>83,482</u>	<u>82,149</u>		<u>84,408</u>	<u>83,039</u>
Collection rate after allowance for non-collection						97.0%	96.0%
<b>Council Tax base used to calculate Band D</b>						<b><u>81,875</u></b>	<b><u>79,718</u></b>

# PENSION FUND

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LONDON BOROUGH OF HARINGEY

### Qualified Opinion

We have audited the financial statements of Haringey Pension Fund ("the Pension Fund") for the year ended 31 March 2025 on pages 127 to 146 which comprise the *Pension Fund Account, the Net Assets Statement* and the related notes to the Pension Fund financial statements, including the accounting policies in note 3.

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion section of our report, the Pension Fund financial statements:

- give a true and fair view of the financial position of the Pension Fund during the year 31 March 2025 and of the amount and disposition at that date of its assets and liabilities; and
- have been properly prepared in accordance with the CIPFA/ LASAAC Code of practice on Local Authority Accounting in the United Kingdom 2024/2025.

### Basis for qualified opinion

The Accounts and Audit (Amendment) Regulations 2024 (the "Amendment Regulations") require the Pension Fund to publish its

financial statements and our opinion thereon for the year ended 31 March 2025 by 27 February 2026 (the "Backstop Date").

We have been unable to obtain sufficient appropriate evidence over the disclosed opening balances used for the comparative figures for the year ended 31 March 2024 due to the Backstop Date, including the valuation of investment assets with a carrying amount of £1,709,824,000 as at 31 March 2023. Therefore, we were unable to determine whether any adjustments were necessary to the net assets of the fund available to fund benefits as at 1 April 2023 or whether there were any consequential effects on the profit and losses on disposal of investments and changes in market value of investments for the year ended 31 March 2024.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the London Borough of Haringey (as administering authority for the Pension Fund, the "Authority") in accordance with, UK ethical requirements including the FRC Ethical Standard.

We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our qualified opinion.

### Going concern

The Director of Finance ("the Section 151 Officer") has prepared the Pension Fund financial statements on the going concern basis as they have not been informed by the government of the intention to either cease the Authority's services or dissolve the Authority without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties

## PENSION FUND

that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the Pension Fund financial statements (“the going concern period”).

In our evaluation of the Section 151 Officer’s conclusions, we considered the inherent risks associated with the continuity of services provided by the Authority over the going concern period.

Our conclusions based on this work:

- we consider that the Section 151 Officer’s use of the going concern basis of accounting in the preparation of the Pension Fund financial statements is appropriate; and
- we have not identified, and concur with the Section 151 Officer’s assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Authority’s ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Authority will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of management and the Pension Committee and Board as to the Pension Fund’s high-level policies and procedures to prevent and detect fraud , including the internal audit function, and the Pension Fund’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected, or alleged fraud.
- Reading Pension Committee and Board and Audit Committee minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we performed procedures to address the risk of management override of controls in particular the risk that Pension Fund management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as the valuation of unlisted investments. On this audit we did not identify a fraud risk related to revenue recognition because revenue in a pension scheme relates to contributions receivable as paid under an agreed schedule.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior management.

## PENSION FUND

- Evaluating the business purpose of significant unusual transactions.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

### ***Identifying and responding to risks of material misstatement related to compliance with laws and regulations***

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the Pension Fund financial statements from our general sector experience and through discussion with the Section 151 Officer (as required by auditing standards), and from inspection of the Pension Fund's regulatory and legal correspondence and discussed with the Section 151 Officer the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the Pension Fund financial statements varies considerably.

Firstly, the Pension Fund is subject to laws and regulations that directly affect the Pension Fund financial statements, including the financial reporting aspects of local government legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Law requires that the Pension Fund's accounts are prepared in accordance with CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 ("the CIPFA/LASAAC Code"). The Qualified opinion section of our report

explains the impact on our opinion of the matter described in the Basis for qualified opinion section of our report in relation to the preparation of the Pension Fund's financial statements in accordance with the CIPFA/LASAAC Code.

Secondly, the Pension Fund is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Pension Fund financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: pensions legislation, data protection laws, anti-bribery, employment law, recognising the nature of the Pension Fund's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Section 151 Officer and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### ***Context of the ability of the audit to detect fraud or breaches of law or regulation***

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Pension Fund financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Pension Fund financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

# PENSION FUND

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## Other information

The Section 151 Officer is responsible for the other information, which comprises the information included in the Annual Report and Accounts, other than the Pension Fund financial statements and our auditor's report thereon. Our opinion on the Pension Fund financial statements does not cover the other information and, accordingly, in this audit report we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our Pension Fund financial statements audit work, the information therein is materially misstated or inconsistent with the Pension Fund financial statements or our audit knowledge. Based solely on that work, except for the possible consequential effects of the matter described in the Basis for qualified opinion section of our report on the related disclosures in the other information, we have not identified material misstatements in the other information.

## Section 151 Officer's and Pension Committee and Board's responsibilities

As explained more fully in the statement set out on page 28, the Section 151 Officer is responsible for the preparation of Pension Fund financial statements, that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of Pension Fund financial

statements that are free from material misstatement, whether due to fraud or error; assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the government of the intention to either cease the services provided by the Authority or dissolve the Authority without the transfer of its services to another public sector entity.

The Pension Committee and Board is responsible for overseeing the Pension Fund's financial reporting process.

## Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the Pension Fund financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Pension Fund financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

# PENSION FUND

## THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the members of London Borough of Haringey, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the members of London Borough of Haringey, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than London Borough of Haringey and the members of London Borough of Haringey, as a body, for our audit work, for this report, or for the opinions we have formed.



**Timothy Cutler**

**for and on behalf of KPMG LLP**

*Chartered Accountants*

1 St. Peter's Square

Manchester

M2 3AE

26 February 2026

## PENSION FUND

Pension Fund Account		Note	2023/24	2024/25	Net Assets Statement	Note	2023/24
£000			£000	£000			£000
	<b>Dealings with members, employers and others directly involved in the fund</b>			150	Long Term Investments	13	150
				1,944,728	Investment assets	13	1,878,532
				-	Investment liabilities	13	(4,800)
62,276	Contributions	7	57,692	<b>1,944,878</b>	<b>Total net investments</b>		<b>1,873,882</b>
15,796	Transfers in from other pension funds	8	8,923	2,453	Current assets	19	1,657
<u>78,072</u>			<u>66,615</u>		Current liabilities	20	(4,480)
(73,669)	Benefits	9	(65,047)	(7,218)			
(10,545)	Payments to and on account of leavers	10	(12,328)		<b>Net assets of the fund available to fund benefits at the end of the reporting period</b>		<b>1,871,059</b>
<u>(84,214)</u>			<u>(77,375)</u>	<u>1,940,113</u>			
<b>(6,142)</b>	<b>Net additions/(withdrawals) from dealings with members</b>		<b>(10,760)</b>				
(7,114)	Management expenses	11	(6,931)				
<b>(13,256)</b>	<b>Net withdrawals including fund management expenses</b>		<b>(17,691)</b>				
	<b>Returns on Investments:</b>						
31,487	Investment Income	12	21,549				
-	Taxes on income		-				
50,823	Profit and losses on disposal of investments and changes in market value of investments	13a	159,023				
<u>82,310</u>	<b>Net return on investments</b>		<u>180,572</u>				
69,054	<b>Net increase/decrease in the net assets available for benefits during the year</b>		<b>162,881</b>				
<u>1,871,059</u>	<b>Opening net assets of the scheme</b>		<u>1,708,178</u>				
<u>1,940,113</u>	<b>Closing net assets of the scheme</b>		<u>1,871,059</u>				

# PENSION FUND

## Notes to the Haringey Pension Fund Accounts for the year ended 31<sup>st</sup> March 2025

### 1. Description of the fund

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

#### a) General

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

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

It is a contributory defined benefit pension scheme administered by Haringey Council to provide pensions and other benefits for pensionable employees of Haringey Council, a range of other scheduled bodies, and admitted bodies within the London Borough of Haringey area. Teachers, police officers and firefighters are not included as they come within other national pension schemes. The fund is overseen by Haringey Pension Fund's Combined Pensions Committee and Board, which is a committee of Haringey Council.

#### b) Fund administration and membership

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

Organisations participating in the Haringey Pension Fund include the following:

- scheduled bodies, which are automatically entitled to be members of the fund.
- admitted bodies, which participate under the terms of an admission agreement between the fund and the employer. Admitted bodies include voluntary, charitable, and similar not-for-profit organisation, or private contractors undertaking a local authority function following outsourcing to the private sector.

Membership details of the Pension Fund are set out below:

Haringey Pension Fund	31 March 2025	31 March 2024
Number of employers	63	62
<b>Number of employees in scheme</b>		
Haringey Council	5,508	5,206
Other employers	1,175	1,093
<b>Total</b>	<b>6,683</b>	<b>6,299</b>
<b>Number of pensioners</b>		
Haringey Council	8,202	7,919
Other employers	1,052	987
<b>Total</b>	<b>9,254</b>	<b>8,906</b>
<b>Deferred pensioners</b>		
Haringey Council	8,933	9,172
Other employers	1,655	1,801
<b>Total</b>	<b>10,588</b>	<b>10,973</b>
<b>Total number of members in pension scheme</b>	<b>26,525</b>	<b>26,178</b>

#### c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the fund in accordance

# PENSION FUND

with the [Local Government Pension Scheme Regulations 2013](#) and ranged from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2025. Employers' contributions are set based on triennial actuarial funding valuations. The valuation for the period to 31 March 2025 was carried out as at 31 March 2022. The primary employer contribution rate for the whole fund was 17.5%.

## d) Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service. From April 2014, the scheme became a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49<sup>th</sup>. Accrued pension is uplifted annually in line with the Consumer Prices Index inflation rate.

A range of other benefits are also provided included early retirement, disability pensions and death benefits, as explained on the LGPS website – see [www.lgpsmember.org](http://www.lgpsmember.org).

## 2. Basis of Preparation

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

The accounts report on the net assets available to pay pension benefits. They do not take account of obligations to pay pensions and benefits that fall due after the end of the financial year, nor do they take into account the actuarial present value of promised retirement benefits. The Code gives administering authorities the option to disclose this information in the net assets statement, in the notes to

the accounts or by appending an actuarial report prepared for this purpose. The pension fund has opted to disclose this information in Note 18.

## 3. Summary of significant accounting policies

### Fund account – revenue recognition

#### a) Contribution income

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

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

Employer deficit funding contributions are accounted for on the basis advised by the fund actuary in the rates and adjustment certificate issued to the relevant employing body.

Additional employer contributions in respect of ill-health and early retirements are accounted for in the year the event rose. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years would be classed as long-term financial assets.

#### b) Transfers to and from other schemes

Transfers in and out relate to members who have either joined or left the fund. Individual transfers in/out are accounted for when received or paid. Bulk (group) transfers are accounted for in accordance with the terms of the transfer agreement.

# PENSION FUND

## c) Investment income

- i. 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.
- ii. 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.
- iii. Changes in value of investments (including investment properties) are recognised as income and comprise all realised and unrealised profits/losses during the year.

## Fund account – expense items

### d) Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities, providing that payment has been approved.

### e) Management expenses

The fund discloses its management expenses in line with the CIPFA guidance *Accounting for Local Government Pension Scheme Management Expenses* (2016), as show in the following table. All items of expenditure are charged to the fund on an accrual basis as follows:

<b>Administrative expenses</b>	All staff costs relating to the pensions administration team are charged directly to the fund. The Council recharges for management and legal costs which are also accounted for as administrative expenses of the fund.
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<b>Oversight and governance</b>	All costs associated with governance and oversight are separately identified, apportioned to this activity, and charged as expenses to the fund.
<b>Investment management expenses</b>	Investment fees are charged directly to the fund as part of management expenses and are not included in, or netted from, the reported return on investments. Where fees are netted off returns by investment managers, these are grossed up to increase the change in value of investments.  Fees charged by external investment managers and the custodian are set out in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under management and therefore increase or reduce as the value of the investments change throughout the year.  In addition, the fund has agreed with Pantheon Ventures and BlackRock that an element of their fee be performance related.

### f) Taxation

The fund is a registered public service scheme under Section 1 (1) of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin unless exemption is permitted. Irrecoverable tax is accounted for as a fund expense as it arises.

### Net assets statement

#### g) Financial assets

All investment assets are included in the financial statements on a fair value basis as at the reporting date. A financial asset is recognised in the net assets statement on the date the fund becomes

## PENSION FUND

party to the contractual acquisition of the asset. Any amounts due or payable in respect of trades entered into but not yet completed at 31 March each year are accounted for as financial instruments held at amortised cost and reflected in the reconciliation of movements in investments and derivatives in Note 13. Any gains or losses on investment sales arising from changes in the fair value of the net asset are recognised in the fund account.

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

### **h) Foreign currency transactions**

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

### **i) Cash and cash equivalents**

Cash comprises cash in hand and demand deposits and includes amounts held by the fund's external managers. All cash balances are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to minimal risk of changes in value.

### **j) Loans and receivables**

Financial assets classified as amortised cost are carried in the net asset statement at the value of outstanding principal receivable at the

year-end date plus accrued interest.

### **k) Financial liabilities**

A financial liability is recognised in the net assets statement on the date the fund becomes legally responsible for that liability. The fund recognises financial liabilities related to investments trading at fair value. Any gains or losses arising from changes in the fair value of the liability's value, between the contract date, the year-end date, and the eventual settlement date, are recognised in the fund account as part of the change in value of investments.

Other financial liabilities classed as amortised cost are carried in the net asset statement at the value of the outstanding principal at 31 March each year. Any interest due not yet paid is accounted for on an accruals basis and included in administration costs.

### **l) Actuarial present value of promised retirement benefits**

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS19 and relevant actuarial standards. As permitted under the Code, the fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the net assets statement (Note 18).

### **m) Additional voluntary contributions**

The fund provides an additional voluntary contribution (AVC) scheme for its members. The assets of these AVCs are invested separately from those of the pension fund, and are therefore not included in the accounts in accordance with Section 4 (1) (b) of the [Local Government Pension Scheme \(Management and Investment of Funds\) Regulations 2016](#). However, this information is disclosed in Note 21 for informational purposes only.

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## n) Contingent assets and contingent liabilities

A contingent asset arises where an event has taken place giving rise to a possible asset whose existence will only be confirmed or otherwise by future events.

A contingent liability arises where an event prior to the end of the year-end has created a possible financial obligation whose existence will only be confirmed or otherwise by future events. Contingent liabilities can also arise when it is not possible at the balance sheet date to measure the value of the financial obligation reliably.

Contingent assets and liabilities are not recognised in the net assets statement but are disclosed by way of narrative in the notes.

### 4. Critical judgements in applying accounting policies

The Council has not applied any critical judgements in applying accounting policies in the preparation of the statement of accounts.

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

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts. Estimates and assumptions take account of historical experience, current trends, and future expectations. However, actual outcomes could be different from assumptions and estimates made. The items in the net assets statement for which there is a significant risk of material adjustment the following year are as follows:

Items	Uncertainties	Effect if actual results differ from assumptions
<b>Actuarial present value of promised retirement benefits (Note 18)</b>	<p>Estimation of the net liability to pay pensions depends on several complete judgements relating to the discount rate used, salary increases, changes in retirement ages, mortality rates and returns on fund assets.</p> <p>A firm of consulting actuaries is engaged to provide the fund with expert advice about the assumptions to be applied.</p>	<p>For instance:</p> <ul style="list-style-type: none"> <li>• a 0.1% decrease in the discount rate would increase future pension liabilities by c. £23m (2%)</li> <li>• a 0.1% increase in earnings inflation would increase future pension benefits by c. £0.9m (0%)</li> <li>• a one-year increase in assumed life expectancy would increase future pension benefits by c. £58m (4%)</li> </ul>
<b>Private equity investments (Note 14)</b>	<p>Private equity investments are valued at fair value in accordance with <i>International Private Equity and Venture Capital Valuation Guidelines</i> (December 2018). Investments are not publicly listed and as such there is a degree of estimation involved in the valuation.</p> <p>For the purposes of estimation, private equity investments include infrastructure and private debt.</p>	<p>Private equity investments are valued at £208m in the financial statements. There is a risk that this investment may be under- or overstated in the accounts by up to 5% i.e., an increase or decrease of approximately £11m.</p>

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## 6. Events after the reporting date

No significant events occurred after the reporting date.

## 7. Contributions receivable

2024/25		2023/24	
£000	By category	£000	
14,122	Employee contributions	13,305	
	Employer contributions		
47,370	- Normal contributions	43,850	
-	- Deficit recovery contributions	-	
784	- Augmentation contributions	537	
<b>48,154</b>	<b>Total employers' contributions</b>	<b>44,387</b>	
<b>62,276</b>	<b>Total contributions receivable</b>	<b>57,692</b>	

2024/25		2023/24	
£000	By type of employer	£000	
55,508	Administering authority	51,489	
6,048	Scheduled bodies	5,553	
720	Admitted bodies	650	
<b>62,276</b>	<b>Total contributions receivable</b>	<b>57,692</b>	

## 8. Transfers in from other pension funds

During 2024/25, there were transfers of £15.8 million into the Pension Fund, an increase compared to £8.9 million in 2023/24. These transfers all related to individuals.

## Benefits payable

2024/25		2023/24	
£000	By category	£000	
57,375	Pensions	52,380	
14,951	Commutation and lump sum retirement benefits	10,721	
1,343	Lump sum death benefits	1,946	
<b>73,669</b>	<b>Total benefits payable</b>	<b>65,047</b>	

## 9. Benefits payable (continued)

2024/25		2023/24	
£000	By type of employer	£000	
65,433	Administering authority	57,747	
5,653	Scheduled bodies	5,143	
2,583	Admitted bodies	2,157	
<b>73,669</b>	<b>Total benefits payable</b>	<b>65,047</b>	

## 10. Payments to and on account of leavers

2024/25		2023/24	
£000		£000	
182	Refunds to members leaving service	215	
10,363	Individual transfers	12,113	
<b>10,545</b>	<b>Total</b>	<b>12,328</b>	

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## 11. Management Expenses

2024/25		2023/24
£000		£000
1,337	Administrative costs	1,018
5,410	Investment management expenses	5,651
367	Oversight and governance costs	262
<b>7,114</b>	<b>Total management expenses</b>	<b>6,931</b>

## 11a. Investment Management Expenses

2024/25		2023/24
£000		£000
4,959	Management Fees	4,738
-	Performance Related Fees	529
69	Custody fees	92
382	Transaction Fees	292
<b>5,410</b>	<b>Total</b>	<b>5,651</b>

## 12. Investment income

2024/25		2023/24
£000		£000
31,121	Pooled investments - unit trusts and other managed funds	21,207
366	Interest on cash deposits	342
<b>31,487</b>	<b>Total</b>	<b>21,549</b>

## 13. Investments

Market Value 31 March 2025		Market Value 31 March 2024
£000		£000
	<b>Investment assets</b>	
	<b>Pooled funds</b>	
834,154	Global equity	837,719
456,998	Fixed income unit trusts	420,823
146,239	Multi-asset absolute return fund	141,154
70,958	Infrastructure funds	72,148
<b>1,508,349</b>		<b>1,471,844</b>
	<b>Other investments</b>	
209,683	Pooled property investments	192,182
137,035	Private equity funds	142,615
31,999	Infrastructure debt funds	34,478
<b>378,717</b>		<b>369,275</b>
57,437	Cash deposits	37,126
225	Accrued Income	287
<b>1,944,728</b>	<b>Total investment assets</b>	<b>1,878,532</b>
	<b>Long-term investments</b>	
	UK unquoted equities	
150	Shares in London CIV	150
	<b>Investment liabilities</b>	
-	Payables for purchases	(4,800)
<b>1,944,878</b>	<b>Total net investment assets</b>	<b>1,873,882</b>

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## 13a. Reconciliation of movements in investments and derivatives

2024/25	Market Value 1 April 2024	Purchase s at cost	Sales proceed s	Change in market value	Market Value 31 March 2025
	£000	£000	£000	£000	£000
Pooled investment vehicles	1,841,119	81,465	(86,680)	51,162	1,887,066
	<u>1,841,119</u>	<u>81,465</u>	<u>(86,680)</u>	<u>51,162</u>	<u>1,887,066</u>
<b>Other Investment balances</b>					
Cash deposits	37,126			(339)	57,437
Investment income due	287			-	225
Payable for purchases of Investments	(4,800)			-	-
<b>Total</b>	<u><b>1,873,732</b></u>			<u><b>50,823</b></u>	<u><b>1,944,728</b></u>

2023/24	Market Value 1 April 2023	Purchases at cost	Sales proceeds	Change in market value	Market Value 31 March 2024
	£000	£000	£000	£000	£000
Pooled investment vehicles	1,667,019	192,902	(177,877)	159,075	1,841,119
Cash deposits	42,639	70,457	(75,920)	(50)	37,126
Other investment	166	136	(4,813)	(2)	(4,513)

assets/  
liabilities\*

<b>Total</b>	<u>1,709,824</u>	<u>263,495</u>	<u>(258,610)</u>	<u>159,023</u>	<u>1,873,732</u>
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## 13b. Investments analysed by fund manager

Market Value 31 March 2025		Market Value 31 March 2024	
£000	%	£000	%
<b>Investments managed by London CIV asset pool:</b>			
960,939	49.4	960,774	51.3
Legal & General Investment Management			
146,239	7.5	141,154	7.5
LCIV Absolute Return			
192,515	9.9	146,779	7.8
LCIV Multi-Asset Credit			
46,788	2.4	36,819	2.0
LCIV Renewable Infrastructure			
22,047	1.1	17,927	1.0
London Fund			
137,700	7.1	150,998	8.1
LCIV Long Duration Buy and Maintain Credit Fund			
<u>1,506,228</u>	<u>77.4</u>	<u>1,454,451</u>	<u>77.7</u>

<b>Investments managed outside of London CIV asset pool:</b>			
137,035	7.1	142,615	7.6
Pantheon			
106,571	5.5	99,824	5.3
CBRE Global Investors			
86,715	4.5	84,887	4.5
Aviva Investors			
31,999	1.6	34,478	1.8
Allianz Global Investors			
3,419	0.2	20,053	1.1
BlackRock			
20,752	1.1	15,276	0.8
CIP			
52,009	2.6	22,148	1.2
In-house cash deposits*			

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<b>438,500</b>	<b>22.6</b>		<b>419,281</b>	<b>22.3</b>
<b>1,944,728</b>	<b>100.0</b>	<b>Total</b>	<b>1,873,732</b>	<b>100.0</b>

\*In-house cash excludes non-discretionary cash managed by external managers. Any such cash is allocated to the respective asset manager.

The following investments represent over 5% of net assets of the fund.

Market Value 31 March 2025			Market Value 31 March 2024	
£000	%		£000	%
364,905	18.8	LGIM MSCI World Low Carbon Index Fund	358,473	19.1
343,099	17.7	LGIM RAFI Multi Factor Climate Transition Fund	356,725	19.0
192,512	9.9	LCIV Long Duration Buy and Maintain Credit Fund	150,998	8.1
146,239	7.5	LCIV Multi-Asset Credit	146,779	7.8
137,700	7.1	LCIV Absolute Return Fund (Ruffer LLP)	141,154	7.5
126,786	6.5	LGIM Index Linked Gilts (Over 5 year) Fund	123,056	6.6
126,149	6.5	LGIM Bespoke Low Carbon Emerging Markets Fund	122,519	6.5
<b>1,437,390</b>	<b>74.0</b>	<b>Total</b>	<b>1,399,704</b>	<b>74.6</b>

### 14. Fair Value – Basis of valuation

All investment assets are valued using fair value techniques based in the characteristics of each instrument where possible, using market-based information. There has been no change in the valuation techniques used during the year.

Assets and liabilities have been classified into three levels, according to the quality and reliability of information used to determine fair

values.

**Level 1** – where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities, comprising quoted equities, quoted bonds, and unit trusts.

**Level 2** – where quoted market prices are not available, or where valuation techniques are used to determine fair value based on observable 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.

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

Description of asset	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
<b>Level 1</b>			
Quoted equities and pooled fund investments	The published bid market price on the final day of the accounting period	Not required	Not Required
Quoted fixed income bond and unit trusts	Quoted market value based on current yields	Not required	Not Required
Cash and cash equivalents	Carrying value is deemed to be fair value because of the short-term nature of these	Not required	Not Required

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Description of asset	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
<b>Level 1</b>			
	financial instruments		
Amounts receivable from investment sales	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not required
Investment debtors and creditors	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not required

Description of asset	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
<b>Level 2</b>			
Pooled property funds where regular trading takes place	Closing bid price where bid and offer prices are published; closing single price where single price published	NAV-based pricing set on a forward pricing basis	Not Required
Unquoted fixed income bonds and unit trusts	Average broker prices	Evaluated price feeds	Not required
<b>Level 3</b>			
Pooled property funds where regular trading does not take place	Valued by investment managers on a fair value basis each year using PRAG guidance	NAV-based pricing set on a forward pricing basis	Not required
Shares in London CIV asset pool	Based on the historical cost at acquisition of shares	Not required	Not required

# PENSION FUND

Description of asset	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
<b>Level 3</b>			
Other unquoted and private equities	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines 2018	EBITDA multiple Revenue multiple Discount for lack of marketability Control premium	Valuations could be affected by changes to expected cashflows or by differences between audited and unaudited accounts.

### Sensitivity of assets valued at level 3

The fund has determined that the valuation methods described above for Level 3 investments are expected to be accurate within the following ranges, and has set out below the consequent potential impact on the closing value of investments held at 31 March 2025.

	Potential variation in fair value	Valuation as at 31 March 2025	Value on Increase	Value on Decrease
		£000	£000	£000
Pooled property investments	2%	108,761	110,936	106,585
Private equity and joint venture funds	5%	137,035	143,886	130,183
Infrastructure funds	5%	70,958	74,506	67,410
<b>Total</b>		<b>316,754</b>	<b>329,328</b>	<b>304,178</b>

### 14a. Fair value hierarchy

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

	Values as at 31 March 2025	Quoted market price	Using observable inputs	With significant unobservable inputs	Total
		Level 1	Level 2	Level 3	
		£000	£000	£000	£000
<b>Financial assets / liabilities at fair value through profit and loss</b>					
Pooled investments	1,437,390		32,000	70,958	1,540,348
Pooled property investments	-		100,922	108,761	209,683
Private equity	-		-	137,035	137,035
Cash deposits	57,437		-	-	57,437
Accrued income	225		-	-	225
Payables for investment purchases	-		-	-	-
<b>Total</b>	<b>1,495,052</b>		<b>132,922</b>	<b>316,754</b>	<b>1,944,728</b>

Values as at 31 March 2024	Quoted market price	Using observable inputs	With significant unobservable inputs	Total
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	Level 1	Level 2	Level 3	
	£000	£000	£000	£000
<b>Financial assets / liabilities at fair value through profit and loss</b>				
Pooled investments	1,399,696	34,478	72,148	1,506,322
Pooled property investments	-	89,380	102,802	192,182
Private equity	-	-	142,615	142,615
Cash deposits	37,126	-	-	37,126
Accrued income	287	-	-	287
Payables for investment purchases	(4,800)	-	-	(4,800)
<b>Total</b>	<b>1,432,309</b>	<b>123,858</b>	<b>317,565</b>	<b>1,873,732</b>

### 14b. Transfers between Levels 1 and 2

There were no transfers between levels 1 and 2 during the year.

### 14c. Reconciliation of fair value measurements within level 3

2024/25	Value at 1st April 2024	Purchases in the year	Sales in the year	Unrealised gains (losses)	Realised gains (losses)	Value at 31st March 2025
	£000	£000	£000	£000	£000	£000

Pooled UK property unit trusts	102,802	3,477	(314)	2,796	-	108,761
Private Equity	142,615	4,431	(15,380)	(6,587)	11,956	137,035
Infrastructure	72,148	17,923	(10,000)	(12,850)	3,737	70,958
<b>Total</b>	<b>317,565</b>	<b>25,831</b>	<b>(25,694)</b>	<b>(16,641)</b>	<b>15,693</b>	<b>316,754</b>

### 15. Classification of financial instruments

	31 March 2025		
	Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost
	£000	£000	£000
<b>Financial assets</b>			
Pooled investments	1,540,348		
Pooled property investments	209,683		
Private equity	137,035		
Equities		150	
Cash	39,512	17,925	
Debtors		2,453	
Other investment balances		225	
<b>Total financial assets</b>	<b>1,926,578</b>	<b>20,753</b>	<b>-</b>
<b>Financial liabilities</b>			
Other investment balances			-
Creditors			(7,218)
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>(7,218)</b>
<b>Grand total</b>	<b>1,926,578</b>	<b>20,753</b>	<b>(7,218)</b>

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	31 March 2024		
	Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost
	£000	£000	£000
<b>Financial assets</b>			
Pooled investments	1,506,322		
Pooled property investments	192,182		
Private equity	142,615		
Equities		150	
Cash	31,295	5,831	
Debtors		1,657	
Other investment balances		287	
<b>Total financial assets</b>	<b>1,872,414</b>	<b>7,925</b>	<b>-</b>
<b>Financial liabilities</b>			
Other investment balances			(4,800)
Creditors			(4,480)
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>(9,280)</b>
<b>Grand total</b>	<b>1,872,414</b>	<b>7,925</b>	<b>(9,280)</b>

## 15a. Net gains and losses on financial instruments

All realised gains and losses arise from the sale or disposal of financial assets that have been derecognised in the financial statements. The fund has not entered into any financial guarantees that are required to be accounted for as financial instruments.

	2024/25	2023/24
	£000	£000

Financial Assets		
51,163	Fair value through profit or loss	159,075
(340)	Financial assets and liabilities at amortised cost	(52)
<u>50,823</u>		<u>159,023</u>

## 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 (i.e., promised benefits payable to members). The aim of investment risk management is to minimise the risk of an overall reduction in the value of the fund and to maximise the opportunity for gains across the whole fund portfolio. The fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk, and interest rate risk) and credit risk to an acceptable level. In addition, the fund manages its liquidity risk to ensure there is sufficient liquidity to meet the fund's forecast cash flows. The fund manages these investment risks as part of its overall pension fund risk management programme.

Responsibility for the fund's risk management strategy rests with the pension fund's Combined Committee and Board. Risk management policies are established to identify and analyse the risks faced by the pension fund's operations, then reviewed regularly to reflect changes in activity and market conditions.

### a) Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price

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and yield movements, and the overall asset mix. The objective of the fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, while optimising investment return.

In general, excessive volatility in market risk is managed through the diversification of the portfolio's strategic asset allocation across different asset classes, industry sectors, and jurisdictions. To mitigate market risk, the pension fund and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis on a regular basis. The strategic asset allocation is reviewed each quarter and any significant deviations from this are rebalanced as appropriate.

### Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate because of change 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 by factors affect all such instruments in the market.

The fund is exposed to share price risk. The fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored to ensure it is within limits specified in the fund investment strategy.

### Other price risk – sensitivity analysis

A significant portion of the pension fund's assets are invested in pooled investment vehicles with underlying assets which can fluctuate daily as market prices change. To demonstrate the impact of this volatility, the table below shows the impact of potential price changes based on the observed historical volatility of asset class returns. The assessment of the potential volatilities is consistent with a one standard deviation movement in the change in value of assets over the last three years.

As at 31 March 2025	Value	%	Value on increase	Value on decrease
	£000	%	£000	£000
Overseas equities	960,939	12.0	1,076,252	845,627
Fixed Income	476,455	11.9	533,153	419,757
Property	209,793	6.3	223,010	196,576
Alternatives	239,992	16.5	279,591	200,393
Cash	57,549	0.0	57,549	57,549
<b>Total Assets</b>	<b>1,944,728</b>		<b>2,169,555</b>	<b>1,719,902</b>

As at 31 March 2024	Value	%	Value on increase	Value on decrease
	£000	%	£000	£000
Overseas equities	960,774	12.0	1,076,067	845,481
Fixed Income	438,931	11.9	491,164	386,698
Property	187,631	6.3	199,452	175,810
Alternatives	249,241	16.5	290,366	208,116
Cash	37,155	0.0	37,155	37,155
<b>Total Assets</b>	<b>1,873,732</b>		<b>2,094,203</b>	<b>1,653,261</b>

### Interest rate risk

The fund recognises that interest rates can vary and can affect both income into the fund and the carrying value of fund assets, both of which affect the value of net assets available to pay benefits. A 100-basis point (BPS) movement in interest rates is consistent with the level of sensitivity applied as part of the fund's risk management strategy.

### Interest rate risk – sensitivity analysis

The analysis that follows assumes that all other variables, in

## PENSION FUND

particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/- 1% change in interest rates. The analysis demonstrates that a 1% increase in interest rates will not affect the interest received on fixed interest assets but will reduce their fair value, and vice versa. Changes in interest rates do not impact on the value of cash and cash equivalent balances but they will affect the interest income received on those balances.

Assets exposed to interest rate risk:

	Interest earned 2024/25	Interest rate if 1% higher	Interest rate if 1% lower
	£000	£000	£000
Cash deposits	366	425	265
<b>Total</b>	<b>366</b>	<b>425</b>	<b>265</b>

	Interest earned 2023/24	Interest rate if 1% higher	Interest rate if 1% lower
	£000	£000	£000
Cash deposits	342	407	233
<b>Total</b>	<b>342</b>	<b>407</b>	<b>233</b>

### Currency risk

Currency risk represents the risk that future cash flows will fluctuate because of changes in foreign exchange rates. The fund is exposed to currency risk on any cash balances and investment assets not denominated in UK sterling. The table below demonstrates how a 10% strengthening/weakening of the pound against the various currencies in which the fund holds investments would increase/decrease the net assets available to pay benefits as follows.

### Currency risk – sensitivity analysis

As at 31 March 2025	Value	%	Value on increase	Value on decrease
	£000	%	£000	£000
Overseas equities	473,073	10.0	520,381	425,766
Fixed Income	192,515	10.0	211,766	173,263
Private equity	137,035	10.0	150,738	123,331
Infrastructure	24,171	10.0	26,588	21,754
Cash	19,563	10.0	21,520	17,607
<b>Total Assets</b>	<b>846,357</b>	<b>10.0</b>	<b>930,993</b>	<b>761,721</b>

As at 31 March 2024	Value	%	Value on increase	Value on decrease
	£000	%	£000	£000
Overseas equities	480,900	10.0	528,990	432,810
Fixed Income	146,779	10.0	161,457	132,101
Private equity	142,615	10.0	156,877	128,354
Infrastructure	35,329	10.0	38,862	31,796
Cash	5,416	10.0	5,958	4,874
<b>Total Assets</b>	<b>811,039</b>	<b>10.0</b>	<b>892,144</b>	<b>729,935</b>

### b) Credit risk

Credit risk represents the risk that the counterparty to a financial transaction will fail to discharge an obligation and cause the fund to incur a financial loss. Assets potentially affected by this risk are investment assets, cash deposits and third-party loans. The selection of high-quality counterparties, brokers and financial institutions minimises credit risk and the market values of investments generally reflect an assessment of credit risk.

Credit risk may also occur if an employing body not supported by

## PENSION FUND

central government does not pay contributions promptly, or defaults on its obligations. The pension fund has not experienced any actual defaults in recent years and the current practice is to obtain a guarantee before admitting new employers so that all pension obligations are covered in the event of that employer facing financial difficulties. All contributions due at 31 March 2025 were received within the first two months of the financial year.

Money market funds and bank accounts all have AAA rating from a leading ratings agency, and the pension fund has experienced no defaults from fund managers, brokers or bank accounts over the past five years.

Summary	Credit Rating	Balances at 31 March 2025	Balances at 31 March 2024
		£000	£000
<b>Money Market Funds</b>			
Blackrock institutional sterling liquidity fund	AAA	7,925	780
Invesco liquidity fund	AAA	10,000	5,000
<b>Bank current accounts</b>			
Northern Trust	A+	39,513	31,295
Barclays Bank plc	A+	142	51
<b>Total</b>		<b>57,580</b>	<b>37,126</b>

### c) Liquidity risk

Liquidity risk represents the risk that the fund will not be able to meet its financial obligations as they fall due. The pension fund therefore takes steps to ensure that it always has adequate cash resources to meet its commitments.

### Refinancing risk

The key risk is that the pension fund will need to replenish a

significant proportion of its financial instruments at a time of unfavourable interest rates. The pension fund does not have any financial instruments that have a refinancing risk as part of its investment strategy.

### 17. Funding Arrangements

In line with the [Local Government Pension Scheme Regulations 2013](#) the fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contributions rates for the forthcoming triennial period. The pensions fund accounts for the period were based on the most recent valuation which took place as at 31 March 2022.

The key elements of the funding policy are:

- to ensure the long-term solvency of the fund, using a long-term prudent view i.e., that sufficient funds are available to meet all members'/dependants' as they fall due for payment.
- to ensure that employer contribution rates are reasonably stable where appropriate.
- to minimise the long-term cost of the scheme by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return.
- to reflect the different characteristics of employing bodies in determining contribution rates where it is reasonable to do so.
- to use reasonable measures to reduce the risk to other employers and ultimately to the council taxpayer from an employer defaulting on its obligations.

The aim is to achieve 100% solvency over a period of 20 years and to provide stability in employer contribution rates by spreading any increases in rates over a period of time. Normally this is three years but, in some cases, a maximum period of 12 years can be granted. Solvency is achieved when the funds held, plus future expected investment returns and future contributions, are sufficient to meet

# PENSION FUND

expected future pension benefits payable. When an employer's funding level is less than 10% of the 100% funding target, then a deficit recovery plan will be put in place requiring additional employer contributions.

At the 2022 actuarial valuation, the fund was assessed as 113% funded (100% at the March 2019 valuation). Contribution increases will be phased in over the three-year period ending 31 March 2026 for both scheme employers and admitted bodies.

The whole-fund primary contribution rate was due to decrease over a three-year period from 18.6% to 17.5% of pensionable pay. However, each employer will be different, and the primary contribution rate will reflect the membership and experiences of each employer.

In addition to the primary contribution rate, most employers also pay a secondary contribution rate depending on the demographic and actuarial factors particular to each employer. Full details of the contribution rates payable can be found in the 2022 actuarial valuation report and the funding strategy statement on the fund's website.

The valuation of the fund has been undertaken using the projected unit method under which the salary increase for each member is assumed to increase until they leave active service by death, retirement, or withdrawal from service. The principal assumptions were as follows.

## Financial assumptions

Future assumed rates	31-Mar-22	31-Mar-19
	%	%
Discount rate (annual nominal return rate)	4.3	4.2
Pay increase (annual change)	3.7	3.3
Benefit increase (CPI)	2.7	2.3

## Demographic assumptions

The assumed life expectancy from 65 is as follows:

Life expectancy from age 65		31-Mar-25	31-Mar-24
Retiring today	Males	21.1	21.2
	Females	24.0	24.0
Retiring in 20 years	Males	22.4	22.5
	Females	25.6	25.6

## 18. Actuarial present value of promised retirement benefits

In addition to the triennial funding valuation, the fund's actuary also undertakes a valuation of the pension fund liabilities on an IAS 19 basis every year using the same base data as the funding valuation rolled forward to the current financial year but taking account of changes in membership numbers and updating assumptions to the current year. This valuation is not carried out on the same basis as that used for setting fund contribution rates and the fund accounts do not take account of liabilities to pay pensions and other benefits in the future.

In order to assess the value of the benefits on this basis, the actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (see Note 17). The actuary has also valued ill health and death benefits in line with IAS 19.

31 Mar 25		31 Mar 24
£000		£000
(1,500,000)	Present Value of promised retirement benefits	(1,725,000)
1,940,113	Fair Value of scheme assets	1,871,058
<b>440,113</b>	<b>Net (liability)/asset</b>	<b>146,058</b>

## PENSION FUND

As noted above, the liabilities above are calculated on an IAS 19 basis and therefore will differ from the results of the 2022 triennial funding valuation (see Note 17) because IAS 19 stipulates a discount rate rather than a rate which reflects market rates.

Other key assumptions used are:

	31-Mar-25	31-Mar-24
	%	%
Pension increase rate (CPI)	2.8	2.8
Salary increase rate	3.8	3.8
Discount rate	5.8	4.8

### 19. Current assets

31/03/2025		31/03/2024
<b>£000</b>		<b>£000</b>
116	Contributions due - employees	94
1,283	Contributions due - employers	1,081
912	Sundry debtors	482
<b>2,311</b>		<b>1,657</b>
142	Cash	-
<b>2,453</b>		<b>1,657</b>

### 20. Current liabilities

31/03/2025		31/03/2024
<b>£000</b>		<b>£000</b>
5,061	Sundry creditors	2,924
2,157	Benefits payable	1,556
<b>7,218</b>		<b>4,480</b>

### 21. Additional Voluntary Contributions ("AVCs")

	Contributions Paid 2024/25	Market Value 31 March 2025
	<b>£000</b>	<b>£000</b>
Utmost life and pensions	-	99
Prudential assurance	361	1,250
Clerical and medical	1	22

	Contributions Paid 2023/24	Market Value 31 March 2024
	<b>£000</b>	<b>£000</b>
Utmost life and pensions	-	188
Prudential assurance	269	1,182
Clerical and medical	-	17

### 22. Related party transactions

#### Haringey Council

The Haringey Pension Fund is administered by Haringey Council. During the reporting period, the Council incurred costs of £0.966m (2023/24 £0.835m) in relation to the administration and management of the fund and was reimbursed by the fund for these expenses.

The Council is also the single largest employer of members of the pension fund. As at 31 March 2025, an amount of £0.546m was due from the fund to the Council.

Each member of the pension fund's Combined Pensions Committee and Board is required to declare their interests at each meeting. One member of the Combined Pensions Committee and Board were a scheme member in the Haringey Pension Fund.

## PENSION FUND

### 23. Key management personnel

Key management personnel are the Section 151 Officer and the head of pensions. Their remuneration is set out below:

31/03/2025	Key Management Personnel	31/03/2024
£000		£000
77	Short - term benefits	28
6	Post-employment benefits	6
<hr/> 83		<hr/> 34

### 24. Contingent liabilities and contractual commitments

Outstanding capital commitments (investments) at 31 March 2025 were £82.2m (2023/24 £105.4m). These commitments relate to outstanding capital call payments due on limited partnership funds held within the private equity and infrastructure portion of the portfolio. The amounts 'called' by these funds are irregular in both size and timing over a period of between four and six years from the date of each original commitment. There were no contingent liabilities at 31 March 2025.

## Annual Governance Statement 2024-25

### 1. Scope of responsibility

- 1.1 We are responsible for ensuring that our business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. We also have a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which our functions are exercised, with regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this, we are also responsible for putting in place proper arrangements for the governance of our affairs, facilitating the effective exercise of our functions, which includes arrangements for the management of risk.
- 1.3 We have approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. Haringey's local code of corporate governance is published on the Council's website and a copy can be obtained from the Council's Monitoring Officer. This statement explains our commitments as part of the Local Code of Corporate Governance, together with how we obtain assurance that these commitments are in place and effective; it also meets the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015, in relation to the publication of an Annual Governance Statement.

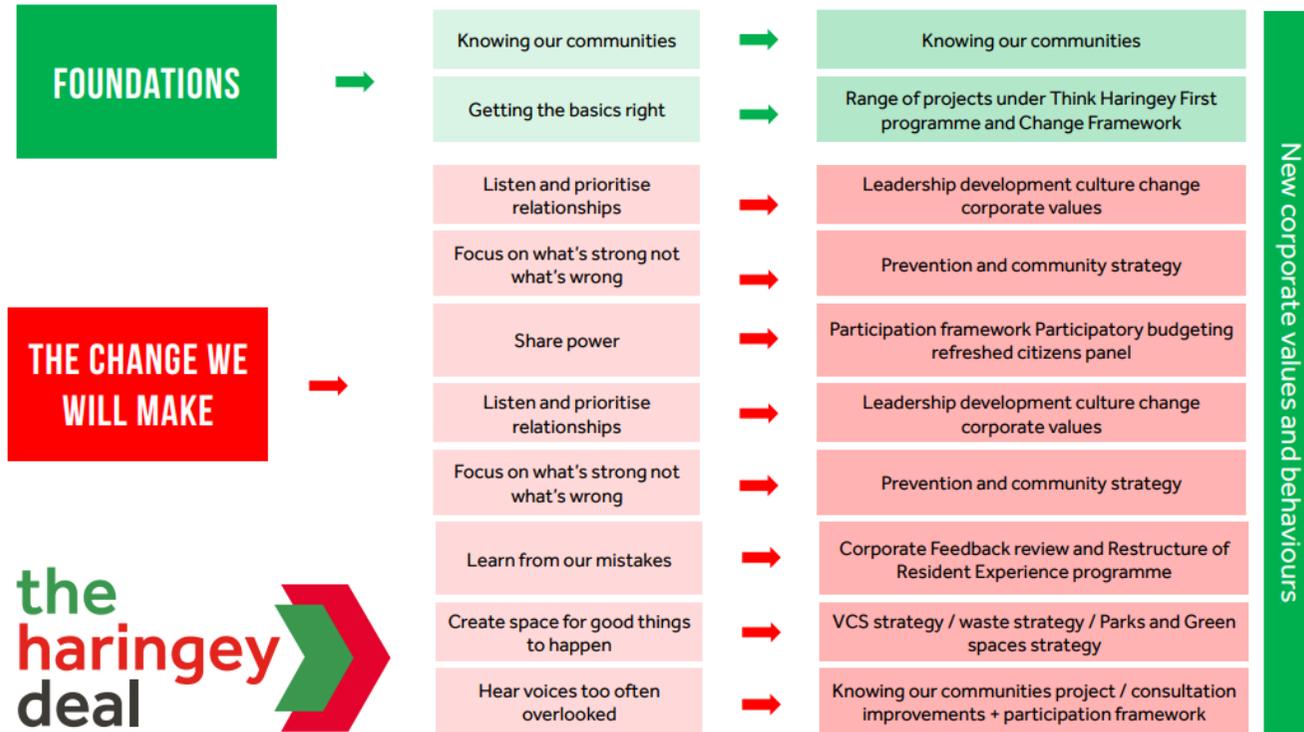
### 2. The purpose of the governance framework

- 2.1 The governance framework comprises the systems and processes, and culture and values, by which we direct and control the activities of the Council. The framework also comprises the activities through which we are accountable to, engages with and leads the community. Through the framework, we monitor the achievement of our strategic objectives and consider whether those objectives have led to the delivery of appropriate and cost-effective services.
- 2.2 The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives, but it can provide a reasonable assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks to the achievement of our approved policies, aims and objectives. The system of controls also allows for the evaluation of the likelihood of risks being realised and the impact should they be realised, ensuring that we are able to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place for the year ended 31<sup>st</sup> March 2025 and up to the date of the approval of the annual report and accounts.

# ANNUAL GOVERNANCE STATEMENT

- 2.4 As a local authority, we operate in a complex and constantly evolving financial, policy and legislative environment and consequently, our responsibilities and operations continue to evolve. The funding models for local government continue to present challenges. We continue to deliver our ambitions set out in our corporate plan and build on our achievements in the refreshed plan, which we published in the summer. The Council's Corporate Plan sets out our priority actions for delivering our strategy for Haringey.
- 2.5 The Council's leadership remains committed to being collaborative, competent, and radical. In January 2023, we published our Corporate Delivery Plan for the period 2022/26. This Corporate Delivery Plan covers the activity we will focus on delivering including the second half of the cycle between April 2024 and April 2026. The Plan outlines our strategic objectives, priorities, and initiatives aimed at creating a fairer, greener borough. The Plan also includes the outcomes we are working towards as an organisation; the activity planned to deliver these outcomes; how we will work to deliver it; and the key delivery dates. The plan is organised around the following eight separate themes:
- Resident experience and enabling success
  - Responding to the climate emergency
  - Children and young people
  - Adults, health and welfare
  - Homes for the future
  - Safer Haringey
  - Culturally rich borough
  - Place and economy
- 2.6 These themes demonstrate how we are focussed on working collaboratively, in line with the Haringey Deal, with residents, businesses and partners to tackle the biggest issues affecting our communities.
- 2.7 Haringey Deal was launched in November 2022. The Deal is all about forging a different way of working. It builds on the findings of the Fairness Commission and is grounded what we have heard from residents more recently. This includes pledges to focus on building greater trust between the council and residents; learning when mistakes are made and putting things right quickly; empowering communities to make change happen for themselves; and finding new ways to share power with residents and communities. The Deal also recognises the critical importance of 'getting the basics right.' This means delivering the fundamental core services that any local authority provides to ensure residents are safe and supported, and able to live a good life. The Deal has eight core elements, each of which is being embedded and delivered via a series of programmes and pieces of work. Details of the Deal are set out in the chart below.

# ANNUAL GOVERNANCE STATEMENT



- 2.8 A core element of the Haringey Deal has been the launch and roll out of a new set of corporate values. These were developed following a series of staff workshops hosted by the Chief Executive in the autumn of 2022 and were in place for the financial year 2024/25. Our core values are Caring, Collaborative, Community Focused, Courageous and Creative. These were launched via a series of informal staff 'huddles' across the corporate estate including depots and neighbourhood offices. These behaviours are at the heart of refreshed My Conversation (our appraisal approach) guidance which was launched at the start of the 2023.
- 2.9 Following the launch of The Haringey Deal, we have created a portal called The Haringey Deal implementation guidance for staff, which outlines our ambition to change the way we work and change our practices. It makes a commitment to both designing services and developing different relationships with residents and partners with a key focus in the Haringey Deal on working in partnership with communities to address residents' priorities. The implementation guidance

# ANNUAL GOVERNANCE STATEMENT

intranet hub aims to clarify the ambitions of the Haringey Deal and provide practical examples of exemplary practice, to support us in continuing to develop our approach.

- 2.10 In May 2023, we participated in a Corporate Peer Challenge, organised by the Local Government Association (LGA). The Peer review challenge involved a team of experienced council officers and councillors from other local authorities reviewing our vision, our priorities and plans and the work we are doing as “peers” to provide challenge and share learning. The final report was issued in October 2023 and a copy is available at LGA Corporate Peer Challenge Final Report ([haringey.gov.uk](http://haringey.gov.uk)). The report noted “Haringey Council is a dynamic and improvement-focused local authority that has strong leadership and should be proud of the services it provides to the community. It provides many good core services to its residents for which it should be rightly proud. The Borough is well-regarded for its high performing schools, and the parks and library services are valued, with the Friends groups keen to collaborate with the Council. It also has a “powerful sense of place, appreciating and celebrating the diversity of the area and the people it serves.” The Peers set out several recommendations, a follow up revisit took place on 25 June 2024 with the LGA spending a day meeting staff, networks, partners, senior managers and testing the progress we have made. Specifically, the LGA looked at what steps we had taken since their first visit, and specifically focusing on:
- Developing a long-term vision and building better partnerships
  - Embedding performance management and delivering change
  - Organisational development and culture change
- 2.11 The peer team were impressed at the level of progress made by Haringey since the Corporate Peer Challenge and noted the detailed and structured approach taken by the Council for making improvements and changes to implement the peer team’s recommendations.
- 2.12 Separately, a joint area inspection by Ofsted and the Care Quality Commission (CQC) was carried out of the Area SEND inspection of Haringey Local Area Partnership over a three-week period in January and February 2024. Both the Council and the North Central London Integrated Care Board (ICB) are jointly responsible for the planning and commissioning of services for children and young people with SEND in Haringey. We received the highest rating for delivering high quality services for young people with Special Educational Needs and Disabilities with the report noting “The local area partnership’s special educational needs and/or disabilities (SEND) arrangements typically lead to positive experiences and outcomes for children and young people with SEND. The local area partnership is taking action where improvements are needed.” The report raised three areas for improvement we continue to make good progress in implementing the recommendations.
- 2.13 In addition, Ofsted carried out a focused visit of Haringey children’s service and published their report on 14 March 2025. Inspectors considered a broad range of evidence, including from children’s individual records and discussions with social workers and reviewed relevant local authority performance and quality assurance information, and spoke to senior leaders, including the head of the virtual school. The report noted that “Most children in care are making good progress, with a strong focus on their education and social needs, and on maintaining their relationships with birth families where appropriate. Their health needs are a priority, and children living outside the borough have additional support. Children are supported to develop trusting relationships with their social workers. Workers invest time with children and use their skills to engage them and understand their wishes and feelings, and what matters most to them. Workers know children well, and they advocate effectively on their behalf.”

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- 2.14 In February 2025, the Care Quality Commission (CQC) published its inspection report assessing how we, as a local authority meet our duties set out in the Care Act (2014). The CQC looked at nine areas spread across four themes and rated the Council as requiring improvement. The CQC's chief inspector of adult social care and integrated care, noted "we found the London Borough of Haringey demonstrated a commitment to transformation and improvements, with clear efforts to support people's independence and wellbeing. Although it's too early to assess the full impact on people's experiences and outcomes we did see some results already. Haringey's reablement services were particularly effective, helping people regain independence and reducing the need for long-term care. We were pleased to see the introduction of a more local approach, making it easier for people to access care and support closer to where they live. The authority worked well as part of a multi-agency team, made up of health professionals, social workers, and specialists, to help people stay healthy and live independently. We saw this play a key role in reducing hospital admissions.
- 2.15 However, there are areas Haringey needs to improve. People were waiting too long to have their care needs assessed and were frustrated with the communication around this. This was reflected in the mixed feedback we received about people's experiences. Once people were being supported, they were generally happy with their assessments, but people with additional communication needs and non-English speakers faced barriers when seeking information or trying to access that support. Haringey is aware of this access issue and it's reassuring to see them taking steps to address it. The authority also needs to address the limited local care provision which reduced people's ability to make choices about their care. This also extended to carers who told us they struggled to get access to the support they needed, making it difficult to get a break from their responsibilities and negatively impacting their wellbeing."
- 2.16 We have a statutory obligation to set a balanced budget and for 2025/26, Cabinet received a paper in February 2025 setting out the proposed General Fund Budget for 2025/26; the Medium-Term Financial Strategy (MTFS) 2025/30, and the capital programme. To set a balanced budget for 2025/26, we sought special permission from Government to allow the Council to use capital receipts and borrowing (referred to as Exceptional Financial Support) of £37m for its day to day running costs and supporting the borough's most vulnerable residents. While the Exceptional Financial Support is required in order for us to set a balanced budget, we appreciate that this is not a sustainable position. We will continue to work, across the council, to reduce costs and to make every penny count – and minimise use of EFS as much as possible by exploring ways to improve efficiency and maximise value for money.
- 2.17 In addition, Cabinet received a budget report in March 2025 for the third quarter (April to December 2024) setting out the actual expenditure for the period with projected outturn for the remainder of the financial year. The report projected a year-end outturn of £37.2m forecast overspend, and as the Council has a legal requirement to deliver a balanced position each year, the report noted the authority may not have sufficient resources to cover the full forecast £37.2m overspend and reach a balanced financial position. Consequently, Cabinet was notified the authority may require use of Exceptional Financial Support from government, and that government had agreed in principle that up to £28m could be drawn down for the financial year 2024/25.
- 2.18 KPMG are our external auditors and as such, they are required to provide an assessment of the council's arrangements to secure value for money (VfM). In its assessment, KPMG focused on three key domains: -
- **Financial sustainability:** How we manage our resources to ensure we can continue to deliver our services
  - **Governance:** How we ensure we make informed decisions and properly manages our risks
  - **Improving economy, efficiency and effectiveness:** How we use information about our costs and performance to improve the way we manage and deliver our services

# ANNUAL GOVERNANCE STATEMENT

- 2.19 From their work, KPMG identified five areas of improvement in respect of arrangements to secure VfM and noted these in their Auditor's Annual Report published in February 2025, for the 2023/24 financial year. KPMG's opinion is that the Council does not have appropriate arrangements in place to secure economy, efficiency, and effectiveness in the use of resources. We have agreed the recommendations and set ambitious targets to implement their recommendations.
- 2.20 At the end of March 2025, the Chief Executive concluded his consultation on the changes to the senior leadership of the organisation. The change was in part, a response to the government signalling new ways of doing things, new priorities and the challenging financial position. Following the change, the Placemaking & Housing directorate was disbanded and its services moved to other parts of the council and the senior leadership roles were renamed in order to keep the Council competitive in the recruitment and retention market.
- 2.21 A new directorate of Adults, Housing & Health was established, with a focus on supporting the borough's vulnerable adults and the existing Finance directorate expanded to become the Finance & Resources directorate, adding Digital & Change, Capital Projects & Property and Housing Delivery functions to its portfolio.
- 2.22 The following section highlights each of the seven governance principles set out in the CIPFA / SOLACE framework "Delivering Good Governance in Local Government" and the arrangements in place demonstrating how we meet the governance principles. Any gaps identified as part of the annual review will form an action plan agreed and monitored by the Statutory Officers with all actions to be completed by March 2026.

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Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<b>A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b>	
<b><u>Behaving with Integrity</u></b>	
<p>a) The standards to which Members and Officers are expected to comply are outline here along with links to key policies which are developed in accordance with legislative requirements and good practice.  <a href="#">Our standards   Haringey Council</a></p> <p>b) The Council's Member Code of Conduct is captured in the Council's constitution under Part 5 – Codes and Protocols, Part 5 Section A (Nov 2019), which requires members to declare interests; applies to Members and co-opted voting members on election or appointment. Published on the internet:  <a href="#">Part 5 Section A Members Code of Conduct.pdf</a></p> <p>c) The offer of induction is provided for all new Members when they are elected on expected standards of behaviour. A comprehensive programme has been established since the election in May 2022 to on board new and re-elected members into the Council. The training programme is designed to ensure members are equipped to carry out their role on as committee members. Training on all regulatory committees is mandatory.</p> <p>d) The Officer Code of Conduct was reviewed in 2023, and a new version was published to staff following approval by Members. A copy of the Code is provided to all new officers on appointment and annual reminders are made of the need for employees to comply with specific requirements such as ensuring declarations of interest are formally recorded and declaring any offers of gifts or hospitality which are received.</p> <p>e) Haringey Values were updated in 2023 (Caring, Community-Focused, Collaborative, Creative, and Courageous). The Council ran numerous seminars for staff on what the values meant and how services should demonstrate Haringey values.</p>	<p>Complaints process reviewed 24/25. Review of Code planned for 2025/26 once government response to consultation knows on standards regime.</p>

# ANNUAL GOVERNANCE STATEMENT

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>f) Decision-making practices for member decisions follow legal and transparency requirements. Agendas and Minutes of Cabinet and Committees and Officer decisions are recorded and published on Modern.gov.  <a href="#">How Decisions are made and scrutinised</a></p> <p>g) Register of interests and gifts and hospitality for members/co-opted checked on election/appointment. Minutes show declarations of interest sought, and appropriate declarations made for each meeting.</p> <p>h) Requirement for all new staff to complete Register of Interests declaration. Senior managers are required to complete a declaration every two years; officers are reminded to complete a new form as/when circumstances change. The HALO system is used to efficiently manage HR processes under a single portal. Gifts and hospitality for members are recorded with their declarations of interests and are published on the website. <a href="#">Our standards   Haringey Council</a></p> <p>i) Standard report format requires report authors to state how their proposal meets the corporate objectives and priorities. Report authors must also provide reasoning and evidence for proposals, so that the basis for decisions is clear and include statutory officer’s advice, including legal and finance advice. The standard template for reports was refreshed in 2023/24 with updated guidance included for report authors.</p> <p>j) Anti-fraud and corruption strategy is in place, including the Whistle blowing policy (Oct 2024) they will be reviewed again in 2026. The Head of Audit and Risk Management reports on actions, effectiveness and outcomes (and use of the whistle blowing policy) to Audit Committee, in quarterly report and in July as part of the Annual internal Audit Report and provides awareness presentations to Senior Leadership Team. Copies of the policies are on the internet.  <a href="#">Anti-fraud and Corruption Policy Oct 2024</a></p>	<p>Ensure full compliance by officers with the requirements set out.</p>

# ANNUAL GOVERNANCE STATEMENT

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>k) Corporate and service specific complaints policies are in place and published on the website. Level of complaints upheld at Stage 1 and 2 is monitored and reported regularly to the Council’s Senior Leadership Team. More information is being published and made easily accessible to customers. Training sessions have been developed looking at examples of best practice in responses and getting it right first time. Following comments from the Peer Review a forum has been periodically held to help with improvements in this area.  <a href="#">Make a complaint   Haringey Council</a></p> <p>l) Local Code of Corporate Governance was refreshed in 2023/24 and was approved at the Full Council in July 2024.  <a href="#">Local Code of Corporate Governance</a></p> <p><b><u>Demonstrating strong commitment to ethical values</u></b></p> <p>m) The Standards Committee, along with the Council’s Monitoring Officer, establishes monitors and maintains the organisation’s ethical standards and performance, reporting to full Council, as necessary. The committee deals with allegations of breaches of the Member Code and issue (or require Groups to issue) reminders/advice notes to Members where issues of conduct cause concern.  <a href="#">The Standards Committee</a></p> <p>n) The Council incorporated the Social Value Act requirements into all procurement and contracts; including a standard clause referring to ‘PREVENT’ in all contracts, as well as safeguarding and health and safety. A broader review of how the authority carries out procurement activity has been completed, and changes will be embedded in 2025/26. A report will go to Cabinet to approve the Council’s methodology of complying with Social Value Act requirements.</p> <p>o) A major review of all the Human Resources policies &amp; procedures is continuous. The policies for revision undergo extensive discussion with relevant groups within</p>	

# ANNUAL GOVERNANCE STATEMENT

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>the council and with trade unions before the final version is presented to Members for their approval, only when approved are policies published, and details communicated to officers. During 2024/25, HR published the Workforce Plan.</p> <p>p) The Council encourages external providers of services to act with integrity and in compliance with high ethical standards expected by the organisation in information sharing:</p> <p><b><u>Respecting the rule of law</u></b></p> <p>q) The Chief Executive is appointed by Full Council. Any disciplinary action or dismissal of the statutory officers is dealt with in line with legal requirements that take into account the need for them to fulfil their responsibilities in accordance with legislative and regulatory requirements. Member Committees make decisions on appointments and dismissal of Chief Officers and Deputy Chief Officers. A Statutory Officers Group meets monthly and ensures statutory compliance and is both forward and backward looking and support the organisation and Statutory Officers in fulfilling their roles.</p> <p>r) The Council optimises the powers available for the benefit of citizens, communities and other stakeholders. Decisions are taken, in accordance with relevant statutory requirements and the Council Constitution, by full Council, Cabinet, individual Cabinet members and officers under delegated powers. The Council Constitution is reviewed updated and published on the internet:  <a href="#">Council Constitution</a></p>	<p>Review and update the Council's financial regulations during 2025/26.</p>

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<p>s) Breaches of law/financial regulations can be the subject of a report to full Council or Cabinet by the relevant statutory officer. No statutory officer reports have been required in 2024/25.</p> <p>t) Statutory officers are available at meetings of the Council/Cabinet to advise and ensure law and regulations are not breached.</p>	
<p><b>B. Ensuring openness and comprehensive stakeholder engagement</b></p>	
<p><b><u>Openness/ Implementing good practice in transparency</u></b></p> <p>a) The Council Publication Scheme sets out information available to view or download including under the requirements of the Transparency Code 2015.  <a href="#">Our publication scheme   Haringey Council</a></p> <p>Member decisions are rarely taken in the private (Part 2) section of meetings. Member delegated decisions are also taken at meetings advertised and open to the public. The constitution allows for deputations and petitions and a call-in procedure for cabinet key decisions is in place. The local and statutory requirements are set out in the Council Constitution:  <a href="#">Council Constitution</a></p> <p>b) The Council carries out consultation on a regular basis with stakeholders. It has a consultation co-ordinator and a consultation charter and toolkit on its internal website. <a href="#">Consultations   Haringey Council</a>            Under the Haringey Deal, the authority seeks to better understand all its communities including communities that it engages with reduced frequency.</p>	

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<p>c) To ensure we are able to effectively monitor delivery of the outcomes as set out in our Corporate Delivery Plan, reporting takes place formally on a six-monthly basis (for the lifetime of the plan) and quarterly via dedicated performance sessions at our Corporate Leadership Team and via internal meetings and forums with officers and Cabinet Members.</p> <p>d) Formal reporting includes progress updates reported to the council’s Overview and Scrutiny Committee for more in-depth consideration. Briefings for Scrutiny Panel Members are arranged ahead of formal meetings and training is provided to encourage understanding of performance issues and risks.</p> <p><a href="#">Browse meetings - Overview and Scrutiny Committee   Haringey Council</a></p> <p>e) In 2022/23 we established a framework for monitoring progress against commitments and intermediate outcomes as set out in our Corporate Delivery Plan (CDP). The framework brings together activity and monitors progress towards the achievement of intermediate outcomes with metrics and commentary on all commitments in the CDP including Manifesto pledges. The framework is not solely based on Performance Indicators so gives a broader picture of change and progress towards achieving our objectives. Updates include metrics and a rating on Direction of Travel.</p>	

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Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p><a href="#">The Corporate Delivery Plan 2024-2026</a></p> <p>f) We use “Monday.com” as a tool for tracking progress where live updates on progress is captured and reported on a quarterly basis with dynamic links and Dashboards so progress can be actively monitored. As part of the early warning and risk analysis Directors also produce a summary of highlights and areas for focus each quarter and these are shared as part of the published papers. More recently we have introduced more robust performance management reviewing our approach to monitoring whereby we have established a single performance framework.</p> <p>g) Documentation demonstrating compliance with the governance principles Identified gaps in compliance, or further action required covers key performance indicators, capital delivery, savings programme delivery and transformation programme delivery as part of the Council’s new Change framework. Members are briefed on performance across all these workstreams so that they get a holistic view of progress, and we ensure consistency of reporting and aligned governance arrangements as part of the Cabinet Accountability Model. Our Leader is the Cabinet Member responsible for the CDP and performance so there is clear leadership and accountability.</p> <p>h) In addition to the arrangements that have been put in place to monitor the delivery of the Corporate Delivery Plan, new arrangements have been introduced by central Government in the form of an Office for Local Government (OfLOG). The stated purpose of OfLOG is “to provide authoritative and accessible data and analysis about the performance of local government and support its improvement.” The data can be viewed at Home - Local Authority Data Explorer - GOV.UK . A report</p>	

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<p>updating on the OfLOG metrics, and any associated risks or early warning flags is discussed at Corporate Leadership Team on a periodic basis to reflect on what the comparator data is telling us.</p> <p><b><u>Engaging comprehensively with institutional stakeholders</u></b></p> <p>i) Formal and informal partnerships allow for resources to be used more efficiently, and outcomes achieved more effectively; key partnerships include the Haringey Safeguarding Children Partnership, Safeguarding Adults Board (SAB), Multi-Agency Risk Assessment Conference (MARAC) and the Community Safety Partnership (CSP). Agendas and minutes for the CSP are published on the website:  <a href="http://www.minutes.haringey.gov.uk/ieListMeetings.aspx?CIId=444&amp;Year=0">http://www.minutes.haringey.gov.uk/ieListMeetings.aspx?CIId=444&amp;Year=0</a></p> <p>j) Resident engagement also occurs in formal consultation and engagement processes during 2024/25 this has included extensive community engagement via Wood Green Voices: <a href="#">Wood Green Voices   Haringey Council</a>, and Tottenham Voices <a href="#">Tottenham Voices   Haringey Council</a> and in relation to key strategies including the Parks and Green Spaces Strategy and Community Safety Strategy.</p> <p>k) Last year the council launched the Haringey Engagement Hub which is developing into a 'one stop shop' for all engagement and consultation opportunities. <a href="#">Have Your Say Today - Haringey Engagement Hub - Commonplace</a></p>	
<p><b>C. Defining outcomes in terms of sustainable economic, social, and environmental benefits; and</b>  <b>D. Determining the actions necessary to optimise the achievement of the intended outcomes</b></p>	
<p><b><u>Defining actions/outcomes and sustainable economic, social and environmental benefits</u></b></p>	

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Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>a) The Corporate Delivery Plan sets out how the Council will work with partners and with communities to improve the borough and make Haringey a more successful place, while delivering a significant savings programme by 2026. The plan has eight themes, each under-pinned by a series of ambitious targets. It considers and balances the economic, social and environmental impact of policies, plans and decisions. The Plan includes a challenging set of performance measures. Documentation demonstrating compliance with the governance principles Identified gaps in compliance, or further action required.</p> <p>b) Programme planning and management require focus on outcomes and benefits identification and tracking as part of project implementation. There is a clear and consistent approach to the reporting of outcomes, benefits, risks and issues. The Plan was published on the website and recently refreshed to reflect the manifesto priorities of the administration:  <a href="#">Ambitious new vision for Haringey   Haringey Council</a></p> <p>c) The Council publishes updates on its website to show how the Council and partners are achieving against specified outcomes and activity including metrics where applicable every six months.  <a href="https://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=128&amp;MID=10689#AI77431">https://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=128&amp;MID=10689#AI77431</a>  <a href="#">Agenda for Overview and Scrutiny Committee on Thursday, 27th March, 2025, 7.00 pm   Haringey Council</a></p> <p>d) The intermediate outcomes specify the intended impact on service users, residents and other stakeholders. Effective performance monitoring of the Council's progress towards achieving the outcomes in the Corporate Delivery Plan is fundamental to understanding impact and as such provides a means to measure progress on what we are delivering against what we said we would do i.e. The change we expect to see over the 18-month period of the strategic plan.</p> <p>e) The Council has an agreed Medium-Term Financial Strategy (MTFS). These set out how the Council will deliver the corporate plan taking into account the full cost of operations and within available resources, balancing service priorities, and ensure its workforce has the right skills to enable it to achieve the agreed outcomes. Regular reports are provided to the Cabinet:</p>	<p>The Council's financial position has deteriorated over the last 12months. Increased demand pressures in social care and temporary</p>

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<p><a href="#">2025.26Budget and 2025.30MTFFS ver1.0.pdf</a></p> <p>f) Robust planning and control cycles cover strategic and operational plans, priorities and targets. An internal process provides regular monitoring and scrutiny of the Corporate Delivery Plan and resources applied. Performance against objectives and outcomes is published on the website as part of papers for Cabinet and also accessible in viewable. Documentation demonstrating compliance with the governance principles Identified gaps in compliance, or further action required dashboards from our web-based project and programme management tool: <a href="#">Corporate Delivery Plan (monday.com)</a></p> <p>g) A five-year capital programme was approved by Full Council on 11 February 2025, which sets out the Council’s longer-term investment requirements linked to policy objectives, updates are provided to Cabinet annually at the February meeting: <a href="#">2025.26Budget and 2025.30MTFFS ver1.0.pdf</a></p> <p><b><u>Determining actions and optimising achievement of intended outcomes</u></b></p> <p>h) The Council includes requirements to enhance social value in contracts. For example, construction projects over £1m in value must include an apprenticeship scheme, and where possible, employers are encouraged to pay the London Living Wage.</p> <p>i) High value procurements include a significant weighting in the ‘social value’ section and, where applicable, requirements as to the use of community assets.</p>	<p>accommodation means that setting a balanced budget for 2024/25 and 2025/26 is only possible with exceptional financial support (ESF). A response and recovery plan has been developed taking account of insight from external audit, internal audit and a financial resilience exercise. The actions are aimed to reduce the current and any future reliance on EFS, improve the Council’s financial sustainability, including rebuilding reserves and reducing debt levels by reducing the Capital Programme.</p>
<b>E. Developing the entity’s capacity, including the capability of its leadership and the individuals within it</b>	
<p><b><u>Developing the entity’s capacity</u></b></p> <p>a) The Council’s Workforce Development Strategy aims to create a better place to work and to ensure the Council has the right people in the right places with the</p>	

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<p>appropriate skills to deliver the Council's priorities. The plan is published on the website: <a href="#">haringey_workforce_strategy.pdf</a>. During 2023/24 the Council reviewed this strategy, and on 18 June 2024, Cabinet approved the refreshed strategy and accompanying action plan. There is a clear focus on Directorate-led workforce planning, supported by the Council's corporate services, in the new strategy.</p> <p>b) Workforce expectations also form a clear part of contracting and commissioning processes, as our workforce is not limited to employed staff, including complying with minimum and London Living Wage requirements.</p>	
<p><b><u>Developing the capability of the entity's leadership and other individuals</u></b></p> <p>The Council Constitution specifies the types of decisions that is delegated and those reserved for the collective decision making of the full Council or Cabinet. <a href="#">Council Constitution</a></p> <p>c) The Council's Constitution sets out the leader and chief executive roles to ensure the respective responsibilities are defined in accordance with decision-making accountabilities. These comply with relevant statutory requirements. It also includes the general scheme of delegation. Each service area also has a service area scheme of authorisation for officers, currently published on the intranet.</p> <p>d) Members who sit on Committees are provided with training specific to their responsibilities for these committees. Training sessions have commenced for member for planning, licensing, audit, finance, pensions and treasury.</p>	<p>Following the change in the structure of the senior leadership, ensure all Council policies and strategies (such as scheme of delegation) that facilitate its operations are up to date and reflect the new structure.</p> <p>Directors to ensure completion of the My Conversation process by all officers and managers as a matter of course.</p>

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<p>e) The Council provides a programme of training for all members, and members have access to the Council's corporate training and development programme, which is published on the internal website.</p> <p>f) The Council rolled out 'My Conversation', a performance management process, to all staff, which focuses on personal and organisational development and performance; the General Purposes Committee receives regular reports on people management issues in line with the Workforce Plan objectives. Guidance and templates for all staff are published on the internal website. A review was undertaken to refresh the current performance management process in line with best practice and the Council's new organisational values, which rolled out in 2023.</p> <p>g) The Council's Workforce Development Strategy aims to create a better place to work. The update Strategy was launched in 2024. The Council's corporate Health, Safety and Wellbeing Board monitors all key aspects of statutory and local requirements and has an action plan in place to address any identified gaps in compliance. Health and Wellbeing Fairs have been run to promote employee health. and there is a dedicated suite of pages on the Council's intranet site focussed on all aspects of employee wellbeing.</p> <p>h) The Council ran a comprehensive staff survey in late 2023, with the results being disseminated in 2024 and an action plan will be developed.</p> <p>i) A wide-ranging management and leadership development programme has been rolled out in 2024, to increase the capability and capacity of all people managers within the organisation, along with a complete refresh of mandatory training, which is required to be completed by all employees.</p> <p>The Council has protocols in place which govern how the operational and working relationships between officers and members are managed and forms part of the Constitution: <a href="#">Council Constitution</a></p>	<p>The External Audit Annual Report January 2025 encouraged the Council to consider the Workforce Strategy due to high reliance on Agency Workers and that the 'time to hire' metric should be monitored.</p> <p>Look to refresh the protocol during 2025/26.</p>

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<p>j) The Council reviews operations, performance and use of assets on a regular basis to ensure their continuing effectiveness; the Delivery Plan highlights key performance objectives, targets and outcomes, which are monitored and reported via the Council website. The performance reporting also compares current performance with statistical neighbours, London and England averages in most cases: <a href="#">Data and finance   Haringey Council</a></p>	
<p><b>F. Managing risks and performance through robust internal control and strong public financial management; and G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability</b></p>	
<p><b><u>Managing risk</u></b></p> <p>a) The Council has a Corporate Risk Management Policy and Strategy in place; it was reviewed and approved by the Audit Committee in Oct 2024. A project to strengthen risk management and embed the strategy commenced and will continue into 2025/26. Risk Management is embedded through a variety of processes and procedures, management teams, groups and boards across the organisation and is central to activities, including business planning and project management processes. Zurich Municipal have supported the risk management project as part of their role as the Council's insurers with some specific targeted workshops and Monday.com has been developed to capture directorate and corporate risk registers alongside the other risk and performance information held by the Council. Investment into Corporate Risk Management activity and a technological solution to support achievement of objectives was procured in 2023/24. <a href="https://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=730&amp;MId=9449&amp;Ver=4">https://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=730&amp;MId=9449&amp;Ver=4</a></p> <p>b) The Council's key risks are managed via corporate risk and directorate risk registers. Responsibility for individual risks and issues identified is clearly set out in risk registers. Internal audit reviews of key risks are undertaken as part of the annual audit programme. Performance objectives and outcomes are reported on the website: <a href="#">Data and finance  </a></p>	<p>Continue to embed risk management principles</p> <p>Implement technology to support the framework and process in 2025/26.</p>

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<p><a href="#">Haringey Council</a>. The corporate risk register was reported to the Audit Committee most recently in March 2025 <a href="#">Corporate ctee - audit</a>.</p> <p>c) Haringey's business continuity planning is based on risk assessment and business impact analysis. Each service area produces a business continuity plan which is updated twice a year. Service continuity plans are incorporated into the Council-wide Business Continuity Plan. The resilience of the Council's digital infrastructure is central to these plans. A Corporate Resilience and Emergency Planning Board meets quarterly to ensure risks and issues are collectively understood and response is collaborative; the Board reflects on incidents to ensure learning from experience. Proactive exercises are undertaken to test arrangements for the Council or as part of a wider exercise in the Borough/London. More information on business continuity and emergency planning is available at: <a href="#">Major emergencies   Haringey Council</a></p> <p><b><u>Managing performance</u></b></p> <p>d) The Council monitors service delivery effectively including planning, specification, execution and independent post implementation review which is set out in the Delivery Plan and outcome priorities: <a href="#">The Corporate Delivery Plan   Haringey Council</a></p> <p>e) Overview and Scrutiny takes a detailed look at the Council's decisions and policies and works to promote open decision making and democratic accountability in Haringey by holding the Cabinet to account; developing and reviewing policy in an inclusive cross-party manner that involves local communities and other interested parties, reviewing the performance of the Council and scrutinising local services not provided by the Council, such as health services. Overview and Scrutiny Committee also reviews performance on a quarterly basis and individual Scrutiny Panels consider performance with reference to their reviews. The reports and recommendations are discussed and responded to by the Cabinet and published on the Council's website: <a href="#">Browse meetings - Overview and Scrutiny Committee   Haringey Council</a></p>	<p>The Business Continuity arrangements will be refreshed and during 2025/26, the plans reported to the Council's Audit Committee for scrutiny.</p>

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Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p><b><u>Strong public financial management and robust internal control</u></b></p> <p>f) The Medium-Term Financial Strategy (MTFS) outlines the overall financial strategy for achieving the Council’s priorities. The MTFS identified savings required to deliver a balanced budget position each year between 2024 and 2029 before being approved by Full Council in February 2025; the remainder has yet to be identified and will form part of the financial planning process during 2025/26. Each Departmental Management Team (DMT) considers finance and budgets at every meeting, looking at both the budget and savings positions and tracking progress on both. Transformation and delivery of outcomes are aligned to achieving savings and remaining within budget limits; the performance outcomes are reported on the website.</p> <p>g) The Council’s financial management is based on a framework of regular management information and review to inform managers and members of the current budget position. Managers submit monthly budget forecasts, and the Cabinet receives quarterly budget management information.</p> <p>h) The Council operates a ‘zero tolerance’ approach to fraud, bribery and corruption. The anti-fraud, bribery and corruption policy and strategy was reviewed in 2024 and includes appendices specifically relating to money laundering and terrorist financing and a whistleblowing which form part of the overall governance framework to tackle fraud. The policies are published on the Council website and regular articles on how to report fraud and successful outcomes are published. A fraud risk assessment is undertaken annually to help determine the prioritise and the work plan for the year. In 2024/25, the Council investigated Housing fraud and 42 properties were recovered and 49 potentially fraudulent Right to Buy applications were prevented. The Council prosecuted three blue badge fraud cases. Referrals made using the whistle blowing policy and all internal cases were reviewed and investigated, in line with our policy and fraud outcomes are reported to the Audit Committee, copies of the reports are on the website. Referrals made using the whistle blowing policy were all reviewed, investigated, and reported to the Corporate Committee, copies of the reports are on the website:  <a href="#">Browse meetings - Audit Committee   Haringey Council</a></p>	<p>Re-assess the Council’s financial management arrangements against CIPFA’s Financial Management Code (FM Code), which provides guidance for good and sustainable financial management in local authorities.</p>

# ANNUAL GOVERNANCE STATEMENT

Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p>i) The Council’s Head of Internal Audit produces an Annual Report including a Head of Internal Audit Opinion which is presented to Statutory Officers and Corporate Leadership Team, and formally presented to Audit Committee in July every year. The Annual Report is a key document used as part of our annual review of governance.</p> <p>j) KPMG were appointed as the Council’s external auditors from 2023/24. During 2024/25 the outgoing external auditor completed the outstanding audits, which were presented to Audit Committee in December 2024. KPMG completed their work for the 2023/24 financial year and presented to Audit Committee on 27 January 2025.</p> <p>k) Regular internal and external audit reviews check compliance with financial and contract procedure rules across the Council and the outcomes of these are reported to the Audit Committee on a quarterly basis. Most high priority recommendations, excluding those covering schools’ audits, made by internal audit were found to be implemented when follow up audits were undertaken. The Audit Committee fulfilled its terms of reference in relation to audit functions. Following the recent CIPFA application note on Audit Committee, the Corporate Committee’s terms of reference have changed, and an Audit Committee created. This Committee’s terms of reference are in line with the CIPFA guidance and conforms with CIPFA’s application note. Details of the Committee can be found at <a href="#">Browse meetings - Audit Committee   Haringey Council</a></p> <p>l) The Council’s internal control arrangements are subject to annual self-assessment by the Head of Audit and Risk Management; any gaps in compliance with mandatory standards are included in the statutory annual Head of Audit report. In line with the Public Sector Internal Audit Standards, a peer review was commissioned and reported the Internal Audit Service was fully compliant with the standards <a href="#">Final Report for the external assessment of the internal audit function (haringey.gov.uk)</a></p>	
<p><b><u>Managing data</u></b></p> <p>m) The Council has policies dealing with various aspects of data management including security and data protection; Freedom of Information Act; information asset registers; and general records management. These and supporting guidance are all published on the intranet. Data quality policy is published on the website:</p>	

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Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p><a href="#">Haringey Council Electronic records management policy</a></p> <p><b><u>Implementing good practices in reporting</u></b></p> <p>n) We produce an annual report to accompany its statement of accounts; for 2023/24, we received a (disclaimer) qualified opinion from the external auditor. This means that while the auditors believe the financial statements generally present a true and fair view, there were certain matters where they were unable to obtain sufficient and appropriate audit evidence. Specifically, the auditor's annual report for 2023/24 states that the auditors were unable to determine whether any adjustments were necessary to the opening balances as at the 1st of April 2023 or whether there were any consequential effects on the Council's accounts for the year ended 31st March 2024. The auditors also raised a number of recommendations following their review of the Council's arrangements for delivering value for money.  <a href="https://www.minutes.haringey.gov.uk/documents/s149588/Haringey%20Draft%20AAR%20A C.pdf">https://www.minutes.haringey.gov.uk/documents/s149588/Haringey%20Draft%20AAR%20A C.pdf</a></p> <p>o) The Council's Annual Governance Statement (AGS) is produced in accordance with required guidance and included in the statement of accounts; the AGS is reviewed by the Statutory Officers Group and the Audit Committee to ensure that any gaps in assurance or compliance issues are identified and addressed. In 2024/25 there was a formal follow up presented to Audit Committee to communicate the progress with the action plans. Significant issues reported in 2023/24 are being addressed but most will remain on in 2024/25.</p> <p>p) As part of the Delivery Plan, Corporate Directors are responsible for delivering the activity against specific milestones with a responsible manager and Lead Member allocated as owners for each outcome as specified in the Corporate Delivery Plan (CDP). Outcomes, activity, and performance on delivery against the 188 lines of activity and milestones as set out in the CDP. The last performance update report to Cabinet was on 18th March 2025 and papers can be found here: <a href="#">Corporate Delivery Plan Performance Update-Quarter 3 Cabinet 03 24 report.pdf</a></p>	

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Documentation demonstrating compliance with the governance principles	Identified gaps in compliance, or further action required
<p><b><u>Assurance and effective accountability</u></b></p> <p>q) Internal and external audit provide assurance on the Council's system of internal control to support the section 151 officer requirements, including reporting compliance with financial and contract procedure rules across the Council. The outcomes of internal audits were reported to the Corporate Committee and from 2024/25, the Audit Committee on a quarterly basis. All outstanding recommendations were reported to Corporate Committee; a focus is maintained on ensuring all high priority recommendations are implemented. All outstanding recommendation continue to be monitored.</p> <p>r) The Head of Audit and Risk Management and the internal audit service fully complied with the requirements of the mandatory UK Public Sector Internal Audit Standards, as evidenced by peer review and self-assessment. Access to officers, members and information is provided by the Constitution.</p>	

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## 4. Significant governance issues

4.1 Following our review of governance in 2023/24, we identified some key areas where work would be undertaken in 2024/25 to ensure governance arrangements were in place and effective. An action plan was drawn up and progress as at 31 January was reported to the Audit Committee in March 2025, this is set out below.

Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
<p><b>We need to ensure we deliver savings identified in our Medium-Term Financial Strategy (MTFS) to manage within our financial means and embed change in following transformation of our services, including schools.</b></p> <p>Corporate Director of Finance and Resources (s151)</p> <p>March 2025</p>	<p>The Council's financial position is challenging, and necessary action must take place to protect its long-term financial sustainability and reduce reliance on Exceptional Financial Support.</p> <p>During 2024, a strengthened medium term and annual budget setting process was established which has set some good foundations but must be further improved during 2025. This has included:</p> <ul style="list-style-type: none"> <li>• Establishing a set of budget and financial planning principles.</li> <li>• An open and transparent relationship across the organisation, including with CLT and Members for organisational ownership of the financial position.</li> <li>• Review of financial pressures. This has initially focussed on 2025/26 but also across the 5 years of the MTFS. This is now based on the current financial position across services, particularly social care and housing demand (temporary accommodation), increasing the use of data and evidence to forecast pressures, scenario planning and a more realistic view of risks with the estimates.</li> <li>• Review of all current and proposed savings to test their validity and assurance on delivery.</li> <li>• Review of other assumptions, including inflation and pay to provide a more realistic financial position across the next five years.</li> <li>• Regular review of all assumptions through the annual budget setting process as new information comes to light, up to the point of publication.</li> <li>• Review of the Capital Programme which will be undertaken annually as part of the budget process and its governance. This includes establishment of a Strategic Capital Board to oversee the development, monitoring and reporting of the whole programme and improve the decision making of all schemes as well as prioritisation with the expectation of a reduced capital programme over the medium term, reducing the rate at which debt is increasing.</li> <li>• A refreshed Budget Week in June 2024 and further planned for 2025 with a focus on increasing awareness and accountability of Leadership Network and time within the week for identifying budget proposals and delivery plans.</li> </ul>

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Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
	<ul style="list-style-type: none"> <li>• Review of ‘committed’ reserves, of which those which are uncommitted are exceptionally low given the level of risk faced by the authority. This has focussed on £22m of balances within the Services Reserve and Grants Reserve to identify any transfer into the Budget Planning Reserve. This review is underway, and the outcome will be reported in the 2024/25 Outturn report and any balances expected to be required for addressing the current forecast overspend of £37m in 2024/25. This review includes the implementation of the budget principle of replenishing reserves over the medium term and an annual contribution has been assumed from 2026/27 onwards.</li> <li>• External support commissioned to support in a full review of all services to identify further opportunities to reduce costs and spending and increase income.</li> </ul> <p>An ‘emergency response’ will be put in place and overseen by the Chief Executive and Director of Finance and which will establish an organisation response to the immediate financial position for 2025/26. This will be based on an improvement and recovery plan. Progress will be monitored weekly and reported to Cabinet and Scrutiny as part of the quarterly finance report and will form a key part of the Annual Governance Statement reported to Audit Committee.</p> <p>All of the actions put in place in 2024 will continue and be further improved and strengthened but more will be required in light of delivering the recovery plan. For 2025, this includes:</p> <ul style="list-style-type: none"> <li>• A move towards medium term financial planning and work to balance the 2026/27 budget will commence before the end of the current financial year.</li> <li>• A review of the structure and format of budget week which will take place earlier in the year and allow more time to focus on delivery of change.</li> <li>• More structures communications plan with the whole organisation on the position and changes required</li> </ul> <p>A redesigned Corporate Project Management Office now supports delivery of the Category AA/A projects, to which many savings or required income streams are linked.</p> <p>During 2023/24 the financial position with regards the Local Authority Schools in the Borough has become an increased area of financial risk to the Council. There will therefore be focus on this for 2024/25 from a Governance perspective.</p> <p>The financial partnership between the Council and the Health Sector is another area identified in 2023/24 for strengthened collaboration to drive out outcomes.</p>

# ANNUAL GOVERNANCE STATEMENT

Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
	<p>In January 2025 KPMG presented their Draft Annual Report to the Audit Committee.  <a href="https://www.minutes.haringey.gov.uk/documents/s149589/ISA260%20Draft%20AC.pdf">https://www.minutes.haringey.gov.uk/documents/s149589/ISA260%20Draft%20AC.pdf</a>                      This report contained three recommendations that have been accepted by management with regards this governance issue.                      The recommendations relate to:</p> <ul style="list-style-type: none"> <li>• Creating a Financial Resilience Plan.</li> <li>• Strengthening the robustness of the budget fortnight.</li> <li>• Changing the culture around savings.</li> </ul> <p>These actions will be tracked as part of the 2024/25 governance processes and completion reported as part of the AGS.                      The report also contains ten financial control deficiencies and progress to address these will be reported to committee as part of routine financial updates with regards the 2024/25 Annual Statements of Accounts and the External Audit of those documents.</p>
<p><b>We need to continue to embed the planned improvements across strategic and operational Asset Management which include fully embedding robust management of our operational and Commercial Properties because audit work continues to conclude that systems and controls are inadequate.</b></p> <p>Corporate Director of Placemaking and Housing</p> <p>March 2025</p>	<p>The council's adopted Strategic Asset Management and Property Improvement Plan (SAMPIP) 2023-28 contains 10 Action plans, based on the SAMPIP objectives.</p> <p>There are ten Strategic Asset Management Performance Improvement Plans are monitored through Monday.com as part of day-to-day operational performance.</p> <p>Action plan progress and activity is monitored regularly at Capital Projects and Property (CPP) Heads of Service meetings and Senior Management Team meetings.</p> <p>Progress is then taken through our property governance process on a monthly basis.</p> <p>The transformational nature of this work means the Corporate Property Model, which is fundamental to the implementation of the action plans; is part of the councils change programme, reported monthly and to Corporate Leadership Team on a quarterly basis.</p> <p>Internal Audit resources are allocated to monitor and report independently on progress.</p> <p>An annual update of the progress against the SAMPIP action plans is taken to cabinet.</p>

# ANNUAL GOVERNANCE STATEMENT

Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
	<p>As part of the above annual reporting, the SAMPIP is also reviewed at Directorate and corporate audit committees throughout the year.</p> <p>January 2025 Update</p> <p>Cabinet was updated on the progress with the SAMPIP in July 2024. Link to the report attached <u>(Public Pack)Agenda Document for Cabinet, 16/07/2024 18:30</u></p> <p>The full business case for the Corporate Property Model was agreed in October and approved through the council's property governance process. This is a key step in bringing hard and soft FM service back together and ensuring all operational, strategic and commercial property sits in one area.</p> <p>Progress reports on the SAMPIP are taken through the councils property governance process on a monthly basis, which is chaired at the top level by the councils 151 statutory officer to ensure corporate compliance and oversight.</p> <p>Given the improvements implemented so far, we have significantly improved the financial performance of the commercial portfolio.</p> <p>The Property Review process within the SAMPIP has been completed for all directorates with feedback given. This will now inform the next steps with regards to the operational portfolio.</p> <p>Follow Up work regarding the Chris Buss property review has been completed in January 2025 and all actions confirmed as implemented. Further follow up work re outstanding audit actions, in this area, will be completed in March 2025.</p> <p>In January 2025 KPMG presented their Draft Annual Report to the Audit Committee.  <a href="https://www.minutes.haringey.gov.uk/documents/s149589/ISA260%20Draft%20AC.pdf">https://www.minutes.haringey.gov.uk/documents/s149589/ISA260%20Draft%20AC.pdf</a>                      This report contained two recommendations that have been accepted by management with regards this governance issue, specifically relating to Council Leases.                      The recommendations relate to:</p>

# ANNUAL GOVERNANCE STATEMENT

Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
	<ul style="list-style-type: none"> <li>• Reviewing all Leases.</li> <li>• Implementing technology to enable effective monitoring.</li> </ul> <p>These actions will be tracked as part of the 2024/25 governance processes and completion reported as part of the AGS.</p>
<p><b>Following our self-referral to regulator we continue with our Housing Improvement Programme to deliver improvements in the delivery of our housing service and implement recommendations to address weaknesses in our management systems, including Health and Safety risks in Council owned residential properties that deliver improvements to housing for tenants and meets the requirements of the Social Housing Regulator including safe housing.</b></p> <p>Corporate Director of Placemaking &amp; Housing March 2025</p>	<p>This issue was identified in 2022/23 and the due date set was March 2025, the progress made regarding the statutory compliance failings is noted above, and as expected the wider Housing Improvement Programme continues into 2024/25 and beyond.</p> <p>The project is classified as Category 'A', so monitoring and reporting goes to Corporate Leadership Team via the Corporate Project Office in addition to the local oversight within Placemaking and Housing.</p> <p>Annual Update to Cabinet June 2024.</p> <p>Audit Committee periodically request updates and assurances from the Operational Director for Housing, relating to risk and control due to historic limited assurance audit reports. Internal Audit resources have been allocated in 2024/25 to provide independent assurance to Senior Leaders and Members as part of the 2024/25 Audit Plan.</p> <p>Update January 2025</p> <p>The Council's Housing Annual Compliance Statement was presented to Cabinet on 17 September 2024 which included a summary of the results of the Council's auditors Mazars' audit of the service's reporting against the 'big six' compliance indicators - gas, electric, fire safety, asbestos, legionella and lifts – carried out in May 2024, together with an update on implementation of the new compliance data system which will result in a complete move away from spreadsheet management of these compliance areas, by the end of 2024. The purpose of the report was to provide Cabinet and council tenants and leaseholders with the assurance and confidence that the Housing Service's arrangements for monitoring the 'big six' compliance areas are robust and are subject to ongoing review and improvement.</p>

# ANNUAL GOVERNANCE STATEMENT

Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
	<p>The data shows consistently good performance against the ‘big six’ health and safety indicators for each of the last three months and we anticipate that we will continue to maintain and build on this position assisted by the full implementation of the new compliance data system across all compliance areas.</p> <p>The service has agreed a target of 700 homes to be made decent by 31 March 2025 with the Regulator. If this target is achieved, it will increase the percentage of homes meeting the standard to 80.0%. 103 homes have been made decent as at the end of Q2. There are a further 620 homes in the pipeline to be made decent through internal works, fire door and other programmes for this year which will enable us to meet the target.</p> <p>We continue to closely monitor and scrutinise performance through our internal governance arrangements, and through six weekly performance reporting to the Member-led Housing Improvement Board.</p>
<p><b>Due to the high levels of FOI, SARs that are not completed in time and feedback from Ombudsman we need to continue to strengthen our information governance arrangements.</b></p> <p>Monitoring Officer</p> <p>March 2025</p>	<p>We have an internal self-assessment that is maintained and has evolved since the independent work by Mazars in 2021/22.</p> <p>We have an improvement action plan that is tracked, and progress reported to the Information Governance Board.</p> <p>As part of last year’s improvements, we strengthened the arrangements over the Information Governance Board and this new regime will fully embed in 2024.</p> <p>The Information Commissioner have inspected in May 2024, and this will generate new actions to be incorporated into existing actions plans.</p> <p>This Corporate Risk area is owned at Corporate Leadership Team and progress to complete the approved improvement plans is monitored there.</p>

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Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
	<p>Update January 2025:</p> <p>The assurance ratings from the June 2024 ICO Audit Report were:</p> <ul style="list-style-type: none"> <li>• Governance &amp; Accountability: Reasonable Assurance</li> <li>• Training &amp; Awareness: Reasonable Assurance</li> <li>• Breach Management &amp; Reporting: Limited Assurance</li> </ul> <p>The summary report is published on the <a href="#">ICO website</a>.</p> <p>The ICO approved our Action Plan to address their recommendations, and they will follow up on completion and implementation in 2025 (date to be agreed).</p> <p>20% of actions have been completed and 19% are in progress.</p> <p>Progress is reported to the Information Governance Board and the Corporate Leadership Team quarterly.</p>
<p><b>The range of skills and experience required to fulfil our duties has become increasingly challenging over time, particularly within some professions. The Council needs to have a high-performing workforce that delivers great services by attracting, developing, and retaining talent that delivers quality public services whilst making the best possible use of public money.</b></p> <p>Corporate Director of Culture Strategy &amp; Engagement</p> <p>March 2025</p>	<p>New Workforce Development Strategy 2024 has been to cabinet for discussion Informal cabinet in early June and Cabinet approval, likely on 18 June. Launch will be raised in budget week and will be launched by the Human Resources Business Partners shortly after.</p> <p>New approach to Manager training being designed - in progress pilot to launch July 24.</p> <p>Review of the use of Agency Workers use is ongoing and there is an accelerated recruitment protocol in place.</p> <p>Restructures and Focused Recruitment Campaigns - high volumes across directorates and recruitment campaigns arranged as required.</p> <p>Update January 2025</p>

# ANNUAL GOVERNANCE STATEMENT

Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
	<p>New workforce strategy and action plan approved by Cabinet and launched. Work begun on first Directorate and service-specific workforce development plans, targeting areas with particular recruitment and skills challenges.</p> <p>Pilot programme launched and in progress. Initial feedback very positive.</p> <p>Focus on agency spend continues and spend is reducing. Reports showing progress are made to the General Purposes Committee. This contract will be retendered in 24/25.</p> <p>Action ongoing.</p> <p>Internal Audit resources have been allocated in 2024/25 to provide independent assurance to Senior Leaders and Members as part of the 2024/25 Audit Plan.</p>
<p><b>The Council has recognised weaknesses with regards procurement and contract management arrangements in recent years, some incidences of Fraud have occurred in 2023/24 and there has been new regulatory requirements applied from 2025.</b></p> <p>Corporate Director of Finance and Resources March 2025</p>	<p>The Council has reviewed its procurement operating model and is embedding a new staffing structure, policies, and procedures along with a new technology platform in 2024.</p> <p>This is a significant change programme that continues into the new financial year 2024/25 with wide reaching impact on the governance framework centrally and across directorates.</p> <p>The project is classified as Category 'A', so monitoring and reporting goes to Corporate Leadership Team via the Corporate Project Office.</p> <p>Audit Committee periodically request updates and assurances from the Chief Procurement Officer, relating to risk and control due to historic limited assurance audit reports. Internal Audit resources have been allocated in 2024/25 to provide independent assurance to Senior Leaders and Members as part of the 2024/25 Audit Plan.</p> <p>Update January 2025:</p>

# ANNUAL GOVERNANCE STATEMENT

Issue & Agreed Action/ Deadline (as at July 2024)	Progress update (as at January 2025)
	<p>The Council continues to progress implementing the new procurement operating model.</p> <p>The revised staffing structure to support the operating model will be in place in November. The revised CSO's are approaching final draft and are anticipated to be in place in March 2025.</p> <p>The Procurement Act has been delayed until 24 February 2024 and therefore some new procedures will need to be deferred and aligned with the implementation of the Procurement Act.</p> <p>The centralisation of procurements above £25k will be implemented March/April 2025 and is anticipated to mitigate potential non-compliance and fraud.</p> <p>Work has begun on implementing new category strategies to deliver better value for money.</p> <p>Revised procedures, training and communication is ongoing.</p> <p>Delays in the implementation of the e-procurement solution will have an impact on the implementation of some controls until such time as the technology is fully in place.</p> <p>In January 2025 KPMG presented their Draft Annual Report to the Audit Committee. <a href="https://www.minutes.haringey.gov.uk/documents/s149589/ISA260%20Draft%20AC.pdf">https://www.minutes.haringey.gov.uk/documents/s149589/ISA260%20Draft%20AC.pdf</a> This report contained two recommendations that have been accepted by management with regards this governance issue. The recommendations relate to:</p> <ul style="list-style-type: none"> <li>• A 'stock take' of all contracts.</li> <li>• Implementing technology to enable more effective monitoring.</li> </ul>

# ANNUAL GOVERNANCE STATEMENT

<b>Issue &amp; Agreed Action/ Deadline (as at July 2024)</b>	<b>Progress update (as at January 2025)</b>
	These actions will be tracked as part of the 2024/25 governance processes and completion reported as part of the AGS.

# ANNUAL GOVERNANCE STATEMENT

4.2 We have identified the following significant governance issues during 2024/25 and reiterated those identified in prior years that remain open for monitoring. It is proposed over the coming year to take steps to address the governance issues in these areas and these are set out in the action plan below. The action plan will be monitored during the year to ensure all issues are appropriately addressed.

Issue	Action	Responsibility	Due date
<p>We need to ensure we deliver savings identified in our Medium-Term Financial Strategy (MTFS) to manage within our financial means and embed change in following transformation of our services, including schools. (This may need to be strengthened depending upon the financial outturn / future financial projections).</p>	<p>The Council's financial position continues to be extremely challenging. The outturn position for 2024/25 was a £38m overspend on services, predominantly social care and temporary accommodation. Although this has been partly offset by one off use of reserves and historic balances, £20.4m of savings were expected to be delivered in year, only 63% was delivered. Of the non-delivered savings, £440k has been written out in future years as non-deliverable, the remaining is expected to be delivered in full in 2025/26. In total, £30m of savings are expected to be delivered in 2025/26 and although contingency has increased to protect against the non delivery of some, it will not be sufficient if non delivery percentage remains at a similar level.</p> <p>A strengthened process has been established for the monitoring and reporting of savings which will track both the financial savings and progress with the changes to deliver the savings. Monitoring is in place monthly to enable corrective action to be taken early in the year for any non delivery and is reported to Silver and Gold through the Council's emergency response arrangements.</p> <p>During budget series in April, the focus was on the delivery of existing savings, with all of Leadership Network working together on the development and implementation of delivery plans, with a particular focus on cross cutting savings.</p> <p>During 2024, a strengthened medium term and annual budget setting process was established which has set some good foundations and planning is well underway for 2026/27 budget planning. This includes:</p> <ul style="list-style-type: none"> <li>• Review of financial pressures. This has initially focussed on 2026/27 but also across the 5 years of the MTFS using the 2024/25 outturn and period 2 forecast for 2025/26 as the basis</li> </ul>	<p>Corporate Director of Finance and Resources</p>	<p>31/3/2026</p>

# ANNUAL GOVERNANCE STATEMENT

Issue	Action	Responsibility	Due date
	<p>and strengthening the use of scenario planning to consider risks and uncertainties to give a more realistic view of risks with the estimates.</p> <ul style="list-style-type: none"> <li>• A review of other assumptions, including inflation and pay to provide a more realistic financial position across the next five years.</li> <li>• Regular review of all assumptions will continue through until December 2025 as new information comes to light, up to the point of publication.</li> <li>• Review of the Capital Programme with the expectation of a reduced capital programme over the medium term, reducing the rate at which debt is increasing.</li> <li>• New capital programme governance arrangements are now in place which includes a new gateway process for ensuring that no capital scheme progresses without a clear business case that has been approved.</li> <li>• A refreshed Budget Series took place in April, May and June 2025, with a focus on ensuring existing savings are on track for delivery and identifying new savings and income opportunities to balance the budget for 2026/27. These are being considered in a structured way through four lenses (efficiency, commercialism, prevention and prioritisation) to ensure that every £ spent is delivering on the outcomes in the CDP and prioritisation is in line with smaller funding envelope and keeping any ongoing reliance on EFS to a minimum.</li> <li>• Review of 'committed' reserves, of which those which are uncommitted are exceptionally low given the level of risk faced by the authority. This has focussed on £22m of balances within the Services Reserve and Grants Reserve to identify any transfer into the Budget Planning Reserve. The first phase identified £2.9m to contribute to reducing the overspend position in 2024/25 and a furthermore forensic review will be undertaken in quarter 1 of 2025/26. The MTFS assumes replenishing reserves over the</li> </ul>		

# ANNUAL GOVERNANCE STATEMENT

Issue	Action	Responsibility	Due date
	<p>medium term and an annual contribution of £3m has been assumed from 2026/27 onwards.</p> <p>An 'emergency response' has been put in place across the organisation in line with GOLD and Silver arrangements and overseeing the delivery of the Financial Recovery Plan developed by the Section 151 Officer. Progress is reported to internally and quarterly through the finance report to Cabinet and OSC. All non-essential spend must now be approved by the Spend Control Panel and the Recruitment Panel must approve all new recruitment. It is likely that tighter controls will be put in place from quarter 2 of 2025/26. The controls are also expected to improve purchasing compliance in line with the Council's policies and processes.</p> <p>A redesigned Corporate Project Management Office supports delivery of the Category A projects and a recent review of the criteria has led to a new set of projects being supported and which are linked to the delivery of savings.</p> <p>During 2023/24 the financial position with regards the Local Authority Schools in the Borough has become an increased area of financial risk to the Council. Full details are published in the 2024/25 outturn report and the number of schools with a deficit has increased to 33. The Council continues to work with schools in deficit on the recovery plans, including staffing restructures.</p> <p>The financial partnership between the Council and the Health Sector is an area of focus in light of the changes to ICBs being implemented by Government. The exact impact is not yet known but does pose a financial risk in terms of joint funding arrangements through the BCF.</p> <p>THE 2024/25 VFM risk assessment by KPMG is published elsewhere on the agenda and the Council will respond to any recommendations when the full report is presented to Audit Committee later in the year.</p>		
We need to continue to embed the planned improvements across	The council's adopted Strategic Asset Management and Property Improvement Plan (SAMPIP) 2023-28 contains 10 Action plans, based on	Corporate Director of Finance and	31/3/2026

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Issue	Action	Responsibility	Due date
<p>strategic and operational Asset Management which include fully embedding robust management of our operational and Commercial Properties because audit work continues to conclude that systems and controls are inadequate.</p>	<p>the SAMPIP objectives.</p> <p>Action plan progress and activity is monitored regularly at Capital Projects and Property (CPP) Heads of Service meetings and Senior Management Team meetings.</p> <p>Progress is then taken through our property governance process on a monthly basis.</p> <p>The Corporate Landlord Model was implemented from 1 April 2025, including the transfer of budgets and staffing resources. However, it is likely to require the remainder of the year for this to be fully implemented. This is a key step in bringing hard and soft facilities management service back together and ensuring all operational, strategic and commercial property sits in one area.</p> <p>Cabinet in June agreed the Council's Disposals Policy and an internal Disposals Board, chaired by the Corporate Director of Finance and Resources is in place to oversee the implementation of the policy.</p> <p>Internal Audit resources are allocated to monitor and report independently on progress.</p> <p>An annual update of the progress against the SAMPIP action plans is taken to cabinet. The last update was in May 2025.</p> <p>As part of the above annual reporting, the SAMPIP is also reviewed at Directorate and corporate audit committees throughout the year.</p> <p>Good progress has been made on reviewing the Council's commercial property portfolio gaining a more holistic view of the properties and lease arrangements which has significantly improved performance, including increased income levels.</p>	<p>Resources</p>	

# ANNUAL GOVERNANCE STATEMENT

Issue	Action	Responsibility	Due date
	<p>In January 2025 KPMG presented their Draft Annual Report to the Audit Committee.  <a href="https://www.minutes.haringey.gov.uk/documents/s149589/ISA260%20Draft%20AC.pdf">https://www.minutes.haringey.gov.uk/documents/s149589/ISA260%20Draft%20AC.pdf</a></p> <p>This report contained two recommendations that have been accepted by management with regards this governance issue, specifically relating to Council Leases.</p> <p>The recommendations relate to:</p> <ul style="list-style-type: none"> <li>• Reviewing all Leases.</li> <li>• Implementing technology to enable effective monitoring.</li> </ul> <p>These actions will be tracked as part of the 2024/25 governance processes and completion reported as part of the AGS.</p> <p>The 2024/25 VFM risk assessment by KPMG is published elsewhere on the agenda and the Council will respond to any recommendations when the full report is presented to Audit Committee later in the year.</p>		
<p>Following our self-referral to regulator we continue with our Housing Improvement Programme to deliver improvements in the delivery of our housing service and implement recommendations to address weaknesses in our management systems, including Health and Safety risks in Council owned residential properties that deliver improvements to housing for tenants and meets the requirements of the Social Housing Regulator including safe housing.</p>	<p>The issue was identified in 2022/23, with the Housing Improvement Programme (HIP) continuing from this time. The Housing Improvement Programme was classified as a Category 'AA' project, so monitoring and reporting went to Corporate Leadership Team via the Corporate Project Office in addition to local oversight within Housing Services. Of the 213 actions included within this programme, 81% are complete with progress ongoing.</p> <p>A mock inspection of the housing service was carried out by HQN in September/October 2024 against the new Consumer Standards set by the Regulator of Social Housing, which included the Safety and Quality Standard. An action plan was developed in response to identified areas of improvement which is reported to the Member Housing Improvement Board six weekly, with the action plan having been overseen by this Board since March 2025. We continue to closely monitor and scrutinise performance and progress through our internal governance arrangements, and through six weekly performance reporting to the Member-led Housing Improvement Board.</p>	<p>Corporate Director of Adults, Housing and Health</p>	<p>31/3/2026</p>

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Issue	Action	Responsibility	Due date
	<p>The Building Safety Strategy for 2024-28 was approved by Cabinet in July 2024. This strategy details how the Council ensures that buildings within the scope of the Building Safety Act 2022 were effectively managed and safe. The Building Safety Strategy was part of the Housing Improvement Plan, tackling repairs, fireproofing, insulation, security and other renovations and went beyond what is required by the government. The Building Safety Strategy was created with residents and residents' involvement in future decisions remains a core objective.</p> <p>The Council's Housing Annual Compliance Statement was presented to Cabinet on 17 September 2024 which included a summary of the results of the Council's auditors Mazars' audit of the service's reporting against the 'big six' compliance indicators - gas, electric, fire safety, asbestos, legionella and lifts – carried out in May 2024, together with an update on implementation of the new compliance data system which will result in a complete move away from spreadsheet management of these compliance areas, by the end of 2024. The purpose of the report was to provide Cabinet and council tenants and leaseholders with the assurance and confidence that the Housing Service's arrangements for monitoring the 'big six' compliance areas are robust and are subject to ongoing review and improvement.</p> <p>As of June 2025 all of the 'big six' modules are now set up on the new compliance system, with full inspection programme information uploaded. All FRA actions have been integrated into the system, removing the use of spreadsheet to manage actions, and we will also look to implement additional modules for other compliance areas.</p> <p>The data shows consistently good performance against the 'big six' health and safety indicators for each of the last three months and we anticipate that we will continue to maintain and build on this position assisted by the embedding of the new compliance data system across all compliance areas.</p>		

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Issue	Action	Responsibility	Due date
	<p>The service has exceeded the target of 700 homes to be made decent by 31 March 2025 with the Regulator, where 791 homes have been made decent for 2024/25. This has meant the percentage of homes meeting the decent homes standard has increased to 80.7% from 78.4% in 2023/24. To achieve this target, mitigating actions included planned internal, Fire Door Replacement and Electrical Works, and a programme of validation surveys. We completed our 3 year stock condition survey in May 2024 with 75% of the stock surveyed.</p> <p>The procurement of four new Partnering Contracts to deliver £560m work over 10.5 years has been completed, with the Contract Award report being approved by Cabinet on 17 June 2025. This is a key factor to support the achievement of 100% decency by 2028 in line the asset management strategy agreed by Cabinet in 2023.</p> <p>Our performance across Housing Services and specific service areas and improvements are also overseen by the Housing, Planning and Development Scrutiny Panel.</p> <p>Audit Committee periodically request updates and assurances from the Director of Housing Services, relating to risk and control due to historic limited assurance audit reports. Internal Audit resources have been allocated in 2025/26 to provide independent assurance to Senior Leaders and Members as part of the 2025/26 Audit Plan.</p>		
<p>Due to the high levels of FOI, SARs that are not completed in time and feedback from Ombudsman we need to continue to strengthen our information governance arrangements.</p>	<p>Following the ICO Audit in June 2024, the Information Governance team have been working on delivery of the detailed Action Plan to address the ICO's recommendations.</p> <p>Most actions have been completed, a small number are still in progress. The ICO will be doing a desktop review of progress in July 2025, but will not do a full re-audit.</p> <p>Development work will continue after the Action Plan is completed, as we also use the ICO's accountability tracker which goes beyond the focus of the 2024 audit.</p>	<p>Corporate Director Culture Strategy Communications</p>	<p>31/3/2026</p>

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Issue	Action	Responsibility	Due date
	<p>Specifically in relation to information rights requests (which were not covered in the Audit), a new system was introduced in April 2025. When this has been fully implemented, it should give us greater visibility of cases, more granular reporting and improved case management. Alongside the new system, we are reviewing the way that cases are assigned and the support and guidance we provide to colleagues.</p>		
<p>The range of skills and experience required to fulfil our duties has become increasingly challenging over time, particularly within some professions. The Council needs to have a high-performing workforce that delivers great services by attracting, developing, and retaining talent that delivers quality public services whilst making the best possible use of public money.</p>	<p>We have a workforce strategy which principally was created to deal with this risk. The main action in the current municipal year is for Directors and Corporate Directors to complete workforce action plans for their areas which outline their workforce needs across the spectrum in terms of, for example, recruitment, retention and learning and development. These needs need to be framed in the context of future service delivery and the finances available. A corporate template has been developed and tested, and resources made available to support all Directors and Corporate Directors with this important task. On a more day to day level, we have core HR policies available to support managers and leaders in managing their existing workforce and recruiting new employees, including flexibility on recruitment of current agency workers into directly employed posts and arrangements to pay market supplements where it can be objectively justified.</p>	<p>Corporate Director Culture Strategy Communications</p>	<p>31/3/2026</p>
<p>The Council has recognised weaknesses with regards procurement and contract management arrangements.</p>	<p>The Council has reviewed its procurement operating model and the new staffing structure is in place to facilitate all contract re-tenders above £25k to be managed by the Strategic Procurement Team. This new operating model and new processes will continue to be embedded during 2025 and is anticipated to mitigate potential non-compliance and fraud.</p> <p>The revised CSO's are now in place and were agreed by full Council.</p> <p>Savings of £9m are expected on contracts over the next three years and a new Procurement and Commissioning Programme is now in place which</p>	<p>Corporate Director of Finance and Resources</p>	<p>31/3/2026</p>

# ANNUAL GOVERNANCE STATEMENT

Issue	Action	Responsibility	Due date
	<p>has four workstreams:</p> <ul style="list-style-type: none"> <li>• Review of large value contracts</li> <li>• Review of all contracts due for re-tender</li> <li>• Review of off contract spend</li> <li>• Establishing category management for contracts</li> </ul> <p>The programme will cover the full commissioning, procurement and contract management cycle, recognising that improvements are required in all areas. Delivery is being managed through a separate governance board, with progress being reported through to Procurement Board.</p> <p>Procurement Board are also responsible for overseeing all new re-tenders and improving procurement and contract compliance.</p> <p>The Council is compliant with the requirements of the new Procurement Act but some processes are currently manual and an e-procurement system is not yet in place – options are being considered.</p> <p>Regular updates are provided to Audit Committee relating to risk and control due to historic limited assurance audit reports and this will continue during 2025/26.</p> <p>Work has begun on implementing new category strategies to deliver better value for money.</p> <p>Revised procedures, training and communication is ongoing.</p> <p>Delays in the implementation of the e-procurement solution will have an impact on the implementation of some controls until such time as the technology is fully in place.</p> <p>The 2024/25 VFM risk assessment by KPMG is published elsewhere on the agenda and the Council will respond to any recommendations when</p>		

# ANNUAL GOVERNANCE STATEMENT

Issue	Action	Responsibility	Due date
	the full report is presented to Audit Committee later in the year.		

## 5. Review of effectiveness

5.1 We take responsibility for conducting an annual review of the effectiveness of our governance framework, including the system of internal control. The review of effectiveness is informed by the statements of assurance and annual governance self-assessments by each corporate director and director, who have responsibility for the development and maintenance of the governance environment; the Head of Audit and Risk Management's annual report, and by comments made by the Council's external auditors and other review agencies and inspectorates.

5.2 The Corporate Director of Finance and Resources holds the Council's statutory section 151 Officer role; the Head of Legal and Governance (the Council's Monitoring Officer) and the Head of Audit and Risk Management have also reviewed the work done by the Council relating to governance issues in 2024/25. Their comments on the key governance issues are as follows:

- Corporate Director of Finance and Resources:

Demand pressures across social care, temporary accommodation, home to school transport and housing benefit, as well as the non-delivery of the agreed savings programme continues to be one of the Council's main critical issues and driving the very challenging financial position. Funding from Government is not sufficient to manage the increasing demand and the recent Spending Review, although will provide for a multi year settlement and some certainty over the next three years will be insufficient.

In the past any gap in delivery of savings or other unplanned overspend has been met with an unplanned drawdown from Council reserves and in 2024/25, £14.4m has been utilised. However, as reported in the last couple of budget reports to Full Council emphasised are already extremely low and any use of reserves to balance the budget or use to address overspends in future years is no longer an option. The 2024/25 Budget included £36.4m of new growth for Adults, Children's, and Housing demand. However, this was not sufficient, leading to a £38m overspend on service budgets. The final use of reserves and review of historic balances has provided £37m of one off contributions to mitigate this overspend but the Council has been reliant on EFS from Government of £10m for 2024/25 and expecting to require up to £37m for 2025/26. This is not a sustainable solution because of the borrowing costs associated with EFS which only adds to the scale of the budget shortfall each year.

# ANNUAL GOVERNANCE STATEMENT

A forensic review of the remaining £19.7m in the services reserve and unspent grants reserve is underway to determine if any further sums can be released, but it is expected this will identify that most are largely committed.

The 2025/26 budget assumes £30.4m of savings but a reliance on Exceptional Financial Support of up to £37m to set a legally balanced budget, after accounting for known budget pressures.

An emergency response to the financial position is in place with Gold and Silver emergency arrangements in place to oversee the delivery of the Financial Response and Recovery Plan prepared by the Section 151 Officer. This includes a spending control panel to agree all non-essential spend over £1,000, recruitment panel to agree all new recruitment. Given the severity of the financial position and to minimise use of EFS going forward, tighter controls are expected to be put in place from quarter 2 of 2025/26.

The updates MTFS is presented to Cabinet on 15 July and shows that forecast gap across the MTFS period from 2026/27 is at least £121m, of which £34m is for 2026/27. The report includes details of the approach being taken to identify savings and income opportunities to reduce the gap, with a particular focus on 2026/27 and planning is well underway through Budget Series sessions with the Leadership Team during April, May and June 2025. The General Fund Reserve has been retained and protected at £15.4m. The MTFS also includes an annual contribution to replenish reserves from 2026/27 onwards to support the Council's financial sustainability.

The annual review of the capital programme is underway to review all pipeline schemes that have not yet started with a view to reducing the size of the programme and limit any new borrowing from 2026/27.

- Director of Legal & Governance (Monitoring Officer): The Monitoring Officer is not aware of any significant governance issues in relation to member code of conduct and complaints for 2024/25. The work in strengthening the governance concerning acquisitions and disposals, Information Governance and Delivery of the Housing Improvement Plan will be reviewed again during 2025/26. New governance controls in relation to the Councils financial position were introduced in 2024/2025 and will continue into 2025/2026.
- Head of Audit and Risk Management: Internal audit continues to focus on areas of risk in the organisation and on areas where governance improvements are necessary, based on the work of internal and external audit. During 2024/25, the Council is taking steps to improve governance over areas identified as significant governance issues, though for most, full implementation will continue into the next financial year and probably beyond. For the audit work completed, weaknesses in internal controls were identified from the work of internal audit.

Specifically, audits assigned a low level of assurance were: Financial Assessment of Clients, Leisure Services Insourcing (pre-implementation), Governance over Delivery of Savings, Support for Children provider payments process, Accounts Receivable (Sundry Debtors), New Operating Model –

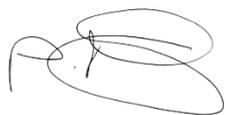
# ANNUAL GOVERNANCE STATEMENT

Procurement Act 2023, Corporate Performance and Intelligence and Change Projects and Programme Portfolio (Change Portfolio), Management Over Gifts & Hospitality, Management of Staff Performance, Review and Management of Off Contract Spend, and Implementation of Panacea (Procurement source to pay system). The work of internal audit also reported on work that began in 2023/24 but was completed in 2024/25.

- 5.3 The Head of Audit and Risk Management has also provided an Annual Audit Report and opinion for 2024/25. The report concluded that in most areas across the Council, with the exception of those areas receiving 'limited' or 'Nil' assurance are where audit actions had not been completed as planned, there are sound internal financial control systems and corporate governance arrangements in place, and that risk management arrangements are satisfactory. The Annual Report highlighted the root cause of a number of risks identified from audits and the subsequent recommendations; these include management control to direct services, record keeping and data quality, the maintenance of full audit trails, and supervision controls.
- 5.4 Directorate Management Teams have discussed a statement of assurance covering 2024/25 which is informed by work carried out by Corporate Directors; Directors; Heads of Service and Managers; internal audit; any external assessments; and risk management processes. The statements are used to provide assurance that any significant control issues that have been brought to their attention have been dealt with appropriately. No significant governance issues, apart from those identified at paragraph 4.2 were recorded.
- 5.5 The Chartered Institute of Public Finance and Accountancy (CIPFA) statements on the role of the Chief Financial Officer and **the role of the Head of Internal Audit in public service organisations have both** been incorporated into the Council's overall governance arrangements. During 2024/25, the Council can confirm that both the Chief Financial Officer and **Head of Internal Audit** fulfilled all the requirements set out within the CIPFA statements. No gaps in compliance were identified for either role.
- 5.6 The Leader of the Council and the Chief Executive have been advised of the implications of the result of the review of the effectiveness of the governance framework by the Audit Committee, and a plan to implement enhancements and ensure continuous improvement of the system is in place.
- 5.7 The evidence provided concerning the production of the Annual Governance Statement has been considered by the Chief Executive and will be considered by the Council's Audit Committee in July 2025. The Statutory Officers concluded that the Council has satisfactory governance systems in place and satisfactory plans to address the identified issues to ensure improvement; these arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The Chief Executive along with the other members of the Corporate Leadership Team are committed to implementing the action plan, strengthening, and improving controls and keeping the effectiveness of the Council's corporate governance arrangements under review during the year.

Signed by:

## GLOSSARY



**Councillor Peray Ahmet**

**Leader of the Council**

Date: 25 June 2025



**Andy Donald**

**Chief Executive**

Date: 24 June 2025

**Accounting Policies** are those principles, bases, conventions, rules and practices that specify how the effects of transactions and other events are to be reflected in financial statements. Accounting policies define the process whereby transactions and other events are reflected in the financial statements.

**Accruals** are amounts included in the accounts for income and expenditure in relation to the financial year but not received or paid at 31 March.

**Amortisation** is the loss in value of an intangible asset due to age, wear and tear, deterioration or obsolescence through technological or other changes.

## GLOSSARY

**Assets** are all items of significant economic value owned by the Council, including those which can be converted to cash and those held for cultural and other reasons (heritage assets).

**Capital expenditure** is expenditure on the purchase, construction and enhancement of Council assets such as houses, offices, schools and roads.

**Capital financing** describes the method of financing capital expenditure, the principal methods now being loan and revenue financing and government grants.

**Capital Receipts** is income received from the sale of land, buildings or equipment.

**Creditors** are amounts owed by the Council for goods and services supplied, but for which payment has not been made at the end of the financial year

**Community Assets** are a class of fixed assets that are expected to be held by the council in perpetuity to deliver services (e.g parks).

**Council Tax** is a local property tax on domestic dwellings within the borough.

**Council Tax Base** converts the domestic properties in the borough by council tax band into an equivalent number of band D dwellings for the purpose of setting the council tax.

**Debtors** are amounts owed to the Council but not received at the end of the financial year.

**Defined benefit pension scheme** is a type of pension scheme which promises a certain level of retirement income to its members. The amount of retirement income is usually a fraction of the worker's

yearly earnings for each year they have been a member of the scheme. For example, it might be 1/49<sup>th</sup> of final pay for each year.

**Defined contribution pension scheme** is a type of pension scheme where the retirement income a member gets depends on how much has been contributed, investment returns and the amount of charges over time.

**Depreciation** is the loss in value of a tangible asset due to age, wear and tear, deterioration or obsolescence through technological or other changes. Depreciation is a 'non-cash' charge as it merely reflects accounting assessments of the loss in value.

**Events after the balance sheet date** are those events, favourable or unfavourable, that occur between the balance sheet date and the date when the Statement of Accounts is authorised for issue.

**Expected Credit Loss** is a measure of impairment of a financial asset (e.g the amounts owed to the Council) based on the estimated difference between the contractual and expected cashflow. The impact of current and future economic conditions is taken into account when estimating the loss.

**Finance and Operating Leases** are financing arrangements with a third party. A finance lease substantially transfers all of the risks and rewards of ownership of a fixed asset to the lessee. Such assets have been valued and included under non-current assets in the Balance Sheet. With an operating lease, the ownership of the asset remains with the leasing company and the annual rent is charged to the relevant service account.

**General Fund** is the Council's main revenue account that covers the net cost of all services other than the provision of Council housing for rent.

**Impairment** describes a reduction in the value of a non-current asset below its carrying amount on the Balance Sheet.

## GLOSSARY

**International Financial Reporting Standards (IFRS)** are the accounting standards adopted by the International Accounting Standards Board (IASB). Councils are required to produce their accounts using IFRS.

**Materiality** of an item is determined by whether its omission, non-disclosure or misstatement in the financial statements could be expected to lead to a distortion of the view given by the financial statements.

**Medium Term Financial Strategy (MTFS)** is the Council's document which sets out the estimated financial impact of changes to our resources and costs of service provision, taking into account agreed principles and priorities. Typically spanning 3 to 5 years it allows the Council to adopt a strategic approach to planning its finances in the context of significant change.

**Minimum Revenue Provision (MRP)** is the minimum amount that the Council must charge to the revenue account in the year in respect of the repayment of principal of borrowing for capital purposes. In the accounts the MRP is included within capital financing charges.

**Non-Domestic Rate (NDR)** is a levy on businesses, based on a national rate in the pound set by the Government, multiplied by the 'rateable value' of the premises they occupy. It is also known as 'business rates'. The new Business Rate Retention Scheme allows Council's to retain a proportion of the income received.

**OFSTED** is the Office for Standards in Education, Children's Services and Skills.

**Outturn** is the actual income and expenditure in a financial year.

**Precept** is an amount which the Council is required to collect from

the Council Tax on behalf of other (non-billing) authorities, such as the Greater London Authority in London, to finance their net expenditure.

**Provision** is an amount, which is set aside for a liability or loss in respect of a past event, which is likely to be incurred, but where the exact amount and date on which it will arise is uncertain.

**Reserves (Unusable)** are reserves that cannot be released to spend on services. For example, the Revaluation Reserve records the effect of revaluing fixed assets and is not available for general use in the financing of capital expenditure.

**Reserves (Usable)** are those reserves that can be released to spend on services or added to for future spending on services.